



**The Housing Authority of the County of Santa Cruz**

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**THE HOUSING AUTHORITY OF THE  
COUNTY OF SANTA CRUZ, CALIFORNIA**

*for and in partnership with the County of Santa Cruz Planning Department*

**Request for Proposal (RFP)**

FOR

***Consulting Services for Study of Approaches to  
Regulations, Utilities and Financing to Support  
Creation of Accessory Dwelling Units (ADUs)***

**RFP PROPOSALS DUE:**

**JUNE 1, 2016**

**4:00 p.m. PST**

**Housing Authority of County of Santa Cruz**

**2931 Mission Street, attn. Mark Failor**

**Santa Cruz, CA 95060**

**CONTACT: MARK FAILOR**

**EMAIL [mark@hacosantacruz.org](mailto:mark@hacosantacruz.org)**

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**SECTION 1 - INVITATION**

The Housing Authority of the County of Santa Cruz (Housing Authority) in partnership with the County of Santa Cruz Planning Department, invites experienced contractors to submit their professional qualifications and proposals for services to provide a **Study of Approaches to County Regulations, Utilities and Financing to Support Creation of Accessory Dwelling Units (ADUs)** (the “Study”). Information and/or materials provided shall include but not be limited to evidence of being or contracting with, fully licensed, insured, bonded, and certified contractors, and ability to furnish all labor, tools, equipment, and incidentals required to provide the Study for the Housing Authority of the County of Santa Cruz and the County of Santa Cruz. The selected contractor will create and implement a multi-part Study as described in Section 3 - Scope of Work.

It is the County’s intent to award all services to one contractor or firm for the requested Consulting Services, as an independent contract agreement for the Study. However, alternatives such as partnerships between contractors will also be considered. If a contractor partnership is submitted, a clear explanation of the qualifications, roles and responsibilities of each partner must be contained within the response, the prime contractor identified, and a single point of contact representing the partnership will be required for interaction with the Housing Authority and the County of Santa Cruz.

**SECTION 2 - INSTRUCTIONS TO RESPONDENTS**

2.1 Preparation of RFP Proposal

Respondent shall submit completed proposal with the required attachments (exhibits and explanatory materials) as applicable. All attachments shall be identified with the Respondent’s name, RFP number and page number. No oral, telegraph, telephone, facsimile, electronic responses or photocopies will be accepted. Proposal must be completed in ink, typewritten, or word-processed.

2.2 RFP Process Schedule

The schedule for submittal and review of proposals and notification of Respondents follows. The Housing Authority, acting in partnership with the County of Santa Cruz, may change these dates as deemed necessary or appropriate.

<b>Activity</b>	<b>Date</b>
Release RFP -	April 27, 2016
Advertise RFP – The Sentinel, Housing Authority’s and County’s websites	April 27 – May 3, 2016
Deadline for Submitting Written Questions	May 12, 2016
Dissemination of Written Questions and Answers	May 16, 2016
Deadline for Submitting Proposals	June 1, 2016 by 4:00 PM
Contractor Interviews – Ranked 1, 2, 3	June 6, 2016 – June 10, 2016
Negotiate final Scope of Work and Contract With Contractor(s) as Ranked	June 10, 2016 – June 14, 2016
Housing Authority Board Approval of Consulting Services Contract / Execute	June 22, 2016

Effective Date of Contract / Start Work	July 1, 2016
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2.3 Submission of Proposal

- a. Respondent shall submit four (4) hardcopies: one (1) original and three (3) copies; and one (1) electronic copy (USB drive or CD) of the completed proposal and the following:
  - Exhibit A – Respondent Fact Sheet
  - Exhibit B – Customer References
  - Exhibit C – Designation of Subcontractors
  - Exhibit D – Non-Collusion Declaration
  - Exhibit E – Insurance Requirements and Certificates
  - Exhibit F – Protest and Appeals Procedures
- b. Proposal documents shall be delivered in a sealed envelope, clearly marked **RFP ADU STUDY** and addressed to:
  - Housing Authority of the County of Santa Cruz
  - Attn: Mark Failor
  - 2931 Mission Street
  - Santa Cruz, CA 95060
- c. Proposals received will be available to the public for review after the completion of negotiations with the contractor selected for award.

2.4 Deadline for Submitting Proposals

The deadline for submitting proposals is June 1, 2016, at 4:00 p.m. Pacific Daylight Time (PDT).

2.5 Multiple Proposals

Only one proposal will be accepted from any one person, partnership, corporation or other entity; however, contractors partnering with other contractors may be identified with more than one proposed contractor team. Also, multiple alternatives may be included in one proposal.

2.6 Late Proposals

Proposals must be received no later than June 1, 2016, at 4:00 p.m. PDT. Proposals will not be accepted after the deadline for submittals. All proposals received after the deadline for submittals will be returned unopened.

2.7 Point of Contact

Respondent shall direct all questions regarding the RFP to the Housing Authority Contact, Mark Failor, via e-mail at [mark@hacosantacruz.org](mailto:mark@hacosantacruz.org) with e-mail cc's concurrently sent to both Kathy Previsich and Julie Conway of the County of Santa Cruz Planning Department, at:

[Kathy.Previsich@santacruzcounty.us](mailto:Kathy.Previsich@santacruzcounty.us) and [Julie.Conway@santacruzcounty.us](mailto:Julie.Conway@santacruzcounty.us)

Mark Failor will coordinate answers to all questions, and no other person has the authority to respond to any questions submitted unless specifically authorized by Mr. Failor. Respondent may be disqualified for failure to adhere to this process.

2.8 References

- a. Respondent shall submit Exhibit B – Client References with the RFP. Reference checks should confirm that Respondent has successfully performed the proposed services on similar projects, including completion within budget, schedule and scope.
- b. The Housing Authority of the County of Santa Cruz and/or the County of Santa Cruz reserve the right to check any or all references (1) necessary to assess a prospective

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Respondent's past performance; (2) pertaining to similar projects that demonstrate experience that is relevant to the RFP scope of work; and/or (3) explicitly specified in the proposal or that result from communication with other entities involved with similar projects, including other industry sources and users of similar services known to the Housing Authority and to the County of Santa Cruz.

2.9 Non-Collusion Declaration

Respondent shall execute and submit Exhibit D – Non-Collusion Declaration.

2.10 Evaluation Criteria

a. If a contract is awarded, it will be awarded to the responsive and responsible Respondent that offers the greatest value based on the following criteria:

<u>Criteria</u>	<u>Points</u>
1. Quality of your company's or your partnership's proposed approach for developing the work plan described herein under the Scope of Work, including a more detailed list of tasks and a completion schedule.	<b>40</b>
2. A minimum of three (3) examples of active involvement in successful similar projects requiring evaluation of regulatory obstacles and identification of approaches to appropriately address obstacles. Projects similar to an ADU/second unit amnesty program; evaluation and collaboration with utility providers to foster charges that appropriately address ADU circumstances and occupancies as a single family residential use; research to document how existing ADUs are functioning to provide housing; presentation of material and recommendations at public workshops and public hearings; and identification and development of approaches to providing financing to support feasible construction of ADUs/housing units. Involvement working in or for jurisdictions with similar circumstances as Santa Cruz County is desirable.	<b>30</b>
3. Cost of Services relative to Value of Contractor Expertise.	<b>20</b>
4. Evaluation of exceptions with the RFP and contractual requirements	<b>10</b>
<b>Total</b>	<b>100</b>

b. Housing Authority staff, along with County of Santa Cruz Planning Department staff, will evaluate all proposals. Housing Authority staff will assist County Planning Department staff in selecting the respondent who and (1) best meets the needs as set forth in the RFP, (2) is best qualified, and (3) is best able to provide the requested services. The Housing Authority and County reserve the right to reject any or all proposals. Contract award is contingent upon Housing Authority Board of Commissioners approval if the cost of the contract is \$100,000 or more.

2.11 Reservations

Housing Authority, in collaboration and partnership with the County of Santa Cruz, reserves the right to do the following at any time:

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- a. Reject any and all proposals without indicating any reasons for such rejection.
- b. Waive or correct any minor or inadvertent defect, irregularity or technical error in the RFP or any RFP procedure or any subsequent negotiation process.
- c. Terminate the RFP and issue a new RFP anytime thereafter.
- d. Procure any services specified in the RFP by other means.
- e. Extend any or all deadlines specified in the RFP by issuance of an addendum at any time prior to the deadline for submittals.
- f. Disqualify any Respondent on the basis of any real or perceived conflict of interest or evidence of collusion that is disclosed by the proposal or by other means or other information available to Housing Authority or the County of Santa Cruz.
- g. Reject the proposal of any Respondent that is in breach of or in default under any other agreement with Housing Authority or the County of Santa Cruz.
- h. Reject any Respondent deemed by Housing Authority or the County of Santa Cruz to be non-responsive, unreliable, or unqualified.

2.12 Cost of Service

A tentative budget allocation within a range of between \$100,000 to \$150,000 has been established. The work shall be performed for the fixed price, annual price, monthly price or hourly rate as indicated. The Housing Authority, in partnership with the County of Santa Cruz Planning Department, reserves the right to negotiate the proposed cost with Respondent prior to contract signing. Agreed-to costs and cash discounts shall be firm through the end of the first contract term. Upon renewal, rates may be adjusted by mutual agreement. Any subsequent cost increase will be no more than the change in the Consumer Price Index for the San Francisco, Oakland and San Jose, CA area for the twelve (12) months preceding the agreement's expiration date, plus the annual Living Wage increase. A subsequent CPI and/or materials cost decrease shall be passed on to the Housing Authority or County of Santa Cruz.

2.13 Notification of Withdrawal of Proposal

Respondent or its authorized representative may modify or withdraw its proposal prior to the deadline for submittals by formal written notice. All proposals not withdrawn prior to the deadline for submittals will become the property of the Housing Authority, as well as the County of Santa Cruz.

2.14 Discrepancies, Omissions and Interpretations

If Respondent observes a discrepancy or omission in, or is unclear about any RFP specifications or requirements, Respondent shall notify Mark Failor via e-mail [mark@hacosantacruz.org](mailto:mark@hacosantacruz.org) and shall concurrently cc the e-mail to County of Santa Cruz staff at [Kathy.Previsich@santacruzcounty.us](mailto:Kathy.Previsich@santacruzcounty.us) and [Julie.Conway@santacruzcounty.us](mailto:Julie.Conway@santacruzcounty.us)

The Housing Authority, in collaboration and partnership with the County of Santa Cruz, may issue clarifications or instructions in the form of an addendum. Respondent is responsible for seeking clarification on anything in the RFP that is unclear. The Housing Authority and the County of Santa Cruz shall not be held responsible for interpretations. Respondent must submit questions in writing by May 12, 2016, 5:00 p.m. PDT. The Housing Authority, in collaboration and partnership with the County of Santa Cruz, will disseminate written questions and answers in the form of an addendum. All addenda issued shall be incorporated into the contract awarded as a result of the RFP.

2.15 Notice of Intent to Award

Notice of Intent to Award may be issued upon receipt of all required documents.

2.16 Pre-Award Conference

As requested by Housing Authority and County, selected Respondent shall meet in person or over the telephone with the Housing Authority and/or the County of Santa Cruz prior to the award of a contract to review the scope of work and finalize the initiation of the contract.

2.17 Responsibility and Performance

- a. Housing Authority, as well as the County of Santa Cruz, will consider Respondent to be the sole point of contact with regard to all contractual matters.
- b. Respondent shall provide the services of one (1) or more qualified contract manager(s) responsible for assuring that the services provided under the awarded contract are satisfactory.

2.18 Qualifications

Respondent shall provide the following information and/or documentation, in attachment form as part of the proposal and shall reference the RFP paragraph number.

- a. Experience: Refer to Section 3.4.
- b. References: Refer to Exhibit B – Client References.
- c. Other Information: Respondent may provide any other information deemed appropriate.

2.19 Addenda

- a. These documents may not be changed by any oral statement. Changes to these documents will be written addendum issued by Mark Failor or his designee, working in collaboration and partnership with the County of Santa Cruz.
- b. Addenda will be posted on the Housing Authority's website and on the County of Santa Cruz' website. If/when necessary, a written addendum will be emailed, faxed or mailed to all known prospective Respondents.

2.20 Proprietary Information

Proposal will be subject to public inspection. To protect proprietary information, if any, Respondent must clearly mark proprietary information as such, submit it in a separate sealed envelope and only reference it within the body of the proposal.

2.21 Cost Liability

All costs incurred in the submission of a proposal or in making necessary studies, designs, or computer benchmarks of estimates for preparation of a proposal are the sole responsibility of the Respondent.

2.22 Protest and Appeals Procedures

Refer to Exhibit F – Protest and Appeals Procedures.



## **SECTION 3 - SCOPE OF WORK**

### 3.1 Background

The County of Santa Cruz County Code already allows for creation of Accessory Dwelling Units (ADUs or “second units”) in accordance with County Code Section 13.10.681 (Exhibit G). However, a number of regulatory obstacles have been identified that can make it difficult to create an ADU in some circumstances, and the Study will evaluate these and other obstacles that may be discovered and propose methods to amend regulations to remove or ease these obstacles (see Exhibit H for initial list). A second unit amnesty program has been adopted by many jurisdictions and may be appropriate for the County of Santa Cruz. At times, neighbors or communities are concerned about possible impacts on privacy, aesthetics or character of an area. Pictures and illustrations of “best practices” can be provided within a County ADU Design Book to both assist in addressing concerns of citizens, and guide future applications for ADUs. Additionally, it would be useful to understand how existing ADUs function in the provision of housing, in order to understand how to encourage more ADUs used for long term rental housing for smaller households. Information about the “tiny home” movement, and evaluation of whether or not accommodation/regulation of “tiny homes” in a manner distinct from “tiny ADUs” would be suitable, is also desired.

Utility providers currently tend to charge the same level of connection and capacity charges for an ADU as for a single family home, and some require separate laterals rather than joint use and sub-metering from an existing lateral. The selected contractor will study approaches used by other utility providers, and interact with County of Santa Cruz utility providers to prepare alternate approaches that will better accommodate creation of ADUs in recognition of their single-family status on an existing developed property and lower household sizes.

It can be difficult to obtain construction and permanent financing to construct an ADU, and the County requests that the contractor create a financing guide and make it available to the lending community and the public that would analyze and propose appropriate loan-to-value criteria, recognize income to property owner, and other criteria upon which to base lending for ADUs. The contractor will create a list of lenders or programs which do offer supportive terms for ADU creation.

Finally, it is also requested that a contractor assist the Housing Authority and/or County of Santa Cruz with development of a County ADU Loan and/or Grant program that could be made available to property owners to assist with creation of rental ADUs that will be deed-restricted to prices affordable to income-qualified tenants for a specified timeframe. The matter of whether such a loan/grant would trigger compliance with prevailing wages for all or any portion of the ADU project will need to be addressed.

The Housing Authority of the County of Santa Cruz, under contractual agreement with the County of Santa Cruz, provides information and services related to housing and affordable housing programs and activities. For certain activities, the Housing Authority works in partnership with County of Santa Cruz staff to complement the services provided through the Housing Authority Housing Services Contract. Therefore, both the Housing Authority as “procuree” of the contractor, as well as the County of Santa Cruz Planning Department, will participate with the selected contractor to determine the method and necessary details of providing the services described in the Scope of Work to prepare the Study. The

selected contractor is responsible for the means and methods used in its performance of the services as so determined.

### 3.2 Description of Proposed Services

The Study shall include services as related to creating the following Study deliverables (also see Exhibit H).

a. A document that reviews existing County regulations which pertain to Accessory Dwelling Units (ADUs), identifies provisions which can act to make development of ADUs infeasible or not allowed, and proposes amendments to such provisions in order to remove or ease obstacles. County staff will be available to work with the selected contractor. Develop a proposed ADU/Second Unit Amnesty Program. Develop recommendations regulation of “Tiny ADUs” and “Junior ADUs” differently from larger ADUs, with regard to minimum lot size, parking, kitchen amenity levels, and so forth.

b. A County ADU Design Book (non-regulatory guidebook) that contains pictures and illustration of “best practices” for accommodating ADUs in different contexts, such as in rural areas, on existing developed urban lots, and within proposed new single-family residential developments. Material may be gathered from existing published documents or other jurisdictions as long as the source material is properly attributed. As needed, new pictures, illustrations or graphics may be created to appropriately convey desirable approaches to accommodating ADUs within the various contexts that exist in the unincorporated county area. Depict a range of ADU types, including both Tiny ADUs and Junior ADUs. Show a variety of configurations for each such as detached ground-level, second floor over garage, created from portion of an existing dwelling unit, and so forth.

c. A document that reviews approaches to and levels of existing charges for connection and capacity fees for water and sewer/sanitation utility services, including identifying any state regulations that affect fees and the provision of new meters and sub-meters.. Review current practices of County of Santa Cruz districts (Santa Cruz Municipal Utilities, Soquel Creek Water District, Sanitation District(s), other Water Districts); as well as practices of other jurisdictions that are known to be supportive of ADU development. Also review levels of development impact fees (roadside, transportation, parks and childcare) and school impact fees charged for “regular” single family homes as against Regular ADUs, Tiny ADUs and Junior ADUs. Explore whether charges and fee levels are or should be reduced or waived for ADUs, smaller ADUs and/or “amnesty ADUs”, and work with utility districts and others to gain support for new approaches that are more supportive of ADU development.

d. An ADU Financing Guidebook, to be made available to the public and to the lending community, that reviews and proposes approaches to obtaining and making loans for the purpose of ADU creation, as well as for ADU legalization under an amnesty program. Address loan-to-value, income from ADU rental, financing work for building code compliance, funding sources for homeowners, best practices for lenders that are supportive of financing ADUs. Also, work with Housing Authority and County Staff to develop a proposed County ADU Loan and/or Grant program that would be made available to property owners to assist with creation of rental ADUs that will be deed-restricted to prices affordable to income-qualified tenants for a specified timeframe. The matter of whether such a loan/grant would trigger compliance with prevailing wages for all or any portion of the ADU project will need to be addressed. The proposed loan/grant program would be presented within the ADU Financing Guidebook for consideration by the agencies that govern the funding source(s). The role of Section 8 vouchers as a

component of a financing strategy and/or an affordable ADU funding program will be addressed.

This process will also include the following activities:

1. Community meetings held during Fall 2016 to present information and gather public input from locations throughout the unincorporated area. Assume 6 community meetings.
2. Regular consultation with Housing Authority and/or County of Santa Cruz staff on status of the Study efforts;
3. Periodic meetings with utility providers, permitting departments/agencies, Coastal Commission staff and other relevant parties. Assume 8 meetings.
4. Attendance and participation at County of Santa Cruz workshops and public hearings before the Housing Advisory Commission, Planning Commission, and Board of Supervisors. Assume 6 meetings.

### 3.3 Specific Tasks or Phases of Work to be Performed, Estimated Budget and Time

The specific tasks necessary for the preparation of the Study, with estimated budget, staffing and time needed for each task/phase, shall be presented by respondents in a Proposed Detailed Scope of Work that is submitted with the Proposal responsive to this RFP. Ensure that the specific tasks address the items listed in Section 3.2 of this RFP as well as the items listed in Exhibit H, as part of the Proposed Detailed Scope of Work.

### 3.4 Qualifications

To be considered, respondents must meet the following qualifications and provide the support information identified below. Proposals which do not meet these minimum qualifications may be deemed nonresponsive.

- a. Minimum of three (3) years of demonstrated professional and/or institutional experience with activities related to creation of land use policies and regulations, creation/operation of affordable housing programs, development feasibility analyses, and/or permitting, financing and construction of residential and/or accessory dwelling unit structures/developments in California;
- b. A minimum of three (3) years of documented qualifications and experience of the entity or entities, providing similar services for public agencies in California, or similar jurisdictions;
- c. Minimum of three (3) years of experience with efforts, preferably in California, that include community/stakeholder outreach; and presentations of material and contractor recommendations at public workshops and public hearings;
- d. Minimum of three (3) years experience representing, advising and collaborating with government, utility providers, non-profit and/or for-profit entities on housing development and affordable housing activities.
- e. Identify key personnel of Contractor, and multiple personnel if a Contractor Team, and a project team organizational chart. The summary should clearly identify the person who will serve as the principal point of contact and will be authorized to speak on behalf of any proposed Team.

- f. Include a list of references pertaining to the Contractor's or Contractor Team's performance in providing services of a similar type, scale, and complexity. Respondents must submit at least three references.

### 3.5 Additional Questions/Materials

- a. List the entities within California, if any, for which your company is currently providing and/or previously provided related services. Provide contact information for each.
- b. List the local/regional partners and technical experts with whom your company successfully worked on other projects and/or intends to work with on this project. Provide contact information for each.
- c. Provide three (3) examples of detailed community outreach and education plans that your company developed and implemented. Provide a brief explanation of challenges and/or issues that occurred during the course of implementation and explain how your company resolved these issues.
- d. Indicate your company's proposed approach for developing the work plan described here under the Scope of Work, including a more detailed list of tasks, staff hourly rates, not-to-exceed cost, and a completion schedule.
- e. Provide resumes for the staff and any collaborating contractors who will provide the services if your company is chosen.
- f. Provide the name, title, telephone number, physical address and e-mail address of the person who will be responsible for administering the contract, if awarded.

## **SECTION 4 - STANDARD TERMS AND CONDITIONS**

The following provisions are expected to form the basis for the contract between the Housing Authority and successful Contractor. Failure of any respondent to clearly state all exceptions to any of the requirements set forth herein in its proposal shall be grounds for the Housing Authority to find said proposal non-responsive. Housing Authority will make its determinations in collaboration and partnership with the County of Santa Cruz. Exceptions may render proposals unresponsive.

### 4.1 Purpose of Contract

The purpose of Contract is to establish the terms and conditions under which Contractor shall provide the services specified herein to the Housing Authority, who is working under contract and in partnership with the County of Santa Cruz.

### 4.2 Term of Contract

The term of Contract shall be for one year, from July 1, 2017 through June 30, 2017. However, a shorter timeframe for completion of the Study activities is preferred. Timeline must incorporate an allowance for County preparation of CEQA document prior to formal public hearings before the County Planning Commission and Board of Supervisors.

### 4.3 Price Guarantee and Changes

After award, Housing Authority's cost will remain the same during Contract term. No changes or additional service charges shall be made or imposed during the life of

Contract, nor will bills for changes or extra charges, modifications or deviations be recognized or paid except upon written order from the Housing Authority in advance of any additional work being performed, which order shall only be issued in collaboration with the County of Santa Cruz.

4.4 Licenses, Permits and Certifications

- a. Contractor and Contractor's employees shall possess all applicable licenses, permits and certifications required by the State of California. Contractor shall incorporate all applicable licenses, permits and certifications into the RFP and provide to Housing Authority.
- b. Contractor shall also maintain all other business and professional licenses required by Federal, State and local codes.

4.5 Compliance with Laws

Contractor shall, during the term of Contract, comply with all applicable Federal, State and local rules, regulations and laws.

4.6 Termination

Housing Authority, in collaboration and partnership with the County of Santa Cruz, reserves the right to terminate Contract, in whole or in part, at any time, for any reason, without penalty. Upon agreement between the Housing Authority and the County of Santa Cruz that the Contract is to be terminated, the Housing Authority shall give Contractor thirty (30) days written notice prior to the effective date of termination.

4.7 Assignment

Contractor shall not assign Contract, or any interest herein, without the prior written consent of Housing Authority, working in collaboration and partnership with the County of Santa Cruz. Housing Authority reserves the right to approve Contractor's assignee under whatever terms and conditions Housing Authority may require, after conferring with the County of Santa Cruz about the contemplated action. Contractor must provide both the Housing Authority and the County of Santa Cruz thirty (30) days written notice prior to sale of Contractor. Housing Authority, in collaboration and partnership with the County of Santa Cruz, may elect to cancel Contract at that time. Housing Authority may, at its sole discretion working in collaboration and partnership with the County of Santa Cruz, permit the new owner to assume all existing Contract terms and conditions.

4.8 Inclusion of Documents

The RFP, all addenda and the proposal submitted in response to the RFP shall be become a part of any contract awarded as a result of the RFP.

4.9 Invoicing

Contractor shall itemize all applicable service and labor charges on its invoices, which shall be transmitted by Contractor to the contracting department. Each invoice must clearly identify the following information:

- a. Housing Authority contract or purchase order number
- b. Service location
- c. Time and date of service
- d. Signature of department contact or designee

4.10 Off-Shore Outsourcing of Services

Contractor shall certify that all services performed on any purchase order or contract with Housing Authority, either by Contractor or subcontractor(s) will be performed solely by workers within the United States.

4.11 Force Majeure

Contractor shall not be liable for any delays with respect to Contract due to causes beyond its reasonable control, such as acts of God, epidemics, war, terrorism or riots, subject to prompt notice requirements as set forth in the final contract.

4.12 Severability

Should any part of Contract be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect the validity of the remainder of Contract, which shall continue in full force and effect; provided that the remainder of Contract can, absent the excised portion, be reasonably interpreted to give the effect to the intentions of the parties.

4.13 Controlling Law

Contract shall only be governed and construed in accordance with the laws of the State of California, and the proper venue for legal action regarding Contract shall only be in the County of Santa Cruz.

4.14 Amendment

Amendment to or modification of the terms and conditions of Contract shall be effective only upon the mutual consent in writing by the parties hereto, which the Housing Authority will enter into only in collaboration and partnership with the County of Santa Cruz.

4.15 Indemnity and Insurance Requirements

- a. Contractor shall provide Certificates of Insurance for Liability, Automobile, and Workers' Compensation to Purchasing before Contract is signed. Insurance as specified must remain in effect throughout the entire term of Contract. Refer to Exhibit E – Insurance Requirements and Certificates.
- b. Housing Authority and/or the County of Santa Cruz reserve the right to withhold payments to Contractor or cancel Contract in the event of non-compliance with the insurance requirements outlined in paragraph 4.17(a).

4.16 Default

- a. In addition to its remedies under paragraph 4.6, Housing Authority may, after collaboration with the County of Santa Cruz, by written notice of default to Contractor, terminate Contract in whole or in part if Contractor fails to:
  1. Make delivery of the supplies or to perform within the time specified herein or promised, or any extension thereof; or
  2. Perform any of the other provisions of Contract.
- b. In the event Housing Authority terminates Contract in whole or in part, as provided in paragraph 4.17(a), Housing Authority working in collaboration and partnership with the County of Santa Cruz may procure, upon such terms and in such manner as Housing Authority and County of Santa Cruz deem appropriate, supplies, services or work similar to those so terminated, and Contractor shall be liable to Housing Authority for any excess costs for such similar supplies, services or work; provided that Contractor shall continue the performance of Contract to the extent not terminated under the provisions provided herein. Contractor shall not be liable for any

excess costs if the failure to perform Contract arises out of causes beyond the control and without the fault and negligence of Contractor.

4.17 Equal Employment Opportunity

During and in relation to the performance of Contract, Contractor agrees as follows:

- a. Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, national origin, ancestry, physical or mental disability, medical condition (cancer related), marital status, sexual orientation, age (over 18), veteran status, gender, pregnancy, or any other non-merit factor unrelated to job duties. Such action shall include, but not be limited to: recruitment; advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training (including apprenticeship), employment, upgrading, demotion, or transfer. Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notice setting forth the provisions of this non-discrimination clause.
- b. If Contract provides compensation in excess of \$50,000 to Contractor and if Contractor employs fifteen (15) or more employees, the following requirements shall apply:
  1. Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, ancestry, physical or mental disability, medical condition (cancer related), marital status, sexual orientation, age (over 18), veteran status, gender, pregnancy, or any other non-merit factor unrelated to job duties. Such action shall include, but not be limited to: recruitment; advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training (including apprenticeship), employment, upgrading, demotion, or transfer. In addition, Contractor shall make a good faith effort to consider Minority/Women/Disabled-Owned Business Enterprises in Contractor's solicitation of goods and services.
  2. Contractor may be declared ineligible for further agreements with Housing Authority in the event of non-compliance with the non-discrimination clauses of Contract or with any of said rules, regulations or orders.
  3. Contractor shall cause the foregoing provisions of this subparagraph to be inserted in all subcontracts for any work covered under Contract by a subcontractor compensated more than \$50,000 and employing more than fifteen (15) employees, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

4.18 Independent Contractor Status

- a. Contractor and Housing Authority have reviewed and considered the principal test and secondary factors below and agree that Contractor is an independent contractor and not an employee of Housing Authority. Contractor is responsible for all insurance (workers' compensation, unemployment, etc.) and all payroll related taxes. Contractor is not entitled to any employee benefits. Housing Authority agrees that Contractor shall have the right to control the manner and means of accomplishing the result contracted for herein. It is recognized that it is not necessary that all secondary factors support creation of an independent contractor relationship, but rather that overall there are significant secondary factors that indicate that Contractor is an independent contractor.

b. Principal Test:

Contractor rather than Housing Authority has the right to control the manner and means of accomplishing the result contracted for, while recognizing that the Contractor will be working in collaboration with the County of Santa Cruz Planning Department on certain regulatory amendment work products.

c. Secondary Factors:

(1) The extent of control which, by agreement, Housing Authority may exercise over the details of the work is slight rather than substantial; (2) Contractor is engaged in a distinct occupation or business; (3) In the locality, the work to be done by Contractor is usually done by a specialist without supervision, rather than under the direction of an employer; (4) The skill required in the particular occupation is substantial rather than slight; (5) Contractor rather than the Housing Authority supplies the instrumentalities, tools and work place; (6) The length of time for which Contractor is engaged is of limited duration rather than indefinite; (7) The method of payment of Contractor is by the job rather than by the time; (8) The work is part of a special or permissive activity, program, or project, rather than part of the regular business of Housing Authority; (9) Contractor and Housing Authority believe they are creating an independent contractor relationship not an employer-employee relationship; and (10) Housing Authority conducts public business.

4.19 Acknowledgement

Contractor shall acknowledge in all reports and literature that Santa Cruz County has provided funding to Contractor and partnered with the Housing Authority of the County of Santa Cruz to prepare the Study.

4.20 Retention and Audit of Records

Contractor shall retain records pertinent to Contract for a period of not less than five (5) years after final payment under Contract or until a final audit report is accepted by Housing Authority and by the County of Santa Cruz as required, whichever occurs first. Contractor hereby agrees to be subject to the examination and audit by the Housing Authority, County Auditor-Controller, the Auditor General of the State of California, or the designee of either for a period of five (5) years after final payment under Contract.

4.21 Presentation of Claims

Presentation and processing of any or all claims against the County arising out of or related to Contract shall be made in accordance with the provisions contained in Santa Cruz County Code Chapter 1.05, which by this reference is incorporated herein.

4.22 Travel Reimbursement

All travel, hotel accommodations and meal expenses for services required under Contract, shall be charged at current per diem rates as follows:

- a. Mileage rates are limited to the maximum allowable IRS rate for California;
- b. Lodging rates are limited to the Federal maximum per diem rates plus the applicable transient occupancy taxes;
- c. Meal reimbursement rates are limited to Federal per diem rates. Any exceptions must be pre-approved by the County Auditor-Controller and the Housing Authority.

4.23 Data Security and Privacy – Protected Information

Contractor acknowledges that its performance of services or activities under Contract may involve access to confidential information including, but not limited to, personally-identifiable information, protected health information, or individual financial information



(collectively, "Protected Information") that is subject to Federal, State or other laws restricting the use and disclosure of such information. Contractor agrees to comply with all applicable Federal and State laws restricting the access, use and disclosure of Protected Information.

- a. Contractor agrees to hold Housing Authority's and County's Protected Information, and any information derived from such information, in strictest confidence. Contractor shall not access, use or disclose Protected Information except as permitted or required by Contract or as otherwise authorized in writing by the Housing Authority, the County of Santa Cruz, or applicable laws.
- b. Contractor agrees to protect the privacy and security of Housing Authority's and the County of Santa Cruz's Protected Information according to all applicable laws and regulations, by commercially-acceptable standards, and no less rigorously than it protects its own confidential information, but in no case less than reasonable care. Contractor shall implement, maintain and use appropriate administrative, technical and physical security measures to preserve the confidentiality, integrity and availability of the Protected Information.
- c. Within 30 days of the termination, cancellation, expiration or other conclusion of Contract, Contractor shall return the Protected Information to Housing Authority and the County of Santa Cruz unless the Housing Authority and the County of Santa Cruz request in writing that such data be destroyed. Contractor shall certify in writing to County and Housing Authority that such return or destruction has been completed.
- d. Contractor agrees to include the requirements contained in Sections 4.27(a) through 4.26(d) inclusive, in all subcontractor contracts providing services under Contract.

**SECTION 5 - OFFICIAL PROPOSAL FORM**

The undersigned offers and agrees to furnish all work, materials, equipment and incidentals required to provide the services subject to this Request for the costs stated and in conformance with the requirements, conditions and instructions of the Housing Authority of the County of Santa Cruz RFP.

Please submit the following with your proposal:

1. Letter of Transmittal (Include company info and a statement of qualifications).
2. Sample Cost Proposal Matrix.

Task 1	Assigned Staff / Contractor	Hours		Rate/Hour		Total
			\$		\$	
<b>Task 1 Total</b>					\$	

  

Task 2	Assigned Staff / Contractor	Hours		Rate/Hour		Total
			\$		\$	
<b>Task 2 Total</b>					\$	

3. Complete responses to Sections 3.4 and 3.5.
4. Respondent has complied with all requirements, terms and conditions of the RFP.

Yes \_\_\_\_\_ No \_\_\_\_\_

If "No", Respondent shall submit on company letterhead in attachment form a detailed explanation of all exceptions, with reference to the RFP section number, paragraph, etc.

I declare under penalty of perjury that I have not been a party with any other Respondent to offer a fixed cost in conjunction with this Request for Proposal.

Executed in \_\_\_\_\_ on \_\_\_\_\_  
City, State Date

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_ Telephone: \_\_\_\_\_

**SECTION 6 - EXHIBITS**

**Exhibit A**  
**RESPONDENT FACT SHEET**

Name of Contractor: \_\_\_\_\_

Contractor Tax ID#: \_\_\_\_\_

Contractor operates and business is classified as:

Sole Proprietor     Partnership     Corporation

Government     Fiduciary     Other

Is Contractor:

- 1. Authorized to do business in California?                      Yes\_\_\_ No\_\_\_
- 2. A California-registered small business?                      Yes\_\_\_ No\_\_\_
- 3. A disabled-owned business?                                      Yes\_\_\_ No\_\_\_
- 4. A women-owned business?                                        Yes\_\_\_ No\_\_\_
- 5. A minority-owned business?                                        Yes\_\_\_ No\_\_\_
- 6. Certified as a minority business by any public agency?    Yes\_\_\_ No\_\_\_

If yes, name of agency: \_\_\_\_\_

Name of certifying officer: \_\_\_\_\_ Phone #: \_\_\_\_\_

- 7. A Disadvantaged Business Enterprise (DBE) according to the definitions on page 24.  
If yes, indicate composition of ownership below.

% Disabled             % Women             % Black  
 % Hispanic             % Asian American     % Native American

Contractor has been in continuous operation under the present business name for \_\_\_ years.

Contractor's annual sales volume is \$\_\_\_\_\_

**Minority/Women/Disabled-Owned Business Enterprises Definitions**

(Refer to Exhibit A)

Standard definitions for Minority/Women/Disabled-Owned Business Enterprises for the purposes of Housing Authority and Santa Cruz County contract compliance procedures shall be as follows:

1. A **Minority Business Enterprise** (MBE) is a small business owned and controlled by one or more minorities or women. Owned and controlled means that:
  - a. At least 51 percent of the small business concern is owned and controlled by one or more minorities or women or, in the case of a publicly owned business, at least 51 percent of the stock of which is owned by one or more minorities or women; and
  - b. The management and daily business operations are controlled by one or more such individuals.
  
2. A **Women Business Enterprise** (WBE) is a small business, owned and controlled by one or more women. Owned and controlled means that:
  - a. At least 51 percent of the small business concern is owned by one or more women; and
  - b. The management and daily business operations are controlled by one or more women who own it.
  
3. A **Disabled-Owned Business Enterprise** (DOBE) is a small business owned and controlled by one or more disabled persons. Owned and controlled means that:
  - a. At least 51 percent of the small business concern is owned by one or more disabled persons; and
  - b. The management and daily business operations are controlled by one or more disabled persons who own it.

NOTE: Certain projects conducted under Federal and/or State oversight may have additional definitions and requirements.

**Exhibit B**  
**CLIENT REFERENCES**

Provide four (4) client or employment references for whom you have furnished similar services in size and nature. Public agencies are preferred.

1. Agency/Company Name: \_\_\_\_\_

Agency/Company Address: \_\_\_\_\_

\_\_\_\_\_

Contact Name: \_\_\_\_\_

Contact Telephone: \_\_\_\_\_

2. Agency/Company Name: \_\_\_\_\_

Agency/Company Address: \_\_\_\_\_

\_\_\_\_\_

Contact Name: \_\_\_\_\_

Contact Telephone: \_\_\_\_\_

3. Agency/Company Name: \_\_\_\_\_

Agency/Company Address: \_\_\_\_\_

\_\_\_\_\_

Contact Name: \_\_\_\_\_

Contact Telephone: \_\_\_\_\_

4. Agency/Company Name: \_\_\_\_\_

Agency/Company Address: \_\_\_\_\_

\_\_\_\_\_

Contact Name: \_\_\_\_\_

Contact Telephone: \_\_\_\_\_

**Exhibit C**  
**DESIGNATION OF SUBCONTRACTORS**

Provide the following information for each subcontractor. A Subcontractor is one who either (1) performs work for or (2) provides a service to the Respondent. If there are no subcontractors, please state "NONE".

1. Subcontractor Name: \_\_\_\_\_

Subcontractor Address: \_\_\_\_\_

Services to be performed: \_\_\_\_\_

2. Subcontractor Name: \_\_\_\_\_

Subcontractor Address: \_\_\_\_\_

Services to be performed: \_\_\_\_\_

3. Subcontractor Name: \_\_\_\_\_

Subcontractor Address: \_\_\_\_\_

Services to be performed: \_\_\_\_\_

4. Subcontractor Name: \_\_\_\_\_

Subcontractor Address: \_\_\_\_\_

Services to be performed: \_\_\_\_\_

**Exhibit D**  
HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ  
AND COUNTY OF SANTA CRUZ  
NON-COLLUSION DECLARATION

TO BE EXECUTED BY RESPONDENT AND SUBMITTED WITH RFP

I, \_\_\_\_\_, am the  
(Print Name)

\_\_\_\_\_ of \_\_\_\_\_,  
(Position/Title) (Company)

the party making the foregoing Proposal, affirming that this Proposal is not made in the interest of, or on behalf of, any undisclosed person, business or other entity; that this Proposal is genuine and neither collusive nor bogus; that the Respondent has not directly or indirectly induced or solicited any other Respondent to submit a bogus Proposal; and has not directly or indirectly colluded or arranged with any other Respondent or anyone else to submit a bogus Proposal, or that any other Respondent or anyone else shall refrain from submitting a Proposal; that the Respondent has not in any manner directly or indirectly, sought by agreement, communication, or conference with any other Respondent or anyone else to fix the Proposal price of the Respondent or of any other Respondent, or to fix any overhead, profit, or cost element of the Proposal price, or of that of any other Respondent, or to secure any advantage against the public body awarding the contract or of anyone interested in the proposed contract; that all statements contained in this Proposal are true; and that the Respondent has not, directly or indirectly, submitted his/her Proposal price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any person, business, bid depository or other entity, or to any member or agent thereof to effectuate a collusive or bogus Proposal or Proposal price.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

**INSURANCE REQUIREMENTS & CERTIFICATES**

Indemnification for Damages, Taxes and Contributions

To the fullest extent permitted by applicable law, CONTRACTOR shall exonerate, indemnify, defend, and hold harmless both THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ and THE COUNTY OF SANTA CRUZ (which for the purpose of paragraphs 5 and 6 shall include, without limitation, its officers, agents, employees and volunteers) from and against:

A. Any and all claims, demands, losses, damages, defense costs, or liability of any kind or nature which HOUSING AUTHORITY OR COUNTY may sustain or incur or which may be imposed upon it as a result of, arising out of, or in any manner connected with the CONTRACTOR'S performance under the terms of this Contract, excepting any liability arising out of the sole negligence of the HOUSING AUTHORITY OR COUNTY. Such indemnification includes any damage to the person(s), or property(ies) of CONTRACTOR and third persons.

B. Any and all Federal, State and Local taxes, charges, fees, or contributions required to be paid with respect to CONTRACTOR and CONTRACTOR'S officers, employees and agents engaged in the performance of this Contract (including, without limitation, unemployment insurance, social security and payroll tax withholding).

Insurance

CONTRACTOR, at its sole cost and expense, for the full term of this Contract (and any extensions thereof), shall obtain and maintain, at minimum, compliance with all of the following insurance coverage(s) and requirements. Such insurance coverage shall be primary coverage as respects both the HOUSING AUTHORITY and the COUNTY OF SANTA CRUZ and any insurance or self-insurance maintained by HOUSING AUTHORITY or by COUNTY shall be considered in excess of CONTRACTOR'S insurance coverage and shall not contribute to it. If CONTRACTOR normally carries insurance in an amount greater than the minimum amount required by the HOUSING AUTHORITY and by the COUNTY for this Contract, that greater amount shall become the minimum required amount of insurance for purposes of this Contract. Therefore, CONTRACTOR hereby acknowledges and agrees that any and all insurances carried by it shall be deemed liability coverage for any and all actions it performs in connection with this Contract. Insurance is to be obtained from insurers reasonably acceptable to both the HOUSING AUTHORITY and the COUNTY.

If CONTRACTOR utilizes one or more subcontractors in the performance of this Contract, CONTRACTOR shall obtain and maintain Contractor's Protective Liability insurance as to each subcontractor or otherwise provide evidence of insurance coverage from each subcontractor equivalent to that required of CONTRACTOR in this contract, unless CONTRACTOR and HOUSING AUTHORITY and COUNTY each initial here \_\_\_\_ / \_\_\_\_ / \_\_\_\_ .

**A. Types of Insurance and Minimum Limits**

(1) Worker's Compensation in the minimum statutorily required coverage amounts. This insurance coverage shall be required unless the CONTRACTOR has no employees and certifies to this fact by initialing here \_\_\_\_\_.

(2) Automobile Liability Insurance for each of CONTRACTOR'S vehicles used in the performance of this Contract, including owned, non-owned (e.g. owned by CONTRACTOR'S employees), leased or hired vehicles, in the minimum amount of \$500,000 combined single limit



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per occurrence for bodily injury and property damage. This insurance coverage is required unless the CONTRACTOR does not drive a vehicle in conjunction with any part of the performance of this Contract and CONTRACTOR and HOUSING AUTHORITY and COUNTY each certify to this fact by initialing here \_\_\_\_ / \_\_\_\_ / \_\_\_\_.

(3) Comprehensive or Commercial General Liability Insurance coverage at least as broad as the most recent ISO Form CG 00 01 with a minimum limit of \$1,000,000 per occurrence, and \$2,000,000 in the aggregate, including coverage for: (a) products and completed operations, (b) bodily and personal injury, (c) broad form property damage, (d) contractual liability, and (e) cross-liability.

(4) Professional Liability Insurance in the minimum amount of \$ \_\_\_\_\_ combined single limit, if, and only if, this Subparagraph is initialed by CONTRACTOR and HOUSING AUTHORITY and COUNTY \_\_\_\_ / \_\_\_\_ / \_\_\_\_.

**B. Other Insurance Provisions**

(1) If any insurance coverage required in this Contract is provided on a "Claims Made" rather than "Occurrence" form, CONTRACTOR agrees that the retroactive date thereof shall be no later than the date first written above (in the first paragraph on page 1), and that it shall maintain the required coverage for a period of three (3) years after the expiration of this Contract (hereinafter "post Contract coverage") and any extensions thereof. CONTRACTOR may maintain the required post Contract coverage by renewal or purchase of prior acts or tail coverage. This provision is contingent upon post Contract coverage being both available and reasonably affordable in relation to the coverage provided during the term of this Contract. For purposes of interpreting this requirement, a cost not exceeding 100% of the last annual policy premium during the term of this Contract in order to purchase prior acts or tail coverage for post Contract coverage shall be deemed to be reasonable.

(2) All policies of Comprehensive or Commercial General Liability Insurance shall be endorsed to cover both THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, its officials, employees, agents and volunteers; and THE COUNTY OF SANTA CRUZ, its officials, employees, agents and volunteers; as additional insureds with respect to liability arising out of the work or operations and activities performed by or on behalf of CONTRACTOR, including materials, parts or equipment furnished in connection with such work or operations. Endorsements shall be at least as broad as ISO Form CG 20 10 11 85, or both CG 20 10 10 01 and CG 20 37 10 01, covering both ongoing operations and products and completed operations.

(3) All required policies shall be endorsed to contain the following clause:  
"This insurance shall not be canceled until after thirty (30) days' prior written notice (10 days for nonpayment of premium) has been given to each of the following:

**Housing Authority of the County of Santa Cruz  
Attn: Mark Failor  
2931 Mission Street  
Santa Cruz, CA 95060**

**Santa Cruz County Planning Department  
Fourth Floor - Housing Section  
Attn: Julie Conway  
701 Ocean Street  
Santa Cruz, CA 95060**

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Should CONTRACTOR fail to obtain such an endorsement to any policy required hereunder, CONTRACTOR shall be responsible to provide at least thirty (30) days' notice (10 days for nonpayment of premium) of cancellation of such policy to the HOUSING AUTHORITY and to the COUNTY as a material term of this Contract.

(4) CONTRACTOR agrees to provide its insurance broker(s) with a full copy of these insurance provisions and provide both the HOUSING AUTHORITY and the COUNTY on or before the effective date of this Contract with Certificates of Insurance and endorsements for all required coverages. However, failure to obtain the required documents prior to the work beginning shall not waive the CONTRACTOR's obligation to provide them. All Certificates of Insurance and endorsements shall be delivered or sent to:

**Housing Authority of the County of Santa Cruz  
Attn: Mark Failor  
2931 Mission Street  
Santa Cruz, CA 95060**

**Santa Cruz County Planning Department  
Fourth Floor - Housing Section  
Attn: Julie Conway  
701 Ocean Street  
Santa Cruz, CA 95060**

(5) CONTRACTOR hereby grants to both the HOUSING AUTHORITY and the COUNTY a waiver of any right of subrogation which any insurer of said CONTRACTOR may acquire against the HOUSING AUTHORITY and/or the COUNTY by virtue of the payment of any loss under such insurance. CONTRACTOR agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the HOUSING AUTHORITY and/or the COUNTY has received a waiver of subrogation endorsement from the insurer.

It is recommended that you provide a copy of the insurance requirements to your insurance broker(s) for review.

## **Exhibit F**

### **PROTESTS AND APPEALS PROCEDURES**

#### **1. Protests and Appeals of Procurement Awards**

Any actual or prospective bidder, offeror or contractor who is allegedly aggrieved in connection with the solicitation or award of a contract, may protest to the Housing Authority Executive Director, who may collaborate with the County of Santa Cruz General Services Department Director (GSD Director) as desired. The protest shall be submitted in writing to the Housing Authority Executive Director within ten (10) business days after notification of the recommendation of award.

#### **2. Protests to the Housing Authority Executive Director**

- a. The Executive Director shall issue a written decision within ten (10) working days after receipt of the protest. The decision shall:
  1. State the reason for the action taken;
  2. Inform the protestant that a request for further administrative appeal of an adverse decision must be submitted in writing to the Housing Authority Board of Commissioners, c/o the Executive Director, within seven (7) business days after receipt of the decision by the Executive Director.
- b. The Executive Director shall coordinate with the County GSD Director and with the County of Santa Cruz County Counsel all protests prior to issuing a written decision or scheduling consideration by the Housing Authority Board of Commissioners.

#### **3. Appeals to the Board of Commissioners**

If so requested, as set forth in Section 2(b) above, and if the award is subject to approval by the Board of Commissioners, the decision of the Executive Director may be appealed to the Board of Commissioners. If the award is not subject to approval by the Board of Commissioners, the Executive Director shall make the final decision on the merits of the protest per Section 2.

#### **4. Appeal Time Limits**

Appeals of decisions shall be initiated within seven (7) business days of the decision. The Housing Authority of the County of Santa Cruz and the County of Santa Cruz shall each be considered as interested parties. If the appeal period ends on a day when Housing Authority offices are not open to the public for business, the time limits shall be extended to the next full business day.

#### **5. Initiation of Appeals**

- a. An appeal shall be filed with the Executive Director on a form provided and shall state, as appropriate, any of the following:
  1. A determination or interpretation is not in accord with the purpose of these procedures or;
  2. There was an error or abuse of discretion;
  3. The record includes inaccurate information; or
  4. A decision is not supported by the record.
- b. In the event of a timely appeal before the Board of Commissioners under this Section, the Housing Authority shall not proceed further with the solicitation or with the award of the contract until the appeal is resolved, unless the Executive Director, in consultation with Housing Authority Counsel, County of Santa Cruz County Counsel, and the Santa Cruz County Planning Director make a written determination that the award of the

contract without delay is necessary to protect a substantial interest of the Housing Authority and/or the County of Santa Cruz.

**6. Appeal Procedure**

- a. Appeal Hearing Date. An appeal shall be scheduled for a hearing before the Board of Commissioners within thirty (30) days of the receipt of an appeal unless the protestor and Housing Authority consent to a later date.
- b. Notice and Public Hearing. An appeal hearing shall be a public hearing. Notice of the public hearing shall be mailed or delivered to the protestor within ten (10) days of the scheduled hearing date.
- c. Hearing. At the hearing, the Board of Commissioners shall review the record of the decision and hear oral explanations from the protestor and any other interested party.
- d. Decision and Notice. After the hearing, the Board of Commissioners shall affirm, modify or revise the original decision. When a decision is modified or reversed, the Board of Commissioners shall state the specific reasons for modification or reversal. The Executive Director shall mail notice of a Board of Commissioners decision. Such notice shall be mailed to the protestor within five (5) business days after the date of the decision and to any other party requesting such notice.
- e. A decision by the Board of Commissioners regarding an appeal shall become final on the date the decision is announced to the public.

I acknowledge and will abide by the Protest and Appeals Procedures provided herein.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

**EXISTING ADU REGULATIONS IN SANTA CRUZ COUNTY CODE  
SECTION 13.10.681**

**13.10.681 Second units.** Amended [Ord. 5160](#) [Ord. 5182](#)

(A) Purpose. The purpose of this section is to provide for and regulate second units in order to provide needed housing for County residents and to further the housing goals of the housing element of the County General Plan.

(B) Application Processing. As indicated below, second units shall be processed in accordance with the requirements of Government Code Section [65852.2](#) and, for those second units located within the Coastal Zone, the requirements of the California Coastal Act. No public hearing shall be required for the development of a second unit within a residential zone district or on land designated residential in the General Plan or, outside the Coastal Zone, within the agriculture zone district, unless the second unit is a part of a larger project that requires a public hearing or if a variance is requested. All applications for second units in the Commercial Agricultural Zone District outside the Coastal Zone shall be subject to review by the Agricultural Policy Advisory Commission.

Second units are subject to the following processes:

- (1) Outside the Coastal Zone: Building permit issuance.
- (2) Inside the Coastal Zone (nonappealable area): Issuance of a combined coastal development and building permit, subject to the following noticing requirements:
  - (a) Within 10 calendar days of accepting an application for a nonappealable coastal development permit, the County shall provide notice, by first class mail, of pending development approval. This notice shall be provided to all persons who have requested to be on the mailing list for that development project or for coastal decisions within the local jurisdiction, to all property owners and residents within 100 feet (not including roads) of the perimeter of the parcel on which the development is proposed, and to the Coastal Commission. The notice shall contain the following information:
    - (i) A statement that the development is within the Coastal Zone;
    - (ii) The date of filing of the application and the name of the applicant;
    - (iii) The number assigned to the application;
    - (iv) A description of development and its proposed location;
    - (v) The general procedure of the local government concerning the submission of public comments either in writing or orally prior to the local decision;
    - (vi) A statement that a public comment period of sufficient time to allow for the submission of comments by mail will be held prior to the local decision.
- (3) Inside the Coastal Zone (appealable area): Issuance of a combined coastal development and building permit, subject to the following noticing requirements:
  - (a) Within 10 calendar days of accepting an application for an appealable coastal development permit, the local government shall provide notice by first class mail of pending application for appealable development. This notice shall be provided to each applicant, to all persons who have requested to be on the mailing list for that development project or for coastal decisions within the local jurisdiction, to all property owners and residents within 100 feet (not including roads) of the perimeter of the parcel on which the

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development is proposed and to the Coastal Commission. The notice shall contain the following information:

- (i) Statement that the development is within the Coastal Zone;
- (ii) The date of filing of the application and the name of the applicant;
- (iii) The number assigned to the application;
- (iv) A description of the development and its proposed location;
- (v) A brief description of the general procedure concerning the conduct of local actions;
- (vi) The system for Coastal Commission appeals.

(b) Notice After Final Local Decision. Within seven calendar days of approval of the coastal development and building permit, the County shall notify by first class mail the Coastal Commission and any persons who specifically requested notice of its action. Such notice shall include conditions of approval and written findings and the procedures for appeal of the local decision to the Coastal Commission.

(c) The County shall include notice on the coastal development and building permit that indicates that the permits will not become effective until the end of the Coastal Commission appeal period or until the Coastal Commission has completed action on an appeal of the County's approval of the permit.

(C) Requirements. Before a permit for a second unit can be granted, the following requirements shall be met:

(1) Location. The second unit shall be located on a residentially zoned parcel or on a parcel designated for residential use in the General Plan which contains no more than one existing detached, single-family dwelling, or where one detached single-family dwelling shall be constructed concurrently with the proposed second unit. A second unit may be located on agriculturally zoned land outside the Coastal Zone or on a parcel designated for agricultural use in the General Plan outside the Coastal Zone;

(2) Parcel Size. The size of the parcel, if located within the urban services line, is no smaller than that required by the minimum lot size standards of the respective zoning district. The size of the parcel, if located outside the urban services line, is at least one acre in area, unless the parcel is served by public sewer. Parcels outside of the urban services line (USL) with public sewer service shall meet the requirements of subsection (D)(2) of this section;

(3) Development Standards. All development standards for the applicable agricultural or residential zone district shall be satisfied; and the development shall be consistent with all County policies and ordinances;

(4) Design. The design of the second unit is consistent with the design and development standards and guidelines set forth in subsection (D) of this section; and

(5) Utility Requirements. All requirements of utility services providers shall be met, and the sewage disposal system and water supply for the parcel shall comply with all applicable requirements of Chapters [7.38](#), [7.71](#) and [7.73](#) SCCC; and

(6) In the Coastal Zone, the findings for development permits set forth in SCCC [18.10.230\(A\)](#), and the coastal development permit findings of SCCC [13.20.110](#) must be made.

(D) Design and Development Standards. The following design and development standards shall be applied to every second unit and shall be conditions for any approval under this section:

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(1) Location of Second Unit. The second unit may be either attached to the main dwelling or may be detached from it. Inside the urban services line, no second unit shall be located more than 100 feet from the main dwelling or be accessed by a separate driveway or right-of-way. Outside the Coastal Zone, on land designated agriculture by the General Plan, the second unit shall be located within 100 feet of the main dwelling on the property unless another location is approved by the Agricultural Policy Advisory Commission that will meet the on-site and off-site buffering requirements and will meet the goal of preserving agricultural land.

(2) Size of Second Unit. The total gross floor area as defined in SCCC 13.10.700-F of the habitable portion of a second unit shall not exceed the following standards, based on parcel size:

**Maximum Gross Floor Area Within the Urban Services Line (USL)**

Type of Sewer Service	Parcel Size	
	<10,000 sq. ft. <sup>(1)</sup>	10,000 sq. ft. or Larger <sup>(1)</sup>
With public sewer	640 sq. ft.	640 sq. ft.
Without public sewer	Not allowed	640 sq. ft. maximum (must meet requirements of Chapter <a href="#">7.38</a> SCCC)

(1) The size of the parcel must be no smaller than that required by the minimum lot size standards of the zoning district.

**Maximum Gross Floor Area Outside of the Urban Services Line (USL)**

Type of Sewer Service	Parcel Size			
	< 10,000 sq. ft.	10,000 sq. ft. to <1 acre	1 acre or larger to < 2.5 acres	2.5 acres or larger
With Public Sewer	640 sq. ft.	800 sq. ft.	800 sq. ft.	1,200 sq. ft.
Without Public Sewer	Not allowed	Not allowed	800 sq. ft.	1,200 sq. ft.

(3) Lot Coverage. No second unit shall be allowed which would, when combined with existing lot coverage and gross floor area, exceed the allowable lot coverage or the allowable floor area ratio for the parcel.

(4) Site Standards. All site standards of the zoning district in which the second unit is proposed shall be met. Within the urban services line, second units exceeding 17 feet in height or one story may be constructed if a Level V development permit is obtained, pursuant to Chapter [18.10](#) SCCC. Outside the Coastal Zone, on land zoned or designated agricultural, all setbacks of the agricultural zone districts shall be met and all second units must meet the buffering requirements of SCCC [16.50.095](#)(F), as determined by the Agricultural Policy Advisory Commission, if applicable.

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(5) Parking. Off-street parking shall be provided to meet the requirements of SCCC [13.10.550](#) for the main dwelling and one additional space for each bedroom in the second unit.

(6) Design. The design, materials and color of the second unit shall be compatible with that of the main dwelling.

(7) Other Accessory Uses. Not more than one second unit shall be constructed on any one parcel. A second unit and agricultural caretakers' quarters, except farmworker housing on agricultural parcels greater than 10 acres outside the Coastal Zone, shall not be permitted on the same parcel. Habitable and nonhabitable accessory structures may be allowed subject to all applicable requirements of the underlying zone district and SCCC [13.10.611](#).

(8) Service Requirements. Written acknowledgements shall be provided from the applicable sanitation, water, and fire districts and/or Environmental Health Services indicating that there will be adequate water, sanitation and fire protection services to the project site with the inclusion of a second unit. All requirements of the respective service agencies shall be satisfied.

(9) Fees. Prior to the issuance of a building permit for the second unit, the applicant shall pay to the County of Santa Cruz capital improvement fees in accordance with the Planning Department's fee schedule as may be amended from time to time, and any other applicable fees.

(E) Occupancy Standards. The following occupancy standards shall be applied to every second unit and shall be conditions for any approval under this section:

(1) Occupancy Restrictions. The maximum occupancy of a second unit may not exceed that allowed by the State Uniform Housing Code, or other applicable State law, based on the unit size and number of bedrooms in the unit.

(2) Owner Residency. Unless owned by a public agency, the property owner shall permanently reside, as evidenced by a homeowner's property tax exemption on the parcel, in either the main dwelling or the second unit. If the second unit is newly constructed on a parcel within a subdivision, then the purchaser of said property shall permanently reside in either the main dwelling or the second unit, shall be required to submit a property tax exemption prior to occupancy of the second unit, and shall be subject to the deed restriction noted in subsection (E)(3) of this section.

(3) Deed Restriction. Prior to the issuance of a building permit, the property owner shall provide to the Planning Department proof of recordation of a declaration of restrictions containing reference to the deed under which the property was acquired by the present owner and stating the following:

(a) The property owner shall permanently reside, as evidenced by a homeowner's property tax exemption on the parcel, in either the main dwelling or the second unit, unless owned by a public agency that is providing housing for special populations, in which case the declaration of restrictions shall indicate that any subsequent nonpublic agency owner shall abide by the terms of this subsection and subsection (E)(2) of this section.

(b) The declaration is binding upon all successors in interest.

(c) The declaration shall include a provision for the recovery by the County of reasonable attorney's fees and costs in bringing legal action to enforce the declaration together with recovery of any rents collected during any occupancy not authorized by the terms of the agreement or, in the alternative, for the recovery of the reasonable value of the unauthorized occupancy.

(F) Permit Allocations. Each second unit may be exempt from the residential permit allocation system of Chapter [12.02](#) SCCC.



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(G) Annual Review of Impacts. As part of the County's annual review of the General Plan and County growth management system, the County shall include a section analyzing the impacts of the second unit ordinance. The annual analysis shall include the number of second units constructed and the impacts such construction has created in each planning area, with particular attention to the cumulative impacts within the Coastal Zone. The cumulative impact issue areas to be covered include, but are not limited to, traffic, water supply (including the City of Santa Cruz water supply from Laguna, Majors, and Reggiardo Creeks, and the Davenport water supply from Mill and San Vicente Creeks), public views, and environmentally sensitive habitat areas. The preliminary report shall be sent to the Executive Director of the Coastal Commission for review and comment 14 days prior to submittal to the Board of Supervisors, on an annual basis.

If the Executive Director determines that specific enumerated cumulative impacts are quantifiably threatening to specific coastal resources that are under the authority of the Coastal Commission, the Executive Director shall inform the County in writing. Within 60 days of receipt of the Executive Director's written notice of a threat to coastal resources the County shall cease accepting applications for coastal development permits under this section in the planning area(s) in which the threat of coastal resources has been identified, pending review and approval by the Coastal Commission of the County's proposed method(s) of protecting the threatened resource.

**Initial List of Existing Regulatory Factors  
To Be Evaluated for Change**

County of Santa Cruz staff have identified the following regulatory factors that to be addressed by the Study, for recommended changes to County Code or agency practices or new program(s). Some of the below were evaluated and included as part of the City of Santa Cruz update of its ADU regulations completed over the past two years:

- a. Modify owner-occupancy requirement to allow for exceptions for a specified number of years; or establish a longer amortization period for an existing rental SFD / rental ADU site to be either converted to a non-unit or owner-occupied;
- b. Allow conversion of existing legal nonconforming structures or accessory buildings into ADUs in a manner which recognizes the structure's existing location on a parcel, for properties which already contain an existing legal single-family unit;
- c. Research second unit/ADU Amnesty Programs of other California jurisdictions, and develop a recommended Program for consideration by the County Board of Supervisors.
- d. Reduction of parking requirement(s) or modification to allowed parking configuration, from current parking regulations that apply to single-family residential units and ADUs;
- e. Adjustment of allowable maximum size of ADUs on larger lots;
- f. Allow for waiver of, or creation of grant/loan program for, building permit fees and impact fees if the ADU will be deed-restricted for occupancy by very low, low or moderate income households;
- g. Explore reductions in sewer and water connection fees / capacity charges for smaller "Tiny ADU" units, and potentially waivers for deed-restricted affordable ADUs;
- h. Explore use of sub-meters rather than separate lateral connections to water and sewer infrastructure;
- i. Allow tandem parking for ADUs, with up to three cars parking in tandem on a parcel;
- j. Do not require a discretionary permit for two-story ADUs and ADUs located above first stories if the proposed height does not exceed the maximum height specified in the applicable zoning district;
- k. Reduce the one-acre minimum lot size for parcels in rural areas if a compliant septic system can be provided, but only for properties that already contain an existing primary, legal single family residence;
- l. Explore additional incentives / accommodation of "Tiny ADUs" or "Junior ADUs" in the unincorporated area in land conserving configurations, such as on existing urban lots that are less than the current minimum lot size of the applicable zoning district. Consider different development standards for these types, differentiated from "regular" ADUs. Explore the approach of "Junior ADUs" which have "less than a full kitchen" such that separate living quarters are created but without full stoves and cooking ventilation.
- m. Consider other Program components to ensure compatibility with adjacent residences and the neighborhood, as well as protection of environmental resources.
- n. Ensure that ADUs serve as permanent housing and not short-term transient lodging.

The above initial list of factors, as well as others identified through the process, will each need to be analyzed and discussed at stakeholder/public meetings. The final proposal will be subject to CEQA environmental review, which would be carried out by the County of Santa Cruz.