

**CITY OF HERCULES
PROFESSIONAL SERVICES AGREEMENT**

This Agreement ("**Agreement**") for professional services is made on May 29, 2025, between the City of Hercules, a California municipality ("**City**"), and RSG, a California Corporation ("**Consultant**") (individually, a "**Party**," and collectively, the "**Parties**").

1. Scope of Services. Consultant will provide to City the professional services described in the Scope of Services, attached as **Attachment A** and incorporated in this Agreement (the "**Services**"). Only the City Council or the City Manager may authorize any change or addition to the Scope of Services specified in Attachment A.

2. Term. This Agreement will become effective on May 29, 2025 ("**Effective Date**"), and will terminate upon the full and satisfactory completion of the Services or as otherwise specified in Attachment A, unless terminated sooner in accordance with Section 10 of this Agreement. Time is of the essence with respect to all provisions of this Agreement that specify a time for performance.

3. Compensation. For the full and satisfactory completion of the Services, City will pay Consultant in an amount not to exceed \$187,985, without prior written authorization by City, pursuant to the terms set forth in **Attachment A** on Payment, which is attached to and incorporated in this Agreement. Consultant's compensation is intended to encompass all costs required for performing the Services, including overhead and indirect costs. Except as expressly provided in Attachment A, Consultant will not be entitled to reimbursement for expenses it incurs to provide the Services.

3.1 Payment. City will pay Consultant for Services satisfactorily provided during each calendar month within 30 days following City receipt and approval of a detailed invoice. The invoice must include, at a minimum: a description of the specific Services provided; the name of the individual providing the Services; the date(s) upon which the Services were provided; the time spent providing the Services; the amount due for the Services; and the basis for calculating the amount due.

3.2 Additional Services. If the City requests related services beyond the Scope of Services described in Attachment A, the Consultant will provide City a written estimate for the additional services ("**Additional Services**"). Consultant will not provide Additional Services until Consultant has received written authorization from the City to perform the Additional Services. Consultant will not be entitled to payment for Additional Services performed without City's prior written authorization or for costs to correct Consultant's errors or omissions.

4. Independent Contractor. The Parties agree that Consultant will act as an independent contractor under this Agreement and will have control of its work and the manner in which the Services are performed. Consultant is not an employee of City and is not entitled to participate in any health, retirement, or similar employee benefits from the City.

5. Consultant's Warranties.

5.1 Consultant warrants that all Services provided under this Agreement will be performed in accordance with generally accepted professional practices and standards for Consultant's profession in the Bay Area.

5.2 Consultant warrants that all Services provided under this Agreement will be performed in accordance with applicable federal, state, and local laws and regulations, including, but not limited to, conflict of interest laws and City ordinances and policies.

5.3 Consultant warrants that Consultant has no present interest which would conflict in any manner with the performance of Services on the City's behalf.

5.4 Consultant warrants that it will comply with the City's Nepotism and Cronyism Policy (Hercules Municipal Code § 2-3.401 et seq.) and the City's California Equal Pay Act Compliance Policy (Hercules Municipal Code § 2-3.501 et seq.).

6. Notice. Any notice, billing, or payment required by this Agreement must be made in writing, and sent to the other Party by personal delivery, U.S. Mail, a reliable overnight delivery service, or by email as a PDF (or comparable) file. Notice is effective upon delivery unless otherwise specified. Notice for each Party will be given as follows:

City:

City of Hercules
111 Civic Drive
Hercules, CA 94547
(510) 799-8200
Attn: City Clerk

Copy to: Tim Rood, Community Dev. Dir.
Email: Trood@HerculesCA.gov

Consultant:

Name: RSG
Address: 170 Eucalyptus Avenue
Suite 200, Vista, CA 92084
Phone: (714) 541-4585
Attn: Suzy Kim

Email: skim@webrsg.com

7. Indemnity. Subsection 7.1 is not applicable to this Agreement if Consultant's Services are "design professional" services as that term is used and defined in Civil Code section 2782.8. Subsection 7.2 is applicable to this Agreement if Consultant's Services are "design professional" services as used and defined in Civil Code section 2782.8.

7.1 To the full extent permitted by law, Consultant will indemnify, defend with counsel acceptable to City, and hold harmless City, its governing body, officers, agents, employees, and volunteers (collectively, "**City Indemnitees**") from and against any and all liability, demands, loss, damage, claims, settlements, expenses, and costs (including, without limitation, attorney fees, expert witness fees, and costs and fees of litigation) (collectively, "**Liability**") of every nature arising out of or in connection with Consultant's acts or omissions with respect to this Agreement, except such Liability caused by the active negligence, sole negligence, or willful misconduct of any of the City Indemnitees. This indemnification obligation is not limited by any limitation on the amount or type of damages or compensation payable under Workers' Compensation or other employee benefit acts, or by insurance coverage limits, and will survive the expiration or early termination of this Agreement. This Subsection 7.1 does not apply if the Services to be provided

under this Agreement are design professional services provided by a licensed architect, landscape architect, professional engineer, or professional land surveyor.

7.2 To the full extent permitted by law, Consultant will indemnify, defend, and hold harmless City, its City Council, officials, officers, agents, employees, and volunteers from and against any and all liability, loss, damage, claims, expenses and costs (including, without limitation, attorney fees and costs and fees of litigation) (collectively, “**Liability**”) of every nature which arises out of, pertains to, or relates to the negligence, recklessness, or willful misconduct of Consultant in the performance of this Agreement, except such Liability caused by the active negligence, sole negligence or willful misconduct of City. This indemnification obligation is not limited by any limitation on the amount or type of damages or compensation payable under Workers’ Compensation or other employee benefit acts, or by insurance coverage limits, and will survive the expiration or early termination of this Agreement. This Subsection 7.2 is applicable if the Services to be provided under this Agreement are design professional services provided by a licensed architect, landscape architect, professional engineer, or professional land surveyor.

8. Insurance. Before providing any Services under this Agreement, Consultant is required to procure and provide proof of the insurance coverage required by this Section in the form of certificates and endorsements. Each certificate of insurance must state that the coverage afforded by the policy or policies will not be reduced, cancelled or allowed to expire without at least 30 days written notice to City, unless due to nonpayment of premiums, in which case at least 10 days written notice will be made to City. The required insurance must cover the activities of Consultant and its employees or subcontractors relating to or arising from the performance of the Services, and must remain in full force and effect at all times during the term of the Agreement. All required insurance must be issued by an insurer licensed to do business in the State of California, and each such insurer must have an A.M. Best financial strength rating of “A” or better and a financial size rating of “VIII” or better. If Consultant fails to provide any of the required coverage, City may, at its sole discretion, purchase such coverage at Consultant’s expense and deduct the cost from payments due to Consultant.

8.1 The following insurance policies and limits are required for this Agreement:

8.1.1 Commercial General Liability Insurance (“CGL”). CGL insurance issued on an occurrence basis, including coverage of liability arising from Consultant’s acts or omissions in the performance of Services under this Agreement, with limits of at least \$1,000,000.00 per occurrence.

8.1.2 Automotive. Commercial automotive liability coverage for owned, non-owned and hired vehicles must provide coverage of at least \$1,000,000.00 combined single limit per accident for bodily injury, death, or property damage.

8.1.3 Workers’ Compensation Insurance and Employer’s Liability. The policy must comply with the requirements of the California Workers’ Compensation Insurance and Safety Act, with limits of at least \$1,000,000.00. If Consultant is self-insured, Consultant must provide its duly authorized Certificate of Permission to Self-Insure.

8.1.4 Professional Liability. This insurance must insure against Consultant's errors and omissions in the provision of Services under this Agreement, in an amount no less than \$1,000,000.00 combined single limit.

8.2 Subrogation Waiver. Each required policy must include an endorsement that the insurer agrees to waive any right of subrogation it may have against City or the City's insurers.

8.3 The CGL policy and the automotive liability policy must include the following endorsements:

(1) The City, including its Council, officials, officers, employees, agents, volunteers and consultants (collectively, "**Additional Insured**") must be named as an additional insured for all liability arising out of the operations by or on behalf of the named insured, and the policy must protect the Additional Insured against any and all liability for personal injury, death or property damage or destruction arising directly or indirectly in the performance of the Agreement.

(2) The inclusion of more than one insured will not operate to impair the rights of one insured against another, and the coverages afforded will apply as though separate policies have been issued to each insured.

(3) The insurance provided is primary and no insurance held or owned by City will be called upon to contribute to a loss.

(4) Any umbrella or excess insurance must contain or be endorsed to contain a provision that such coverage will also apply on a primary or non-contributory basis for the benefit of City before the City's own insurance or self-insurance will be called upon to protect it as a named insured.

9. Dispute Resolution. In the event that any dispute arises between the Parties in relation to this Agreement, the Parties agree to meet face to face as soon as possible to engage in a good faith effort to resolve the matter informally. In the event that any dispute arises between the Parties in relation to this Agreement, and the dispute is not resolved by informal discussions, the Parties agree to submit the dispute to mediation.

9.1 Either Party may give written notice to the other Party of a request to submit a dispute to mediation, and a mediation session must take place within 60 days after the date that such notice is given, or sooner if reasonably practicable. The Parties will jointly appoint a mutually acceptable mediator. The Parties further agree to share equally the costs of the mediation, except costs incurred by each Party for representation by legal counsel.

9.2 Good faith participation in mediation pursuant to this Section is a condition precedent to either Party commencing litigation in relation to the dispute.

10. Early Termination.

10.1 Termination for Convenience. City may terminate this Agreement for convenience by giving 10 calendar days written notice to Consultant. In the event City elects to terminate the Agreement without cause, it will pay Consultant for Services satisfactorily provided up to that date.

10.2 Termination for Cause. If either Party breaches this Agreement by failing to timely or satisfactorily perform any of its obligations or otherwise violates the terms of this Agreement, the other Party may terminate this Agreement by giving written notice five calendar days prior to the effective date of termination, specifying the reason and the effective date of the termination. Consultant will be entitled to payment for all Services satisfactorily provided up to the effective date of termination, except that the City may deduct from that payment the amount of costs the City incurred, if any, because of Consultant's breach of the Agreement.

11. Work Product. City will be the sole owner of all rights to any work product in any form which has been prepared by Consultant on City's behalf pursuant to this Agreement, unless otherwise specified in writing by the Parties.

12. Records. Unless otherwise specified in Attachment A, Consultant will maintain records related to this Agreement for a period of four years from expiration or termination of this Agreement, including records of the Services performed, on a daily basis if necessary. Consultant's accounting systems will conform to generally accepted accounting principles, and all records will provide a breakdown of total costs charged under this Agreement, including properly executed payrolls, time records, invoices, and vouchers. Consultant will permit City to inspect and examine Consultant's books, records, accounts, and any and all data relevant to this Agreement at any reasonable time.

13. General Provisions.

13.1 Assignment and Successors. Consultant may not assign its rights or obligations under this Agreement, in part or in whole, without City's written consent. This Agreement is binding on Consultant's and City's lawful heirs, successors, and permitted assigns.

13.2 Third Party Beneficiaries. There are no intended third-party beneficiaries to this Agreement.

13.3 Nondiscrimination. Consultant will not discriminate in the employment of persons under this Agreement because of race, color, ancestry, national origin, religion, sex, marital status, age, medical condition, disability, or other prohibited basis. All nondiscrimination rules or regulations required by law to be included in this Agreement are incorporated by this reference.

13.4 Restrictions on Nepotism and Cronyism. Consultant must comply with the regulations adopted by the City to avoid favoritism or discrimination in the award of contracts, as set forth in section 2-3.401 et seq. of the City's Municipal Code. Consultant must complete the "Contractor Acknowledgment of City of Hercules Nepotism and Cronyism Policy," using the form attached as **Attachment C** to this Agreement, and submit a fully executed copy with the executed Agreement.

13.5 Compliance with the California Equal Pay Act. Consultant must comply with the regulations adopted by the City to allow for verification of Consultant compliance with the requirements of the California Equal Pay Act, as set forth in section 2-3.501 et seq. of the City's Municipal Code. Consultant must complete the "Contractor Acknowledgment of Compliance with the California Equal Pay Act," using the form attached as **Attachment D** to this Agreement, and submit a fully executed copy with the executed Agreement.

13.6 Choice of Law and Venue. This Agreement will be governed by California law, and venue will be in the Superior Court of Contra Costa County, and no other place.

13.7 Integration. This Agreement and the documents incorporated in this Agreement constitute the final, complete, and exclusive terms of the agreement between the City and the Consultant.

13.8 Severability. If any provision of this Agreement is determined to be illegal, invalid, or unenforceable, in part or in whole, the remaining provisions of the Agreement will remain in full force and effect.

13.9 Amendment. No amendment or modification of this Agreement will be binding unless it is in a writing duly authorized and signed by the Parties to this Agreement.

13.10 Provisions Deemed Inserted. Every provision of law required to be inserted in this Agreement will be deemed to be inserted, and this Agreement will be construed and enforced as though included. If it is discovered that through mistake or otherwise that any required provision is not inserted, or not correctly inserted, this Agreement will be amended to make the insertion or correction.

13.11 Precedence. If any provision in any document attached to or incorporated in this Agreement conflicts with or is inconsistent with the provisions set forth in the body of this Agreement, the provisions set forth in the body of this Agreement will control over any such conflicting or inconsistent provisions.

13.12 Waiver. No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement will be effective unless it is in writing and signed by the Party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy will be deemed a waiver of any other breach, failure, right, or remedy, whether or not similar, nor will any waiver constitute a continuing waiver unless the writing so specifies.

13.13 Force Majeure. If either Party is delayed or hindered in or prevented from the performance of any act required under this Agreement because of strikes, lockouts, inability to procure labor or materials, failure of power, riots, insurrection, war, fire or other casualty, or other reason beyond the reasonable control of the Party delayed, excluding financial inability ("**Force Majeure Event**"), performance of that act will be excused for the period during which the Force Majeure Event prevents such performance, and the period for that performance will be extended for an equivalent period. Delays or failures to perform resulting from lack of funds will not be Force Majeure Events.

13.14 Headings. The headings in this Agreement are included for convenience only and will not affect the construction or interpretation of any provision in this Agreement or any of the rights or obligations of the Parties to this Agreement.

13.15 Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument.

13.16 Authorization. Each individual signing below warrants that he or she is authorized to do so by the Party that he or she represents, and that this Agreement is legally binding on that Party. If Consultant is a corporation, signatures from two officers of the corporation are required pursuant to California Corporation Code section 313.

[Signature page follows.]

The Parties agree to this Agreement as witnessed by the signatures below:

CITY:

Approved as to form:

s/ _____

s/ _____

Dante Hall, City Manager

Christie Crowl, City Attorney

Date: _____

Date: _____

Attest:

s/ _____

Eibleis Melendez, City Clerk

Date: _____

CONSULTANT: RSG
Business Name

s/ [Signature]
James Simas, President
Name/Title

Date: May 29, 2025

s/ Tara Go Matthews

Tara Matthews, Vice President / Treasurer
Name/Title

Date: June 02, 2025

Attachments:

Attachment A: Scope of Services & Payment

Attachment B: Contractor Acknowledgment of City of Hercules Nepotism and Cronyism Policy

Attachment C: Contractor Acknowledgment of Compliance with the California Equal Pay Act

Professional Services Agreement
City Attorney Approved, 03112024

Agreement No. < _____ >
Council Resolution No. < _____ >
Housing Element Program Implementation

Attachment A
SCOPE OF SERVICES & PAYMENT



February 6, 2025

Via Electronic Mail

Timothy Rood, Community Development Director
CITY OF HERCULES
111 Civic Drive
Hercules, CA 94547

**CONSULTING SERVICES PROPOSAL
HOUSING ELEMENT PROGRAM IMPLEMENTATION**

Dear Mr. Rood:

Thank you for inviting RSG, Inc. ("RSG") to submit a proposal to assist the City of Hercules ("City") with implementing Housing Element programs to implement meaningful actions related to Affirmatively Furthering Fair Housing ("AFFH") and increasing the supply of affordable housing in the City.

The following table presents a menu of options for implementing Housing Element programs with an estimated budget for completion. City staff identified particular items that require RSG's assistance in bold. Depending on the options chosen, completion times may change based on staffing availability. Once the City has chosen the options they would like to undertake, a final timeline and budget will be developed.

Housing Element Program	2023-2031 Metrics*	RSG Role	Housing Asset Fund Eligibility
<u>Review City Housing Element, County Consolidated Plan, and County Analysis of Impediments to Fair Housing</u>			
RSG will begin the engagement by reviewing the Hercules Housing Element and Contra Costa County ("County") Consolidated Plan ("Con Plan") and Analysis of Impediments to Fair Housing ("AI/AFFH") to ascertain where there is an opportunity to collaborate with the County on Housing Element Programs that overlap with countywide programs.	n/a	Review Housing Element Review Con Plan and AI/AFFH Develop collaborative resource list	No
<p>Given that many Housing Element programs require County collaboration and may already be implemented by the County, RSG will facilitate a meeting with appropriate County staff to discuss how the City and County can assist one another to increase outreach and program implementation in Hercules.</p> <p>After meeting, RSG will draft a Work Plan that memorializes how the City</p>		Meet with County housing / housing authority staff Create a work plan	No

Housing Element Program	2023-2031 Metrics*	RSG Role	Housing Asset Fund Eligibility
and County will collaborate on overlapping programs.			
<u>H4-2: Fair Housing Services</u>			
Assist households through FHANC and ECHO Fair Housing, providing fair housing services and educational programs concerning fair housing issues. Refer fair housing complaints to ECHO and consider providing funding support. [emphasis on northwest Hercules where there is a larger proportion of renter-occupied households.]	Annually refer 5 residents to fair housing services and programs offered by FHANC and ECHO.	Research FHANC and ECHO existing action and outreach activities. Coordinate to include Hercules.	No
Promote fair housing practices, including advertisements on the City's website, and provide educational information on fair housing to the public.	Annually review and update fair housing information and brochures offered to the public, publish information in the Hercules Herald, and on City social media.	Research existing fair housing brochures and resources, publish on platforms identified in Housing Element.	No
<u>3. H4-3: Affirmatively Furthering Fair Housing</u>			
Promote awareness of federal, State, and local regulations through the City website, at local public centers, at City and at Council meetings yearly. Implement an accessibility policy that establishes standards and procedures for	Conduct or participate in bi-annual developer convenings. Implement AI/AFFH by 2024 and multilingual strategy by 2025.	Review Con Plan and AI/AFFH. Coordinate with County on all current outreach to include Hercules.	No

Housing Element Program	2023-2031 Metrics*	RSG Role	Housing Asset Fund Eligibility
providing equal access to City services, ensures all applications are considered, reviewed, and approved without prejudice, and continue to implement the Analysis of Impediments to Fair Housing Choice and HUD Consolidated Plan . Lastly, ensure all community stakeholders are engaged by conducting public meetings at suitable times, in accessible places, and provide translation services as needed.			
Actively recruit residents from protected classes and underserved neighborhoods to participate on committees, such as the Council on Homelessness of Contra Costa County, to address homelessness and affordable housing needs. [emphasis on LMI areas along I-80 and Lupine Road]	By 2027, bi-annually recruit residents to participate in regional committees to address homelessness and affordable housing needs with the goal of recruiting one resident every two years.	Review Con Plan and AI/AFFH. Coordinate with County on all current outreach to include Hercules. Review existing membership on Continuum of Care board, local non-profit boards. Coordinate with County and local boards to ensure recruitment takes place in low income areas in Hercules.	No
Develop presentations and/or materials that address the local need for affordable housing and more resilient neighborhoods.	By 2026, develop materials to address local need and utilize these materials on an ongoing basis.	Record a webinar and develop other educational materials that demonstrate the need for affordable housing in Hercules based on local	No

Housing Element Program	2023-2031 Metrics*	RSG Role	Housing Asset Fund Eligibility
		demographics, available housing stock, and the local housing market.	
<u>H1-1: First-Time Homebuyer Assistance Programs</u>			
Support first-time low- and moderate-income home buyers by connecting them to the Down Payment Assistance program, encouraging application to the Federal Home Ownership Program.	Annually refer twelve households annually and track results.	Research existing first-time homebuyer assistance program providers, request data regarding assistance to Hercules, collaborate with outreach to Hercules residents.	No
Publicize housing assistance programs and provide information on these programs on the City's website and via social media, through flyers posted at City facilities, and via staff assistance at City Hall. [emphasis on LMI areas, tracts 3592.03 and 3591.04 along I-80 and Lupine Road]	Annually refer twelve households annually and track results.	Identify housing assistance programs available in the region and develop resources that can be posted on the platforms identified in the Housing Element.	No
<u>Program H1-3: Section 8 Housing Choice Voucher Program</u>			
Expand the location of participating voucher properties.	Facilitate or support one voucher driven development project by 2031.	Identify local, County, state, and federal funding opportunities that could facilitate development of a voucher-driven housing project.	No

Housing Element Program	2023-2031 Metrics*	RSG Role	Housing Asset Fund Eligibility
Continue to support the HCV section 8 program, promote HCV usage in higher resource areas, and work with the Contra Costa Housing Authority.	Annually work with the Contra Costa Housing Authority with the goal of increasing HCV use in the city by 10% (using 2023 as a baseline).	Review Con Plan and AI/AFFH. Coordinate with County Housing Authority to promote HCV usage in Hercules higher resource areas and promote HCV usage to protected/ vulnerable populations in Hercules.	
Continue to support the HCV program, promote HCV usage to protected/vulnerable populations, and work with the Contra Costa Housing Authority to increase HCV use in Hercules. [emphasis on tract 3591.04 (Village Park/Forest Park)]			No
As part of Program H4-4 (Outreach Plan), conduct outreach to landlords to expand participating voucher properties. [emphasis on tract 3591.04 (Village Park/Forest Park)]	Conduct outreach to landlords with the goal of referring 5 residents in tract 3591.04 to the County HCV program annually.	Coordinate with County Housing Authority to ensure landlord outreach in Hercules and Village Park/Forest Park	No
As part of Program H4-4 (Outreach Plan), conduct outreach and tenant/landlord education through community events and public forums regarding income discrimination and voucher programs. [emphasis on tract 3591.04 (Village Park/Forest Park)]			No

Housing Element Program	2023-2031 Metrics*	RSG Role	Housing Asset Fund Eligibility
<u>Program H2-3: Senior Housing</u>			
Engage with stakeholders, including local senior advocacy groups, developers, and residents, to gather input and insights on the specific needs and preferences of the senior population in Hercules. [emphasis on southwest Hercules, tract 3592.04 and 3591.04, where populations of persons with disabilities and elderly populations are larger.]	Facilitate the development of one senior housing project during the planning period.	Review Con Plan and AI/AFFH. Coordinate with County to ensure outreach includes gathering insights on specific needs and preferences of the senior population in Hercules. Identify local, County, state, and federal funding opportunities that could facilitate development of a senior housing project.	Yes, if directly related to the expenditure of Housing Asset Funds
<u>Program H2-5: Alternative Housing Models</u>			
Encourage the provision of innovative housing types that may be suitable for the community, including modular homes, middle housing types, community care facilities, supportive housing, and assisted living for seniors, through discussions with developers.	Facilitate the development of one Alternative Housing Model project during the planning period. Conduct annual outreach to developers.	Review Con Plan and AI/AFFH. Coordinate with County on annual developer outreach. Identify local, County, state, and federal funding opportunities that could facilitate development of one alternative housing model project.	Yes, if directly related to the expenditure of Housing Asset Funds
<u>Program H4-1: Housing for Persons with Special Needs</u>			
Make available information from HomeMatch Contra Costa for their	Promote information on HomeMatch Contra Costa County	Research County HomeMatch program. Coordinate with County to	No

Housing Element Program	2023-2031 Metrics*	RSG Role	Housing Asset Fund Eligibility
services for older adults, including shared housing, extra income, or assistance with home maintenance. [emphasis on central and southwest Hercules, including tract 3591.04 (Village Park/Forest Park)]	with the goal of referring one resident to HomeMatch services annually.	disseminate marketing materials and refer Hercules residents to HomeMatch services.	
<u>Program H4-5: Reasonable Accommodation</u>			
Encourage developers of single family housing to incorporate universal design and track the number of newly constructed or rehabilitated dwelling units accessible to people with disabilities. The City will provide the address and number of units to Resources for Independent Living Sacramento for inclusion in their housing list for people with disabilities.	By 2026/2031, increase the number of units accessible to persons with disabilities by 5% of new multi-family during the planning period and advertise these units through Resources for Independent Living Sacramento for Solano and Contra Costa County.	RSG will rely on City Planning staff to track the number of newly constructed or rehabilitated dwelling units accessible to people with disabilities. RSG can compile a list of addresses and number of units to provide to Resources for Independent Living Sacramento on an annual basis.	No
<u>AFFH: County HCV Listing Program</u>			
Participate in the County- sponsored HCV Listing Program to advertise affordable housing opportunities in the city.	Annually assist County efforts to keep the HCV listing up to date with affordable housing opportunities in Hercules.	Provide a list of affordable housing opportunities in Hercules to the County Housing Authority.	No

Housing Element Program	2023-2031 Metrics*	RSG Role	Housing Asset Fund Eligibility
Program H1-2: Affordable Housing Partnerships and Funding Sources			
Increase affordable housing activities like construction, rehabilitation, and financial assistance to renters and owners. Provide loans and grants to maintain a high-quality affordable housing stock, and actively support efforts to secure additional affordable housing funding sources.	Facilitate the development of two affordable housing projects by 2031 with annual outreach.	Identify local, County, state, and federal funding opportunities that could facilitate development of two affordable housing projects.	Yes, if directly related to the expenditure of Housing Asset Funds
		Support City staff in facilitating discussions with Caltrans and BART about the possibility of developing affordable housing development on their Willow Ave sites [e.g. CalTrans site discussed in Chapter H6, pgs. 18-19].	No
		Issue a Notice of Funding Availability for Housing Successor funds to facilitate development of two affordable housing projects with City staff, including senior housing, alternative housing models, and/or voucher-driven projects. See more a more detailed scope after this table.	Yes
Program H2-4: Accessory Dwelling Units (ADUs)			
Encourage ADU development by developing an ADU information packet, coordinate with	Complete information packet by 2025; Support the development of 16	Collaborate with City staff to draft an ADU information packet	No

Housing Element Program	2023-2031 Metrics*	RSG Role	Housing Asset Fund Eligibility
neighboring jurisdictions to participate in educational opportunities, and monitor ADU permit applications and approvals. [emphasis on single-family neighborhoods (southern and eastern Hercules)]	accessory dwelling units during the planning period.	Contact neighboring jurisdictions to coordinate educational opportunities Collect data from City staff on annual ADU permit applications and approvals	
<u>Program H1-4: Monitor and Preserve Affordable Housing and At-Risk Housing</u>			
Utilize CDBG or other funds to provide financial assistance for minor repairs of homes owned and occupied by lower-income residents. [emphasis on eastern side of Hercules where housing units tend to be older.]	Assist 16 lower-income households per year.	Review Con Plan and AI/AFFH. Coordinate with County to promote use of CDBG funds to provide financial assistance for minor repairs of homes for lower-income residents in eastern Hercules.	No
Monitor affordable housing projects in the city and preserve all affordable units.	Preserve affordability of all 485 below market-rate units in the city.	Create a list of below market-rate housing units in Hercules and covenant terms. Conduct owner outreach to encourage extending affordability covenants. Provide list of local, County, state, and federal funding sources available to assist property owners with preservation.	Yes
<u>Program H2-7: Replacement Housing</u>			
Establish clear guidelines and criteria for determining the	Create guidelines by 2025. Replace 100% of units as required by	Draft Replacement Housing and Relocation guidelines to ensure	No

Housing Element Program	2023-2031 Metrics*	RSG Role	Housing Asset Fund Eligibility
affordability of replacement units based on the income levels of previous occupants and make this information available to stakeholders and developers.	Government Code section 66300(d) on an ongoing basis.	compliance with the Housing Crisis Act of 2019 as codified in the Government Code. The guidelines will be a resource for development applicants and City staff.	
Implement monitoring and enforcement mechanisms to track The progress of affordable housing replacement within development projects.	Implement monitoring and enforcement by 2026.	Coordinate with City staff to create a system to monitor and track enforcement of the Housing Crisis Act of 2019 when a housing unit is removed from the housing market.	No
*2023-2031 Metrics are taken from the Housing Element. RSG's role is to help implement programs, not to guarantee that the metrics will be met. Meeting metrics will rely on factors such as third-party collaboration, available funding sources, and development opportunities in the local housing market.			

HOUSING SUCCESSOR NOFA

Program H-1-2 in the above table includes an optional service to issue a Notice of Funding Availability (“NOFA”) for Housing Successor Low and Moderate Income Housing Asset Funds (“Housing Asset Funds”). This presents a more detailed scope of services for that task.

RSG will consult City staff on the amount of Housing Asset Funds it would like to reserve for administration and other programs in order to determine the amount available for distribution to developers. RSG will then draft a NOFA requesting developer proposals to utilize Housing Asset Funds for affordable housing development that meets all legal requirements tied to such funds. RSG would review the responses to assist the City in selecting a qualified developer(s) and project(s).

- **Task 1: NOFA** – RSG will draft a NOFA to help the City assess developer qualifications and detail selection criteria. Selection criteria may include, but is not limited to:
 - Expertise and experience of the development entity and team in designing and constructing high quality affordable housing projects;
 - Vision and design for a market-feasible affordable housing project that implements the City’s vision for the community and promotes the community character of Hercules;
 - Economic viability and financial strength of the proposed project, including marketability and feasibility;
 - Experience and ability to creatively negotiate an affordable housing agreement, or other appropriate development agreement, that provides the greatest return on investment to the City; and
 - Financial and organizational capacity of the team to successfully complete the project, including the ability to secure financing and leverage other funding sources to build the highest quality housing project.

RSG will work with staff and legal counsel to further define selection criteria that meets the community’s goals. If desired, RSG could hold an informational conference call wherein interested developers can get an overview of the NOFA and ask questions prior to submitting a response. It is anticipated that this task will include 3 in-person meetings: 1) staff kick-off meeting to discuss the desired criteria, 2) meeting to review NOFA with staff, and 3) Council presentation and approval of NOFA. RSG would prepare any necessary staff reports or resolutions related to this task.

- **Task 2: Developer Selection** - RSG can assist the City in evaluating NOFA responses. The budget estimate assumes review of up to four developer submittals and may vary depending on the depth of review required to meet the final NOFA criteria. RSG will prepare a preliminary checklist to guide the review process and ensure that “like comparisons” are made in terms of each proposal’s completeness and compliance with submission requirements.

RSG will review and analyze pertinent data and materials provided in each developer submittal to evaluate the completeness of the proposal in accordance with the criteria and requirements identified in the NOFA. RSG’s detailed evaluation will include an analysis of estimated development costs for the proposed improvements based on third-party cost data obtained from Marshall & Swift Valuation Services, our internal database of comparable projects reviewing proposals for other clients throughout the State, as well as the “indirect” construction costs identified by each developer proposal. RSG would scrutinize the developer’s assumptions to ensure that the anticipated costs, revenues, and operating and replacement reserves are realistic and not over/understated. This would include a detailed look at developer fees and deferred fees. RSG will prepare a long-term cash flow to ensure that the prospective developer can remain solvent as an operator throughout the duration of the affordability period.

RSG will recommend finalists to the City and can prepare questions to conduct developer interviews, if desired. RSG can participate in interviews with City staff to select a developer that best meets the needs of the community. RSG will work with staff and legal counsel to prepare and present developer submittals to the Council. It is anticipated that this task will include 2 in-person meetings: 1) developer interviews and 2) City Council developer selection meeting.

- **Task 3: Developer Negotiations and Agreement Preparation** – This scope of services assumes that the City Attorney will be primarily responsible for the preparation of any ENAs, Developer Agreements, or Affordable Housing Agreements (AHA). RSG will assist in negotiating financial deal points to be included in any agreement between the selected developer and the City. To ensure consistency between agreed upon deal points and documents, RSG will review and provide comments on agreements prepared by legal counsel. If needed, we will assist the City in reviewing or evaluating any alternate or subsequent developer pro forma revisions (up to two revisions).

RSG is available to participate in developer negotiation meetings related to the preparation of loan agreements and legal documents. Based on our experience, the number of required in-person meetings can vary significantly based on the complexity of the proposed deal and the relationship between the developer and the City. The cost estimate assumes up to two meetings for developer negotiations. RSG will attend the City Council

meeting approving the project and any related agreements. It is anticipated that this task will include 3 in-person meetings: 1) two developer negotiation meetings and 2) one City Council meeting to approve agreements.

STAFFING

This engagement would be led Jim Simon, Principal-in-Charge, and Suzy Kim, Director. Mr. Simon and Ms. Kim have intimate knowledge of Hercules by partnering with the City on affordable housing, property disposition, and successor agency activities for over ten years. Cindy Blot, Senior Associate, will assist with implementing this engagement. Ms. Blot has decades of experience in the housing field and has expertise in federally funded programs, including implementation of Consolidated Plans and addressing requirements related to Affirmatively Furthering Fair Housing. Additional staff may be assigned as needed. Resumes are available on our website at <https://rsgsolutions.com/meet-our-team>. Firm references may be provided upon request.

FEE ESTIMATE

RSG proposes to provide the tasks described in the Scope of Services on a time-and-materials basis. The estimated fee for all services outlined in this proposal is **\$187,985** for a term ending June 30, 2026. A smaller not-to-exceed fee may be negotiated to work on a smaller list of priority Initiatives selected by the City. The following table itemizes estimated budget by task. Note that several programs require collaboration with the County and are covered under Task 1.

Scope of Services						
Hercules Housing Element Implementation						
Housing Element Programs	Task Hours & Billing Rate				Total Hrs	
	Principal \$ 295	Director \$ 275	Sr. Assoc \$ 225	Analyst \$ 145		
# Con Plan / Analysis of Impediments Review	3	17	49	10	79	\$ 18,035
Review Con Plan and other County documents and programs for common threads and efforts		2	12	10	24	4,700
Develop collaborative resource list		2	10		12	2,800
Meet with County Housing Staff		8	12		20	4,900
Create a Work Plan to implement multiple HE programs with County	3	5	15		23	5,635
# Fair Housing Outreach and Enforcement	-	10	30	25	65	\$ 13,125
FHANC and ECHO existing activity research and coordination		1	5	5	11	2,125
Research existing fair housing resources to publish on local platforms		1	5	5	11	2,125
Identify opportunities to recruit residents on committees addressing homelessness		1	5	5	11	2,125
Webinar/Recorded PPT		5	10	5	20	4,350
Prepare fair housing informational materials		2	5	5	12	2,400
# Housing Mobility	24	171	226	117	538	\$ 121,920
First-Time Homebuyer Program resources and outreach		1	5	5		2,125
Housing assistance program resources and outreach			5	5	10	1,850
Identify funding opportunities for affordable housing development addressing multiple HE programs		5		5	10	2,100
Facilitate discussions with CalTrans and BART	8	12			20	5,660
Housing Successor NOFA - <i>See separate budget</i>	16	149	217	98	480	108,730
Reasonable accommodation tracking		5		5	10	2,100
Maintain affordable housing list			4	4	8	1,480
# New Housing Opportunities in High Resource Areas	2	7	14	31	54	\$ 10,160
Outreach to Developers, Key Stakeholders	-	4	4	6	14	2,870
ADU information packet and data tracking	2	2	5	10	19	3,715
Owner outreach for preservation		1	5	15	21	3,575
# Place-Based Strategies for Neighborhood Improvement	-	2	5	10	17	\$ 3,125
Minor home repair information packet and coordination		2	5	10	17	3,125
# Tenant Protections Against Anti-Displacement	6	33	35	20	94	\$ 21,620
Review existing programs		3	5	5	13	2,675
Create monitoring program for all affordable housing projects	1	5	20	5	31	6,895
Housing Crisis Act Guidelines and Enforcement Mechanisms	5	25	10	10	50	12,050
TOTAL						\$ 187,985
<i>Housing Successor Eligible</i>						<i>\$ 120,595</i>
<i>Non-Housing Successor Eligible</i>						<i>\$ 67,390</i>

The following table provides a more detailed itemized budget for the Housing Successor NOFA, which is included in the total \$187,985 budget estimate.

NOFA & Developer Negotiations						
Hercules Housing Successor						
Task	Task Hours & Billing Rate				Total Hrs	Total
	Principal \$ 295	Director \$ 275	Senior Associate \$ 225	Analyst \$ 145		
Task 1 - NOFA/RFP	2	29	24	14	69	\$ 15,995
Draft NOFA/RFP	1	4	15	10	30	6,220
Informational Call		4	0	0	4	1,100
NOFA/RFP Checklist		1	1	4	6	1,080
Meetings and Preparation (3 meetings)	1	20	8	0	29	7,595
Task 2 - Developer Selection	3	59	135	64	261	\$ 56,765
Developer Submittal Review (4)		35	115	60	210	44,200
Recommendation	2	8	16	4	30	6,970
Meetings and Preparation (2 meetings)	1	16	4	0	21	5,595
Task 3 - Negotiations and Agreements	11	61	58	20	150	\$ 35,970
Deal Points	5	20	10	0	35	9,225
Agreement Review	5	20	10	0	35	9,225
Alternate Pro Forms (2)		5	30	20	55	11,025
Meetings and Preparation (3 meetings)	1	16	8	0	25	6,495
Total	16	149	217	98	480	\$ 108,730

RSG would utilize billing rates as follows:

Principal	\$ 295
Director	\$ 275
Senior Associate	\$ 225
Associate	\$ 195
Senior Analyst	\$ 160
Analyst	\$ 145
Research Assistant	\$ 135
Technician	\$ 100
Clerical	\$ 60
Reimbursable	Cost plus
Expenses	10%

Our fee is based upon an estimate of the number of hours needed for each task. If the Scope of Services is substantially changed in the future, RSG will notify the City and request a fee adjustment. Any revisions to the Scope of Services will be billed on a time-and-materials basis at RSG's hourly rates. The services would be provided per the terms and conditions of a consulting services agreement by and between the City of Hercules and RSG.

RSG does not charge clients for travel or mileage (except direct costs related to field work/surveys), parking, standard telephone/fax expenses, general postage, or incidental copies. However, we do charge for messenger services, overnight shipping/express mail costs, and teleconferencing services. We also charge for copies of reports, documents, notices, and support material in excess of five copies. We bill reimbursable costs at the actual expense plus a 10% surcharge.

Timothy Rood, Community Development Director
CITY OF HERCULES
February 6, 2025
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RSG issues monthly invoices payable upon receipt, unless otherwise agreed upon in advance. Invoices identify tasks completed to date, hours expended, and the hourly rate.

If you have any questions, please do not hesitate to contact Suzy Kim at 714-316-2116.

Sincerely,
RSG, INC.

A handwritten signature in dark ink, appearing to read "Jim Simon", with a stylized flourish at the end.

Jim Simon
Principal

Attachment B
CONTRACTOR ACKNOWLEDGMENT OF
CITY OF HERCULES NEPOTISM AND CRONYISM POLICY



CONTRACTOR ACKNOWLEDGMENT OF CITY OF HERCULES NEPOTISM AND CRONYISM POLICY

SECTION A:

To be completed by City Representative Prior to Distribution to Contractor:

City Representative _____ Phone _____ Project Spec No. _____
Department _____ Contract/Proposal Name _____

SECTION B:

This is an ☐ Original ☐ Revised form (check one). If Original, complete all that applies. If revised, complete Contractor Name and include any changed data.

Contractor/Consultant Name _____ Phone _____
Street Address _____ City _____ State _____ Zip _____

Type of Submission (Check One) ☐ Bid ☐ Proposal ☐ Qualification ☐ Contract/Agreement/Amendment

SECTION C:

The undersigned Contractor's Representative acknowledges by his or her signature the following:

It is the policy of the City of Hercules to avoid favoritism or discrimination in making decisions to award contracts for supplies, construction, maintenance, professional or other services. The awarding of a contract or the approval of payments or expenses under a contract by a City Official, to a person with whom she or he has a family relationship or a consensual romantic and/or sexual relationship, is regarded as a violation of this Section. Nepotism and cronyism as defined in Section 2-3.402 are hereby prohibited from City contracting decisions to the full extent permitted by law.

I have read Hercules Ordinance Number 486 and certify that I/we have not knowingly, nor will I/we in the future, enter into a contract with the City of Hercules or accept payment from the City of Hercules when to do so is in violation of Ordinance Number 486.

If circumstances require changing the information on this form while I/we have a bid, proposal, or qualifications under review, or while we are under contract with the City, we will amend this form within five business days.

Tara E. Matthews
Signature
Tara Matthews
Print Name of Signer

June 02, 2025
Date
vice president / Treasurer
Position

SECTION D:

To Be Completed by Administrative Services Department with the City of Hercules after Submission of the Completed Form by Contractor

Date Received by City _____ By _____

Attachment C
**CONTRACTOR ACKNOWLEDGMENT OF
COMPLIANCE WITH CALIFORNIA EQUAL PAY ACT**



CONTRACTOR ACKNOWLEDGMENT OF COMPLIANCE WITH CALIFORNIA EQUAL PAY ACT

SECTION A:

To be completed by City Representative Prior to Distribution to Contractor:

City Representative _____ Phone _____ Project Spec No. _____
Department _____ Contract/Proposal Name _____

SECTION B:

This is an ☐ Original ☐ Revised form (check one). If Original, complete all that applies. If revised, complete Contractor Name and include any changed data.

Contractor/Consultant Name _____ Phone _____
Street Address _____ City _____ State _____ Zip _____

Type of Submission (Check One) ☐ Bid ☐ Proposal ☐ Qualification ☐ Contract/Agreement/Amendment

SECTION C:

The undersigned Contractor's Representative acknowledges by his or her signature the following:

It is the policy of the City of Hercules to avoid awarding contracts for supplies, construction, maintenance, professional or other services to contractors who are not in compliance with the equal pay requirements of the California Equal Pay Act. The awarding of a contract or the approval of payments or expenses under a contract by a City Official, to a person or contractor not in compliance with the California Equal Pay Act, is regarded as a violation of this Section.

I have read Hercules Ordinance Number 534 and certify that I/we have not in the past 5 years been found to be in violation of the California Equal pay Act, and I/we have not knowingly, nor will I/we in the future, enter into a contract with the City of Hercules or accept payment from the City of Hercules when to do so is in violation of Ordinance Number 534.

If circumstances require changing the information on this form while I/we have a bid, proposal, or qualifications under review, or while we are under contract with the City, we will amend this form within five business days.

Tara E. Matthews
Signature

Tara Matthews
Print Name of Signer

June 02, 2025
Date

Vice President / Treasurer
Position

SECTION D:

To Be Completed by Administrative Services Department with the City of Hercules after Submission of the Completed Form by Contractor

Date Received by City _____ By _____