

AGREEMENT
BETWEEN THE CITY OF PETALUMA AND
THE SONOMA COUNTY COMMUNITY DEVELOPMENT COMMISSION
FOR ADMINISTRATION OF PETALUMA MOBILEHOME RENT STABILIZATION PROGRAM
AND HOLD HARMLESS, INDEMNIFICATION AND DEFENSE
AGREEMENT

THIS CONTRACT, made this ____ day of _____ 2026, by and between the Sonoma County Community Development Commission, hereinafter called "Commission," and City of Petaluma, hereinafter called "City."

WHEREAS, City has adopted a rent stabilization ordinance and program for mobilehome parks within City modeled upon one adopted by the Sonoma County Board of Supervisors; and

WHEREAS, the current agreement between the Commission and City expires on June 30, 2026; and

WHEREAS, City desires to have Commission continue to administer said program within the City boundaries, and Commission has expertise and staff to continue such services.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. SCOPE OF SERVICE: Commission shall administer the mobilehome rent stabilization ordinance of City (attached hereto and incorporated herein by reference as Exhibit "A") in a like manner to the comparable Sonoma County Mobilehome Park Space Rent Stabilization Ordinance. Said administrative services shall include (1) providing day-to-day responses to citizen inquiries regarding the City ordinance; (2) providing administrative services to process arbitration petitions; (3) locating and retaining arbitrators for administrative hearings under the City ordinance, who have certified to the Commission that they meet the Commission's selection criteria; and (4) arranging a location for administrative hearings and other meetings required by the City ordinance. The City understands and agrees that the Commission and its staff may be required to apply and interpret the rent stabilization ordinance of City in connection with such services, and agrees that Commission shall have no liability for any claim arising from Commission's good faith interpretation and application of the ordinance, so long as Commission uses reasonable efforts to consult with and keep City informed regarding such interpretation and application. If requested by Commission, City staff will promptly provide guidance to Commission regarding issues arising under the City ordinance; however, nothing in this Agreement shall require Commission to request such guidance. Commission shall not be required to make determinations under the City ordinance with respect to the timeliness of petitions, the adequacy of financial information provided by parties, and similar issues if such issues are disputed, it being understood and agreed that such questions may be determined by the arbitrator. Nothing in this Agreement shall require Commission staff to take any action it deems, in its reasonable sole judgment, unlawful or likely to result in liability to Commission.

2. INDEMNIFICATION AND DEFENSE: City acknowledges that Commission's performance of services under this Agreement may give rise to claims and litigation against Commission or its employees, officers, or agents by mobilehome park owners or residents, and that such claims and litigation may, for tactical or other reasons, allege negligence or intentional misconduct on the part of Commission or its employees, officers, or agents. Notwithstanding the nature of the claims, liabilities, actions, or litigation asserted or alleged against Commission or its employees, officers, or agents, City agrees to indemnify, defend, and hold harmless Commission, and its agents (including arbitrators retained by Commission under this Agreement), officers, and employees, from and against any and all claims, liabilities, actions, or litigation of any kind whatsoever arising out of or related to Commission's performance of services under this Agreement ("Claims"), to the maximum extent permitted by law. In connection with the foregoing, City's obligation to indemnify and defend Commission shall exist unless and until City establishes, by clear and convincing evidence, that Commission's performance of services fell significantly below the standards applicable to providers of administrative services for a rent stabilization program. City shall defend Commission at City's expense with counsel selected by City, subject to Commission's approval of counsel, which approval shall not be unreasonably withheld. In addition to City's obligation to defend Commission as provided above, City shall have an obligation to provide or approve separate counsel to defend Commission, at City's expense, only in the event of an identified conflict of interest between City and Commission.

City understands and acknowledges that the City's agreement to indemnify and defend Commission against all Claims pursuant to this Section 2 was a material inducement for Commission to enter into this Agreement.

3. TERMINATION: Either party hereto may terminate this agreement upon thirty days' notice of the intent to terminate this agreement, with service of said notice being made as follows:

COMMISSION:

Michelle Whitman, Executive Director
Sonoma County Community Development Commission
141 Stony Circle, Suite 210
Santa Rosa CA 95401

CITY:

Peggy Flynn, City Manager
City of Petaluma
11 English Street
Petaluma, CA 94952

4. Commission will be paid for all services rendered under this Agreement in accordance with a full cost-recovery model intended to reimburse Commission for all actual and necessary costs incurred in the administration of the City's Mobilehome Rent Stabilization Ordinance program ("Ordinance"). Commission will be paid at the rate of \$170.00 per hour for administrative services. Annual services are anticipated not to exceed eighty (80) hours per year;

however, such estimate is provided solely for budgeting purposes and shall not limit the City's obligation to compensate Commission for all services actually performed. Commission shall submit invoices to the City periodically, reflecting actual time and cost incurred. Services in excess of eighty (80) hours must be negotiated and the subject matter of a separate written modification of this contract. Where arbitrators are deemed to be necessary, they shall be paid by Commission and reimbursed by City for actual amount incurred. The hourly rate for services by the Commission shall be subject to annual increases on July 1 of each year under the Term of this Agreement as reasonably necessary to maintain full cost recovery.

5. **SERVICES LIMITED TO ADMINISTRATION:** The Ordinance policy, findings and/or language adopted by City is solely the responsibility of City. Commission shall not be expected to defend said policy, findings and/or language or litigate cases which challenge the law's facial validity except as may hereafter be agreed by separate written modification of this contract. Commission shall not be expected to take any affirmative action to enforce the City ordinance or to enforce the terms of any arbitration decision.

6. **INCIDENTAL LEGAL SERVICES RELATED TO ADMINISTRATION OF CITY PROGRAM:** City shall pay the Commission at the rate of \$400.00 per hour for County Counsel services provided to City in counseling Commission staff regarding the administration of City's rent stabilization program. Such services shall be provided and billed in accordance with a full cost-recovery model based on actual time and costs incurred. Commission Counsel shall not be responsible for recommending or suggesting modifications of the language of City's ordinance. City agrees that if requested it will promptly consult with Commission Counsel on any issue relating to the City ordinance, any arbitration proceeding requested under the City ordinance, or any other issue relating to the performance of services by Commission under this Agreement. Annual services from Commission Counsel are not anticipated to exceed Ninety (90) hours per year. If services necessary to administer said program appear to exceed this estimate, City may elect to involve its City Attorney in place of Commission Counsel. Additional legal services in excess of Ninety (90) hours per year must be negotiated and the subject matter of a separate written modification of this contract. The hourly rates for Commission Counsel shall be subject to annual increases on July 1 of each year under the Term of this Agreement, consistent with any hourly rate increases of the Sonoma County Counsel's Office.

7. **NO INTENDED THIRD PARTY BENEFICIARIES:** The parties hereto agree and acknowledge that this contract does not provide for any intended third-party beneficiaries, and no suit against either party may be based upon such a claim. This agreement shall be enforceable only by the parties hereto.

8. **TERM AND RENEWAL:** The term of the agreement shall commence July 1, 2026, and end June 30, 2029, with an option to renew for an additional three (3) years through June 30, 2032, as necessary and agreed in writing by both parties.

9. **RECORDS:** Except for materials that may be subject to the attorney-client privilege, records maintained by the Commission in the administration of City's rent stabilization program are City's. All such documents shall be returned to City upon the expiration of this agreement.

10. AMENDMENTS TO CITY RENT STABILIZATION ORDINANCE: Any and all changes or proposed changes to the City rent stabilization ordinance shall be promptly communicated to the mobilehome specialist at the Commission with sufficient notice to accommodate administrative adjustments that may become necessary to implement the change or changes in the City ordinance.

11. MERGER: This is intended both as the final expression of the agreement between the parties with respect to the included terms, and as a complete and exclusive statement of the terms of agreement, pursuant to Code of Civil Procedure Section 1856. No modification of this agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.

IN WITNESS WHEREOF THE PARTIES HAVE CAUSED THIS INSTRUMENT TO BE DULY EXECUTED.

Dated: _____

CITY OF PETALUMA:

By: _____
City Manager

Dated: _____

COMMISSION:

By: _____
Executive Director

Dated: _____

APPROVED AS TO FORM:

By: _____
County Counsel