COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles
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Commissioners

William K. Huang
Acting Executive Director

July 29, 2008

Honorable Board of Commissioners
Community Development Commission of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

APPROVE REIMBURSABLE CONTRACT WITH ARCENEAUX DELHOMME & COMPANY TO PROVIDE LOAN SERVICES FOR THE SINGLE-FAMILY REHABILITATION LOAN PROGRAM (ALL DISTRICTS) (3 Vote)

SUBJECT:

This letter requests that your Board approve a Reimbursable Contract between the Community Development Commission and Arceneaux DelHomme & Company. Approval of these actions will expedite the loan servicing process associated with the Single Family Rehabilitation Loan Program housing units in Los Angeles County.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the approval of a Reimbursable Contract between the Community Development Commission (Commission) and Arceneaux DelHomme & Company is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the action will not have the potential for causing a significant effect on the environment.

2. Approve and Authorize the Acting Executive Director to execute a Reimbursable Contract between the Commission and Arceneaux DelHomme & Company, in the amount of $525,000, to provide loan services for the Single-Family Rehabilitation Loan Program, to be effective on the date of Board approval through July 30, 2009.

3. Authorize the Acting Executive Director to extend the Contract for up to two additional years, in one-year increments, and to adjust the amount of compensation, for which a per loan fee of $7,500 will continue to be paid, for an estimated 72 loans totaling $540,000 for year two, and an estimated 75 loans totaling $562,500 for year three, dependent on the availability of funds, to be approved through the Commission's annual budget process.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

The purpose of the recommended actions is to approve a Contract with Arceneaux DelHomme & Company to provide loan services for the Single-Family Rehabilitation Loan Program. This program provides low-interest, rehabilitation loans to qualified low-income, owner-occupied households in the County.

FISCAL IMPACT/FINANCING:

There is no impact to the County general fund. The Contract will be funded using $525,000 in HOME Investment Partnerships Program funds as included in the Commission's approved Fiscal Year 2008-2009 budget. Arceneaux DelHomme & Company will be reimbursed for services on a loan-by-loan basis at a per loan amount of $7,500. Based upon Arceneaux DelHomme & Company's satisfactory performance and the availability of funds, the contract may be extended up to two additional years, in one-year intervals. Such extensions will be funded with HOME funds and available Community Development Block Grant (CDBG) funds allocated to all Supervisorial Districts, which will be included in the Commission's approved budgets through the annual budget process.

It is anticipated that 70 loans will be funded in Fiscal Year 2008-2009. For the two one-year extensions of the Contract, the compensation per loan will remain set at $7,500, with estimated totals of $540,000 for year two and $562,500 for year three. The total number of loans funded will be dependent upon the amount of annual funding from the U. S. Department of Housing and Urban Development (HUD).

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

Since 1982, the Single-Family Rehabilitation Loan Program has provided loans to qualified low-income property owners with incomes not exceeding 80% of the area median income for the Los Angeles-Long Beach Metropolitan Statistical Area, adjusted for household size, as determined by HUD. The loans provide for the rehabilitation of owner-occupied, single-family properties. The three-percent interest rate loans provide an average of $50,000 for one-unit properties and $90,000 for two-unit properties. These loan amounts may be exceeded based upon the recommendation of Arceneaux

DelHomme & Company, and at the sole discretion of the Commission. Over the Program's 26-year history, over 1,774 loans, totaling in excess of $46,136,000, have been made.

The Commission has used outside firms to perform loan services for the Program since its inception. Under the proposed contract, Arceneaux DelHomme & Company will provide the following services: program marketing; initial property inspections; preparation of work write-ups and cost estimates; coordination of the bid process and contractor selection; processing and packaging of loans; monitoring of rehabilitation work; and related services.

The Contract will be funded with federal funds and is not subject to the Greater Avenues for Independence (GAIN) Program or the General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, Arceneaux DelHomme & Company must comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD-assisted projects be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

The attached Contract has been approved as to form by County Counsel, and executed by Arceneaux DelHomme & Company.

ENVIRONMENTAL DOCUMENTATION:

Approval of a Reimbursable Contract between the Community Development Commission and Arcenaux Delhomme & Company is exempt from the provisions of the National Environmental Policy Act (NEPA) pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3) because it involves administrative activities that will not have a physical impact on or result in any physical changes to the environment. This action is not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378, because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

The rehabilitation activities funded under this program require environmental clearance on a site-by-site basis. Each site must receive an environmental clearance from the Environmental Services Unit in accordance with CEQA Guidelines and NEPA regulations before proceeding with the project.

CONTRACTING PROCESS:

On May 15, 2008, the Commission initiated a Request for Proposals (RFP) to identify a firm to provide loan services for the Single-Family Rehabilitation Loan Program. RFPs were mailed to 11 loan service firms identified from the Commission's vendor list.

Announcements also appeared in eight local newspapers and were posted on the County and Commission's web sites.

One firm submitted a proposal by the deadline of June 17, 2008. The proposal submitted by Arceneaux DelHomme & Company was determined to be most responsive to the RFP criteria and is being recommended for the Contract award. A Summary of Outreach Activities is provided as Attachment A.

IMPACT ON CURRENT PROJECTS:

The proposed Contract will help expedite loans for the rehabilitation of approximately 70 housing units throughout the County.

Respectfully submitted,

for Bobbette A. Glover
WILLIAM K. HUANG
Acting Executive Director

Attachments: 2

ATTACHMENT A
Summary of Outreach Activities

On May 15, 2008, the Commission initiated a Request for Proposals (RFP) to identify an organization to provide loan services for the Single-Family Rehabilitation Loan Program in the First, Second, Third, Fourth, and Fifth Supervisorial Districts.

A. Advertising

Announcements appeared in the following eight local newspapers:

Wave Community Newspaper	La Opinion
The Daily News	Long Beach Press Telegram
Eastern Group Publications	L.A. Sentinel
International Daily News	Los Angeles Times

An announcement was also posted on the County and Commission's web sites.

B. Distribution of RFP

The Commission's vendor list was used to mail out the RFP to 11 loan servicing firms, of which one identified itself as a business owned by minorities or women (private firms which are 51% owned by minorities or women, or publicly-owned businesses in which 51% of the stock is owned by minorities or women).

C Proposal Results

One proposal was received by the deadline of June 17, 2008, from a firm that identified itself as minority-owned. The proposal, submitted by Arceneaux DelHomme & Company, was evaluated by a committee of five to determine the firm's qualifications. The proposal was responsive to the RFP criteria and is being recommended for the Contract award.

COMMUNITY DEVELOPMENT COMMISSION
COUNTY OF LOS ANGELES
REIMBURSABLE CONTRACT

PROJECT: Housing Preservation Loan Program

PROJECT NO. HR0001 CONTRACT NO. N/A

THIS CONTRACT is made and entered into this _____ day of _____ 2008, by and between the Community Development Commission of the County of Los Angeles, hereinafter called the "CDC," and Arceneaux DelHomme & Company called the "Operating Agency."

WITNESSETH THAT:

WHEREAS, the County of Los Angeles, hereinafter called the "County", has entered into a Contract with the United States of America through its Department of Housing and Urban Development (HUD), to execute the County's Community Development Block Grant (CDBG) Program which includes this project under the Housing and Community Development Act of 1974, as amended, and to execute the HOME Investment Partnerships ("HOME") Program which includes this project under the Housing and Community Development Act of 1992, hereinafter collectively called the "ACTS"; and

WHEREAS, the Operating Agency desires to participate in the CDBG Program and HOME Program, collectively the "Programs" or the "Projects," and is qualified by reason of experience, preparation, organization, staffing, and facilities to provide services; and

WHEREAS, the CDC desires to assist the County in the administration of its HOME Program; and

WHEREAS, the CDC desires to procure the services of the Operating Agency to implement the Programs.

NOW, THEREFORE, in consideration of the mutual covenants herein set forth and the mutual benefits to be derived therefrom, the parties agree as follows:

1. CONTRACT. This Contract consists of this document, all documents referred to herein, and attachments: Exhibit A - Project Description and Policies; Exhibit B - Activity Budget; and Exhibit C - Insurance Requirements.

2. SCOPE OF SERVICES. Operating Agency is to perform all the services set forth in the Project Description and Policies, Exhibit A, to this Contract, a copy of which is attached hereto and incorporated herein by this reference.

3. TIME OF PERFORMANCE. Said services of the Operating Agency are to commence on the date first above written, and shall be completed no later than June 30, 2009. This Contract may be extended for two years in one-year increments, but not to exceed a Contract term of three years, based upon the Operating Agency's satisfactory performance and availability of funds.

4. COMPENSATION AND METHOD OF PAYMENT. Upon such performance under this Contract, CDC shall reimburse the Operating Agency a fee not to exceed Five Hundred Twenty Five Thousand Dollars and No Cents ($525,000), as set forth in the Project Description and Policies, Exhibit A, Section E. Operating Agency Fee and Payment Schedule to this Contract, which shall constitute full and complete reimbursement hereunder provided for the implementation of the project described in Exhibit A to this Contract. Said reimbursement will only be paid out of funds received by the CDC from the Federal Government under the Acts for the Fiscal Years indicated in Exhibit B, Activity

Budget, or from program income as described in 24 CFR 92.502 (c) (3) and 24 CFR 570 accumulated under said Programs, for allowable costs actually incurred for the express purposes specified. The parties understand and agree that such reimbursement, if any, shall be conditioned upon receipt of said funds by the CDC from the Federal Government or accumulation of program income from said Projects, and shall not be charged to any other funds of the CDC.

5. BUDGET SECTION. No more than the amounts specified in the Budget, Exhibit B, which is attached hereto and incorporated herein by this reference, may be spent for the separate cost categories specified in Exhibit B without prior written approval of the CDC.

6. CONTRACT ADMINISTRATION. The Executive Director of the Community Development Commission of the County of Los Angeles, hereinafter called the "CDC Project Director," or his designee, shall have full authority to act for the CDC in the administration of this Contract consistent with the provisions contained herein.

7. COMPLIANCE WITH LAWS. All parties agree to be bound by applicable Federal, State, and Local laws, ordinances, regulations, and directives as they pertain to the performance of this Contract. This Contract is subject to and incorporates the terms of the Acts; 24 Code of Federal Regulations, Part 570, Chapter V; U.S. Office of Management and Budget Circular Nos. A-110 and A-122; and the Los Angeles County Auditor-Controller Contract Accounting and Administration Handbook.

8. PROGRAM EVALUATION AND REVIEW. The Operating Agency shall make available for inspection during the term of this contract and for a period of three (3) years thereafter its performance, financial documents and all other records pertaining to performance of this Contract to authorized CDC personnel, and allow said CDC personnel to inspect and monitor its facilities and program operations, including the interview of the Operating Agency staff and program participants as required by the CDC. The Operating Agency agrees to submit all data that are necessary to complete the Annual Grantee Performance Report and monitor program accountability and progress in accordance with HUD requirements in the format and at the time designated by the CDC Project Director or his designee.

9. AFFIRMATIVE ACTION. The Operating Agency shall make every effort to ensure that all projects funded wholly or in part by CDBG and HOME funds shall provide equal employment and career advancement opportunities for minorities and women. In addition, the Operating Agency shall make every effort to employ residents of the area and shall keep a record of the positions that have been created directly as a result of these Programs.

10. CHANGES. The CDC may, from time to time, request changes in the scope of services of the Operating Agency to be performed hereunder. Such changes, including any increase or decrease in the amount of the Operating Agency's compensation, which are agreed upon by and between the CDC and the Operating Agency shall be incorporated into this Contract by written amendments.

11. CHANGES IN GRANT ALLOCATION. The CDC reserves the right to reduce the grant allocation when the CDC's fiscal monitoring indicates that the Operating Agency's rate of expenditure will result in uncommitted or unspent funds at such times determined to be consistent with HUD requirements and CDC policy. Changes in the grant allocation will be made after consultation with the Operating Agency. Such changes shall be incorporated into this Contract by written amendments.

12. CITIZEN PARTICIPATION. All program data necessary to provide reports to citizens will be made available by the Operating Agency. Discussions will be held often enough so that the Operating Agency will be adequately apprised of citizen recommendations during the course of the Programs. Operating Agency representatives will be available to respond to questions, and receive recommendations at meetings of the local Citizens' Advisory Council for Community Development when so requested by the Council or the CDC Project Director, or his designee.

13. JOINT FUNDING. For programs in which there are sources of funds in addition to CDBG and HOME funds, Operating Agency shall provide proof of such funding prior to the Operating Agency entering into any written agreement to disburse funds to any entity, as described in 24 CFR 92.504(b). The CDC shall not pay for any services provided by the Operating Agency which are funded by other sources. All restrictions and/or requirements provided for in this Contract relative to accounting, budgeting, and reporting apply to the Programs regardless of funding sources.

14. ASSURANCES. The Operating Agency hereby assures and certifies that it has complied with the Acts, applicable regulations, policies, guidelines and requirements, OMB Circular Nos. A-110, and A-122, and that it will comply with all applicable Federal, State and Local laws and regulations as they relate to acceptance and use of Federal funds for this Federally assisted program. Also, the Operating Agency gives assurance, and certifies with respect to the program specified in Exhibit A, that it will comply with all the provisions of 24 Code of Federal Regulations 570.303, which pertain to assurances required of program applicants. Furthermore, the Operating Agency gives assurance and certifies that it will comply with provisions 41 Code of Federal Regulations 60-1.4 and 24 Code of Federal Regulations 135.20, each of which are incorporated herein by this reference. The Operating Agency further assures and certifies that it will comply with any future amendment or changes to said required assurances and that during the term of this Contract will maintain current copies of said assurances at the address specified in Section 15 below.

15. NOTICES. All notices shall be served in writing. The Notices to the Operating Agency shall be sent to the following address:

Joseph W. Arceneaux, Partner
Arceneaux DelHomme & Company
9512 S. Central Avenue
Los Angeles, CA 90002 fax (323) 567-6480

Notices, reports and statements to the CDC shall be delivered or sent to the following address:

Larry Matthews, Manager
Housing Development and Preservation
Community Development Commission
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755 fax (323) 890-8586

Each party shall promptly notify the other party of any change(s) of address to which notices shall be sent pursuant to this Contract.

16. ASSIGNMENT AND SUBCONTRACTING. The Operating Agency may not assign or subcontract any portion of this Contract without the express written consent of the CDC. Any attempt by the Operating Agency to assign or subcontract any performance of the terms of this Contract shall be null and void and shall constitute a material breach of this Contract.

17. TERMINATION AND TERMINATION COSTS. This Contract may be terminated by giving written notice at least thirty (30) days prior to the effective termination date stated in the written notice. The CDC Project Director is hereby empowered to terminate this contract and to give said thirty days notice. The CDC may immediately terminate this Contract upon the termination, suspension, discontinuation or substantial reduction in CDBG funding or in HOME funding for the Contract activity, or if for any reason the timely completion of the work under this Contract is rendered improbable, infeasible or impossible. In such event, the Operating Agency shall be compensated for all services rendered and all necessarily incurred costs performed in good faith in accordance with the terms of this Contract that have not been previously reimbursed, to the date of said termination, to the extent CDBG and HOME funds are available.

18. FISCAL LIMITATIONS. The United States of America through HUD may, in the future, place programmatic or fiscal limitation(s) on CDBG and HOME funds not presently anticipated. Accordingly, the CDC reserves the right to revise this Contract in order to take into account actions affecting HUD program funding. In the event of funding reduction, the CDC may reduce the budget of this Contract as a whole or as to cost category, may limit the rate of the Operating Agency's authority to commit and spend funds, or may restrict the Operating Agency's use of both its uncommitted and its unspent funds. Where HUD has directed or requested the CDC to implement a reduction in funding, in whole, or as to a cost category, with respect to funding for this Contract, the CDC Project Director may act for the CDC in implementing and effecting such a reduction and in revising the Contract for such purpose. Where the CDC Project Director has reasonable grounds to question the fiscal accountability, financial soundness, or compliance with this Contract of the Operating Agency, the CDC Project Director may act for the CDC in suspending the operation of this Contract for up to sixty (60) days upon three (3) days notice to the Operating Agency of his intention to so act, pending an audit or other resolution of such questions. In no event, however, shall any revisions made by the CDC affect expenditures and legally binding commitments made by the Operating Agency before it received notice of such revision, provided that such amounts have been committed in good faith and are otherwise allowable, and that such commitments are consistent with HUD cash withdrawal guidelines, and that CDBG and HOME funds are available to CDC to satisfy such expenditures or legally binding commitments.

19. INDEMNIFICATION. The Operating Agency agrees to indemnify, defend, and save harmless the CDC, the Housing Authority, the County, their agents, officers, and employees from and against any and all liability expense, including defense costs, legal fees, and claims for damages of any nature whatsoever, including, but not limited to, bodily injury, death, personal injury, or property damage arising from or connected with the Operating Agency's operations, or its services hereunder, including any workers' compensation suits, liability, or expense arising from or connected with services performed on behalf of the Operating Agency or by any person pursuant to this Contract.

20. CONFLICT OF INTEREST. The Operating Agency, its agents and employees shall comply with all applicable Federal, State, and County laws and regulations governing conflict of interest. To this end, the Operating Agency will make available to its agents and employees copies of all applicable Federal, State, and County laws and regulations governing conflict of interest. The Operating Agency shall furnish to the CDC, prior to execution of the Contract, a written list of all current or proposed subgrantees/subcontractors, vendors or personal service providers, including subsidiaries of the Operating Agency, which will receive $10,000 or more during the term of this Contract. Such a list shall include the names, addresses, telephone numbers and identification of principal party(ies) and a description of services to be provided. During the term of this Contract, the Operating Agency shall notify the CDC in writing of any change in the list of subgrantees/sub-contractors, vendors, personal service providers or subsidiaries of the Operating Agency within fifteen (15) days of any change.

21. DISCRIMINATION. No person shall, on the grounds of race, sex, creed, color, religion or national origin, age, or physical handicap be excluded from participation in, be refused the benefits of, or otherwise be subjected to discrimination in any activities, programs, or employment supported by this Contract.

22. BUDGET MODIFICATIONS. The CDC Project Director or his designee, may grant budget modifications to this Contract for the movement of funds within the budget categories identified in Exhibit B, when such modifications:

a. In aggregate, do not exceed $10,000 per budget cost category;
b. Are specifically requested by the Operating Agency;
c. Do not alter the amount of compensation under this Contract;
d. Will not change the project goals or scope of services;

e. Are in the best interest of the CDC and the Operating Agency in performing the scope of service under this Contract; and
f. Related to salaries, are in accordance with applicable salary ordinances or laws.

23. TIME OF PERFORMANCE MODIFICATIONS. The CDC Project Director or his designee, may grant time of performance modifications to this Contract when such modifications:

a. In increments, do not exceed twelve (12) calendar months;
b. In aggregate, do not exceed twenty-four (24) calendar months;
c. Are specifically requested by Operating Agency;
d. Will not change the project goals or scope of services;
e. Are in the best interest of the CDC and the Operating Agency in performing the scope of services under this Contract;
f. Do not alter the amount of compensation under this Contract; and
g. Are as a result of the Operating Agency having satisfactorily met, under the terms and conditions of the Contract, program goals and objectives.

24. AUDIT EXCEPTIONS BY STATE AND FEDERAL AGENCIES. Operating Agency agrees that in the event the program established hereunder is subject to audit, monitoring or other exceptions by appropriate State and Federal audit agencies, it shall be responsible for complying with such exceptions and paying the CDC or the County the full amount of the CDC's or the County's liability to the funding agency resulting from such audit exceptions.

25. INDEPENDENT CONTRACTOR. The Operating Agency, in the performance of this Contract, will be acting in an independent capacity and not as agent, employee, partner, joint venturer, or associate of the CDC. The Operating Agency shall bear the sole responsibility and liability for furnishing workers' compensation benefits to any person for injuries arising from or connected with services performed on behalf of the Operating Agency pursuant to this Contract.

26. AMENDMENTS: VARIATIONS. This writing with attachments, embodies the whole of the agreement of these parties hereto. There are no oral agreements not contained herein. Except as herein provided, addition or variation of the terms of this Contract shall not be valid unless made in the form of a written amendment of this Contract formally approved and executed by both parties.

27. INSURANCE. Without limiting the Operating Agency's indemnification of the CDC and the County, the Operating Agency shall provide and maintain, at its own expense during the term of this Contract, a program of insurance satisfactory to the CDC's Risk Manager covering its operations, hereunder, as specifically defined in the Insurance Requirements, Exhibit C, to this Contract. Satisfaction of the terms of this Section by the Operating Agency shall be a condition precedent to payment as well as the initiation of services under this Contract.

28. FAILURE TO PROCURE INSURANCE. Failure on the part of the Operating Agency to procure or maintain required insurance shall constitute a material breach of contract under which the CDC may immediately terminate this contract or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, and all monies so paid by the CDC shall be repaid by the Operating Agency to the CDC upon demand or the CDC may offset the cost of the premiums against any monies due to the Operating Agency from the CDC.

29. FINANCIAL PHASE OUT PERIOD.

a. The Operating Agency is required to comply with Section I. Loans in Progress at Time of Termination or Conclusion of Contract Period of Exhibit A of this Contract. This time period will be referred to as the Financial Phase Out Period. The Operating

Agency agrees to complete all loans funded during the Contract period as well as all necessary financial phase out procedures required by the CDC Project Director, or his designee, within a period of not more than ninety (90) calendar days from the expiration date of this Contract.

b. The CDC is not liable to provide reimbursement for any expenses or costs associated with this Contract after the expiration of the Financial Phase Out Period.

c. After the expiration of the Financial Phase Out Period, those funds not paid to the Operating Agency under this Contract, if any, may be immediately reprogrammed by the CDC into other eligible activities in the County.

d. The CDC Project Director, or his designee, shall request a final financial audit for activities performed under this Contract at the expiration of the Financial Phase Out Period.

30. PERSONNEL POLICIES. The CDC may review the Operating Agency's personnel policies and may make available to Operating Agency personnel policies developed by the CDC or the County. The CDC or the County personnel policies are optional with the Operating Agency, unless (a) at the time of initial contract negotiations the CDC mandates the Operating Agency to use the County developed personnel policies, in which case the requirement is attached hereto under special provisions, or (b) the CDC verifies personnel management problems during the Contract period, in which instance the CDC's Project Director may require use of County developed personnel practices, including use of a CDC or County Personnel Policies Manual, as a condition of continued funding or future contract awards. Personnel policies include, but are not limited to, staff size and levels, salaries, supervisory-subordinate ratios, consultant fees, fringe benefits, and other related matters.

31. RELIGIOUS AND POLITICAL ACTIVITIES. The Operating Agency agrees that funds under this Contract will be used exclusively for performance of the work required under this Contract, and that no funds made available under this Contract shall be used to promote religious or political activities. Furthermore, the Operating Agency agrees that it will not perform, nor permit to be performed, any religious or political activities in connection with the performance of this Contract.

32. REPORTS AND RECORDS. The Operating Agency agrees to prepare and submit financial, program progress, monitoring, evaluation and other reports as required by the CDC or HUD. The Operating Agency shall maintain, and permit on-site inspections of, such property, personnel, financial and other records and accounts as are considered necessary by the CDC or HUD to assure proper accounting for all Contract funds for a period of five years thereafter. The Operating Agency will ensure that its employees and board members furnish such information which, in the judgment of the CDC representatives or HUD, may be relevant to a question of compliance with contractual conditions with the CDC or granting agency directives, or with the effectiveness, legality and achievements of the programs.

33. LOBBYING. Operating Agency and each County lobbyist or County lobbyist firm, as defined in Los Angeles County Code Chapter 2.160 (County Ordinance 93-0031), retained by the Operating Agency, shall fully comply with the requirements as set forth in said County Code. The Operating Agency must also certify in writing on the County Lobbyist Certification form that they are familiar with the Los Angeles County Code Chapter 2.160 and that all persons acting on behalf of the Operating Agency will comply with the County Code.

Failure on the part of the Operating Agency and or Lobbyist to fully comply with the County Lobbyist requirements shall constitute a material breach of this Contract upon which the CDC may immediately terminate this Agreement and the Operating Agency shall be liable for civil action.

The Operating Agency is prohibited by the Department of the Interior and Related Agencies Appropriations Act, known as the Byrd Amendments, and HUD 24 CFR 87, from using federally appropriated funds for the purpose of influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, loan or cooperative agreement, and any extension, continuation, renewal, amendment or modification of said documents.

The Operating Agency must certify in writing that they are familiar with the Federal Lobbyist Requirements and that all persons and/or subcontractors acting on behalf of the Operating Agency will comply with the Lobbyist Requirements.

Failure on the part of the Operating Agency or persons/subcontractors acting on behalf of the Operating Agency to fully comply with the Federal Lobbyist Requirements shall be subject to civil penalties.

34. DRUG-FREE WORKPLACE Operating Agency agrees to provide a drug-free workplace by:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Operating Agency's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

b. Establishing an ongoing drug-free awareness program to inform employees about -

   1. The dangers of drug abuse in the workplace;

   2. The Operating Agency's policy of maintaining a drug-free workplace;

   3. Any available drug counseling, rehabilitation, and employee assistance programs; and

   4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by section a of this paragraph;

d. Notifying the employee in the statement required by section a of this paragraph that, as a condition of employment under the grant, the employee will -

   1. Abide by the terms of the statement; and

   2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

e. Notifying the CDC in writing, within ten calendar days after receiving notice under subsection d(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

f. Taking one of the following actions, within 30 calendar days of receiving notice under subsection d(2), with respect to any employee who is so convicted -

   1. Taking appropriate personnel action against such an employee, up to and

including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of sections a, b, c, d, e, and f.

h. The Operating Agency may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant;

35. SECTION 3. In order to comply with the HUD Act of 1968, the Operating Agency and, where applicable, its contractor(s) and subcontractor(s) shall comply with Section 3 regulations as described in 24 CFR Part 135. The Section 3 compliance activities of the Operating Agency and its contractor(s) and subcontractor(s) shall be governed by the CDC's CDBG Compliance Instructions, as amended.

36. RESIDENTIAL ANTIDISPLACEMENT AND RELOCATION ASSISTANCE PLAN. 24 CFR 92.353 requires relocation assistance for displaced persons when HOME funds are used in a project, including financing for rehabilitation, or project delivery costs.

The Los Angeles County Residential Antidisplacement and Relocation Assistance Plan, required by HUD administrative requirements, applies to HOME Projects implemented by the Operating Agency.

37. WARRANTY OF ADHERENCE TO CDC'S CHILD SUPPORT COMPLIANCE PROGRAM. The Operating Agency acknowledges that the CDC has established a goal of ensuring that all individuals who benefit financially from CDC through contract are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon taxpayers County.

As required by CDC Child Support Compliance Program and without limiting Operating Agency's duty under this Contract to comply with all applicable provisions of law, the Operating Agency warrants that it is now in compliance and shall during the term of this Contract maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or District Attorney Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

38. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH CDC'S CHILD SUPPORT COMPLIANCE PROGRAM. Failure of Operating Agency to maintain compliance with the requirements set forth in Section 37, Warranty of Adherence to CDC's Child Support Compliance Program shall constitute a default by Operating Agency under this Contract. Without limiting the rights and remedies available to CDC under any other provision of this Contract, failure to cure such default within ninety (90) days of notice by the Los Angeles County Child Support Services Department (CSSD) shall be grounds upon which the CDC Board of Commissioners may terminate this Contract pursuant to Section 40, Termination For Cause.

39. POST MOST WANTED DELINQUENT PARENTS LIST. The Operating Agency acknowledges that the CDC places a high priority on the enforcement of child support laws and the apprehension of child support evaders. The Operating Agency understands that it is the CDC policy to strong encourage the Operating to voluntarily post an entitled "L.A.'s Most Wanted: Delinquent Parents" poster in a prominent position at the Operating Agency's place of business. CSSD will supply the Operating Agency with the poster to be used.

40. TERMINATION FOR CAUSE. This Contract may be terminated by the CDC upon written notice to the Operating Agency for just cause (failure to perform satisfactorily) with no penalties incurred by CDC upon termination or upon the occurrence of any of the following events in a, b, c, d, e, or f:

a. Should the Operating Agency fail to perform all or any portion of the work required to be performed hereunder in a timely and good workmanlike manner or properly carry out the provisions of the Contract in their true intent and meaning, then in such case, notice thereof in writing will be served upon the Operating Agency, and should the Operating Agency neglect or refuse to provide a means for satisfactory compliance with this Contract and with the direction of the CDC within the time specified in such notice, the CDC shall have the power to suspend or terminate the operations of the Operating Agency in whole or in part.

b. Should the Operating Agency fail within five days to perform in a satisfactory manner, in accordance with the provisions of the Contract, or if the work to be done under said Contract is abandoned for more than three days by the Operating Agency, then notice of deficiency thereof in writing will be served upon Operating Agency by the Manager of Housing Development and Preservation or designee. Should the Operating Agency fail to comply with the terms of said Contract within five days, upon receipt of said written notice of deficiency, the Executive Director of the CDC or designee shall have the power to suspend or terminate the operations of the Operating Agency in whole or in part.

c. In the event that a petition of bankruptcy shall be filed by or against the Operating Agency.

d. If, through any cause, the Contractor shall fail to fulfill, in a timely and proper manner, the obligations under this Contract, or if the Contractor shall violate any of the covenants, agreements, or stipulations of this Contract, the CDC shall thereupon have the right to terminate this Contract by giving written notice to the Contractor of such termination and specifying the effective date thereof, at least five days before the effective date of such termination. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by the Contractor under this Contract shall, at the option of the CDC become its property and the Contractor shall be entitled to receive just and equitable compensation for any work satisfactorily completed.

e. Termination for Improper Consideration: The CDC may, by written notice to Operating Agency, immediately terminate the right of Operating Agency to proceed under this Contract if it is found that consideration, in any form, was offered or given by Operating Agency, either directly or through an intermediary, to any CDC officer, employee or agent with the intent of securing the Contract or securing favorable treatment with respect to the award, amendment or extension of the Contract or the making of any determinations with respect to the Operating Agency's performance pursuant to the Contract. In the event of such termination, the CDC shall be entitled to pursue the same remedies against the Operating Agency as it could pursue in the event of default by the Operating Agency.

   The Operating Agency shall immediately report any attempt by a CDC officer or employee to solicit such improper consideration. The report shall be made either to the CDC's Executive Director or to the County Auditor-Controller's Employee Fraud Hotline at (800) 544-6861.

   Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

f. Gratuities

   The CDC may, by written notice to the Operating Agency, terminate the right of the Operating Agency to proceed under this Contract upon one (1) calendar day's notice if it is found that gratuities in the form of entertainment, gifts, or otherwise were offered or

given by the Operating Agency, or any agent or representative of the Operating Agency, to any officer or employee of the CDC, with a view toward securing any Contract or securing favorable treatment with respect to the performance of this Contract, provided that the existence of the facts upon which the Executive Director or designee makes such findings may be reviewed in any court of competent jurisdiction. In the event of such termination, the CDC shall be entitled to pursue the same remedies against the Operating Agency that it could pursue in the event of default by the Operating Agency.

41. NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

The Operating Agency shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.

42. CONFIDENTIALITY OF REPORTS

The Operating Agency shall keep confidential all reports, information and data received, prepared or assembled pursuant to performance hereunder. Such information shall not be made available to any person, firm, corporation or entity without the prior written consent of the CDC.

43. SAFETY STANDARDS AND ACCIDENT PREVENTION

The Operating Agency shall comply with all applicable federal, state and local laws governing safety, health and sanitation. The Operating Agency shall provide all safeguards, safety devices and protective equipment and take any other needed actions, as its own responsibility, reasonably necessary to protect the life and health of employees on the job and the safety of the public and to protect property in connection with the performance of this Contract.

44. SEVERABILITY

In the event that any provision herein contained is held to be invalid, void, or illegal by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this Contract and shall in no way affect, impair or invalidate any other provision contained herein. If any such provision shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.

45. INTERPRETATION

No provision of this Contract is to be interpreted for or against either party because that party or that party's legal representative drafted such provision, but this Contract is to be construed as if it were drafted by both parties hereto.

46. WAIVER

No breach of any provision hereof can be waived unless in writing. Waiver of any one breach of any provision shall not be deemed to be a waiver of any breach of the same or any other provision hereof.

47. EMPLOYEES OF OPERATING AGENCY

Worker's Compensation: The Operating Agency understands and agrees that all persons furnishing services to the CDC pursuant to this Contract are, for purposes of workers' compensation liability, employees solely of the Operating Agency. The Operating Agency shall bear sole responsibility and liability for providing workers' compensation benefits to any person for injury arising from an accident connected with services provided to the CDC under this contract.

Professional Conduct: The CDC does not and will not condone any acts, gestures, comments or conduct from the Operating Agency's employees, agents or subcontractors which may be construed as sexual harassment or any other type of activity or behavior that might be construed as harassment. The CDC will properly investigate all charges of harassment by residents, employees or agents of the CDC against any and all Operating Agency's employees, agents or subcontractors providing services for the CDC. The Operating Agency assumes all liability for the actions of the Operating Agency's employees, agents or subcontractors and is responsible for taking appropriate action after reports of harassment are received by the Operating Agency.

48. USE OF RECYCLED-CONTENT PAPER PRODUCTS

Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at the County landfills, the Operating Agency agrees to use recycled-content paper to the maximum extent possible on the project.

49. OPERATING AGENCY'S RESPONSIBILITY AND DEBARMENT

A responsible Operating Agency is an Operating Agency who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the policy of the CDC to conduct business only with a responsible Operating Agency.

The Operating Agency is hereby notified that if the CDC, acquires information concerning the performance of the Operating Agency on this or other contracts which indicates that the Operating Agency is not responsible, the CDC may, in addition to other remedies provided in the contract, debar the Operating Agency from bidding on CDC contracts for a specified period of time not to exceed 3 years, and terminate any or all existing contracts the Operating Agency may have with the CDC.

The CDC may debar an Operating Agency if the Board of Commissioners finds, in its discretion, that the Operating Agency has done any of the following: (1) violated any term of a contract with the County, the CDC or the Housing Authority, (2) committed any act or omission which negatively reflects on the Operating Agency's quality, fitness or capacity to perform a contract with the County, the CDC or any other public entity, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the County, the CDC or the Housing Authority or any other public entity.

If there is evidence that the Operating Agency may be subject to debarment, the CDC will notify the Operating Agency in writing of the evidence which is the basis for the proposed debarment and will advise the Operating Agency of the scheduled date for a debarment hearing before the Contractor Hearing Board.

The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Operating Agency and/or the Operating Agency's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether the Operating Agency should be debarred, and, if so, the appropriate length of time of the debarment. If the Operating Agency fails to avail itself of the opportunity to submit evidence to the Contractor Hearing Board, the Operating Agency may be deemed to have waived all rights of appeal.

A record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Commissioners. The Board of Commissioners shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.

These terms shall also apply to subconsultants of County, CDC or Housing Authority Operating Agency.

50. COMPLIANCE WITH JURY SERVICE PROGRAM

A. Jury Service Program.

This Contract is subject to the provisions of the County's ordinance entitled Contractor, which shall include Operating Agency, Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code. The term contractor in this Section 50 includes the Operating Agency. The term County in this Section 50 includes the CDC.

B. Written Employee Jury Service Policy.

1. Unless Contractor has demonstrated to the CDC's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program or that Contractor qualifies for an exception to the Jury Service Program, Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.

2. For purposes of this Section, "Contractor" means a person, partnership, corporation or other entity which has a contract with the CDC or a subcontract with a CDC contractor and has received or will receive an aggregate sum of $50,000 or more in any 12-month period under one or more CDC contracts or subcontracts. "Employee" means any California resident who is a full time employee of Contractor. "Full time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the CDC, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for the CDC under the Contract, the subcontractor shall also be subject to the provisions of this Section. The provisions of this Section shall be inserted into any such subcontract contract and a copy of the Jury Service Program shall be attached to the contract.

3. If Contractor is not required to comply with the Jury Service Program when the Contract commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. The CDC may also require, at any time during the Contract and at its sole discretion, that Contractor demonstrate to the CDC satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Program.

4. Contractor's violation of this Section of the contract may constitute a material breach of the Contract. In the event of such material breach, CDC may, in its sole discretion, terminate the Contract and/or bar Contractor from the award of future CDC contracts for a period of time consistent with the seriousness of the breach.

51. NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF AGREEMENT. Operating Agency shall have no claim against CDC for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Operating Agency after the expiration or other termination of this Contract. Should Operating Agency receive any such payment it shall immediately notify CDC and shall immediately repay all such funds to CDC. Payment by CDC for services rendered after expiration/termination of this Contract shall not constitute a waiver of CDC's right to recover such payment from Operating Agency. This provision shall survive the expiration or other termination of this Contract.

52. NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW. The Operating Agency shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is set forth in Exhibit D, Safely Surrendered Baby Law, of this Contract and is also available on the Internet at www.babysafela.org for printing purposes.

53. CONTRACTOR'S ACKNOWLEDGMENT OF CDC'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW. The Operating Agency acknowledges that the CDC places a high priority on the implementation of the Safely Surrendered Baby Law. The Operating Agency understands that it is the CDC's policy to encourage all CDC Operating Agencies to voluntarily post the CDC's "Safely Surrendered Baby Law" poster in a prominent position at the Operating Agency's place of business. The Operating Agency will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. The Department of Children and Family Services of the County of Los Angeles will supply the Operating Agency with the poster to be used.

54. CONTRACTOR'S CHARITABLE CONTRIBUTIONS COMPLIANCE: The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (SB 1262, Chapter 919) increased Charitable Purposes Act requirements. By requiring Operating Agency to complete the Charitable Contributions Certification the Commission seeks to ensure that all Commission contractors, which shall include Operating Agency, that receive or raise charitable contributions comply with California law in order to protect the Commission and its taxpayers. An Operating Agency that receives or raises charitable contributions without complying with its obligations under California law commits a material breach subjecting it to either Contract termination or debarment proceedings, or both.

IN WITNESS WHEREOF, the Community Development Commission of the County of Los Angeles has caused this Contract to be subscribed by its Executive Director and the Operating Agency has subscribed the same through its authorized officer, the day, month, and year first above written.

Community Development Commission of
the County of Los Angeles

By_____
William K. Huang

Title_____
Acting Executive Director

Arceneaux DelHomme & Company
Operating Agency

By_____

Title_____
Partner

Approved As To Form:

Raymond G. Fortner, Jr.
County Counsel

By _____
Deputy

Approved As To Program:

Community Development Commission
of the County of Los Angeles

By_____
Lois Starr

Title_____
Acting Director
Housing Development and Preservation

Attachments

Exhibit A – Project Description & Policies

Exhibit B – Activity Budget

Exhibit C – Insurance Requirements

Exhibit D – Safely Surrendered Baby Law

Exhibit A

COMMUNITY DEVELOPMENT COMMISSION
COUNTY OF LOS ANGELES

PROJECT DESCRIPTION & POLICIES

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1. Project Title:
   Housing Preservation Loan Program

2. Project Number: HR0001

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3. Operating Agency: _____

4. |X| Original

   |_| Amendment No __

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5. Program Approvals:

Operating Agency	_____	_____	_____
	Signature	Title	Date
Community Development Commission, County of Los Angeles	_____	_____	_____
	Signature Lois Starr	Title Acting Director, Housing Development and Preservation	Date

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A. PROGRAM PURPOSE

The Housing Preservation Loan Program (HPLP) consists of two loan programs, the Deferred Loan (Deferred) Program and the HOME Investment Partnerships Single Family Rehabilitation (HOME) Program, designed to assist in maintaining the existing housing stock of the unincorporated area of the County. Community Development Commission of the County of Los Angeles, hereinafter called "CDC", has appropriated and authorized the maximum aggregate expenditure of $525,000 in HOME funds for HOME Loans for loan service fees.

The objectives of the programs are to:

1. Stop the deterioration of communities by removing blighted and unsafe conditions, and provide property owners inducements to rehabilitate and maintain their properties;

2. Assist low-income families to maintain a decent, safe and sanitary home in a healthful environment, and

3. Provide incentives for low- and moderate-income single-family homeowners to improve those properties located in specific conservation areas.

The Operating Agency will be expected to meet quarterly goals, such as the number of funded loans, advertisements, attending community meetings, as established by the CDC. If at any time on or after the 1st day of the quarter, the CDC believes that the quarterly goals will not be met during the quarter (as hereafter defined), the CDC, may in its sole and absolute discretion, transfer the program funds and administrative fees allocated to the Operating Agency to another Operating Agency upon written notice to the Operating Agency; provided however, that the CDC shall (a) allow the Operating Agency to fund all loans committed by the Operating Agency during the quarter prior to the effective date of such notice; and (b) compensate the Operating Agency for all loans completed to satisfaction.

B. PROGRAM COORDINATION

All activities of the Operating Agency relative to the HPLP are set forth herein, and in the HPLP Handbook prepared by the CDC, which is incorporated herein by this reference. The Operating Agency shall comply with all the provisions of this Contract, including the HPLP Handbook which describes the operating policies and procedures.

Operating Agency shall prepare the following:

1. Monthly Loan Activity Reports.
2. Cumulative Project Progress, and any other reports required by the CDC.
3. Prepare Program Guidelines for distribution.
4. Attend and make presentations at all meetings given 48 hours notice.

The Operating Agency shall assign program staff to meet with the CDC monitoring staff and to provide information regarding the administration and progress of the project.

The CDC shall evaluate the Operating Agency's performance on the basis of:

1. Contract compliance.
2. Overall project management.
3. Consumer complaints.

C. PROGRAM BENEFICIARIES AND TARGET AREAS

Types of Housing Preservation Loan Program assistance available:

Lender	Loan Type	Maximum Loan	Rate	Household Income	% of Median Income	Family Size or Other Criteria
CDC	HOME - Deferred	$45,000*	3.0%	Low Income	80%	Elderly, Disabled Handicapped, or Single head of household
CDC	HOME - Amortized	*	3.0%	Low Income	80%	Non-elderly
CDC	CDBG - Deferred	$45,000*	3.0%	Low Income	80%	Elderly, Disabled Handicapped, or Single head of household

* For Properties with one unit, the maximum loan amount is $45,000; for properties with two units, the maximum loan amount is $98,000.

1. Service shall be provided to owner-occupied properties with one or two dwelling units in the unincorporated areas and participating cities of the 1st, 2nd, 3rd, 4th and 5th Supervisorial Districts. Loans in participating cities will be funded with HOME funds outside of this Contract.

2. Homeowners (owner-occupants) who benefit from the Deferred Loans shall be primarily of low-income as defined by 24 CFR 570 of the Housing and Community Development Act of 1974 regulations. Income of program beneficiaries shall not exceed 80% of the County median income.

   Types of Home Single Family Rehabilitation Loan Program assistance available: Homeowners (owner-occupants) who benefit from the HOME Single Family Rehabilitation Loan Program enacted under Title II (42 U.S.C. 12701-12839) of the Cranston-Gonzalez National Affordable Housing Act (NAHA) shall be low-income. The HOME Program shall comply with NAHA, all federal regulations related to NAHA, and all CDC policies and

procedures related to the HOME Program. The HOME Program was created to expand the supply of decent, safe, sanitary and affordable housing. The HOME Program provides funding for local governments and empowers them to design and tailor affordable housing strategies to address local needs and housing conditions. The HOME Program uses the definition of "annual income" found in 24 CFR Part 5. The income criteria is outlined in the HPLP Handbook.

D. SCOPE OF SERVICES

The Operating Agency shall provide the necessary technical assistance to homeowners to qualify for, and receive, loan funds from the programs outlined in the HPLP Handbook and Loan Services which delineates the Operating Agency's objectives, major activities and the required file documentation. In addition to the current loan programs, the Operating Agency may, upon request, during the Contract period, provide the above services for new loan programs developed by the CDC. The scope of services is sometimes referred to herein as "loan services."

E. OPERATING AGENCY FEE AND PAYMENT SCHEDULE

The Operating Agency shall be paid a fee of $ 7,500 for each loan funded for loan services provided pursuant to **PAYMENT SCHEDULE**. The Operating Agency shall invoice the CDC monthly for loan service fees due.

PAYMENT SCHEDULE: On HOME Program loans, payment of $ 5,000 shall be made when the funded loan is set up in HUD's Integrated Disbursement and Information System (IDIS); and, upon completion of rehabilitation work and disbursement of the final payment to the Contractor, the final $ 2,500 of the fee shall be disbursed. The IDIS System is a computerized system which manages, disburses, collects, and reports information on the use of HOME funds in the United States Treasury account. On Deferred loans, payment of $ 5,000 shall be made when the loan is funded; and the remaining payment schedule shall apply as described above.

Payment to Operating Agency is subject to the availability of HOME and CDBG funds. Payment of service fees shall not be charged to any other account held by the CDC or the County of Los Angeles. The Operating Agency fee payment is limited to the amount approved by the Board of Commissioners (Board).

In the event that the CDC adopts a fiscal year CDC Budget which provides for reductions in the salaries and benefits paid to the majority of CDC employees and imposes similar reductions with respect to CDC contracts, CDC reserves the right to reduce its payment obligation corresponding for the applicable fiscal year services provided by the Operating Agency under this Contract. CDC's notice to Operating Agency regarding said reduction in payment obligation shall be provided within 30 days of the Board's approval of such actions. Operating Agency shall continue to provide all of the services set forth in the Contract.

The Commission's obligation is payable only and solely from funds appropriated through the U.S. Department of Housing and Urban Development (HUD) and, for the purpose of this Contract. All funds are appropriated every fiscal year beginning July 1.

In the event this Contract extends into succeeding fiscal years and funds have not been appropriated, this Contract will automatically terminate as of June 30 of the current fiscal year. The Commission will endeavor to notify the Contractor in writing within ten (10) days of receipt of non-appropriation notice

F. MONITORING AND ASSESSMENT

The CDC shall conduct ongoing monitoring and assessment of the HPLP. The Operating Agency shall submit loan status reports to the CDC every third Wednesday of the month on forms approved or provided by the CDC. Standard forms and guides will be provided by the CDC and should be utilized by the Operating Agency, where applicable.

The CDC or its agent will evaluate the Operating Agency's performance under this Contract on not less than an annual basis. Such evaluation will include assessing Operating Agency's compliance with all contract terms and performance standards. Operating Agency deficiencies which the CDC determines are severe or continuing and that may place performance of the Contract in jeopardy if not corrected will be reported to the Board of Commissioners. The report will include improvement and corrective action measures taken by the CDC and Operating Agency. If improvement does not occur consistent with the corrective action measures, the CDC may terminate this Contract or impose other penalties as specified in this Contract.

A performance review will be conducted no later than ninety (90) days prior to the end of each Contract year to evaluate the performance of the Operating Agency. Based on the assessment of the performance review, as determined by the CDC in its sole discretion, written notification will be given to the Operating Agency whether this Contract will be terminated at the end of the current year or will be continued into the next contract year.

Out-of-pocket expenses incurred on loans that are not funded will be borne by the Operating Agency. Out-of-pocket expenses are defined as expenses for the credit report, the appraisal, the recording, the title insurance, and other related expenses as agreed upon by both parties. No compensation of any kind will be paid by the CDC for cost incurred for those loans turned down or not funded. All out-of-pocket expenses charged for updating of loans shall be borne by the Operating Agency as a cost of doing business.

G. WORK WRITE-UP PREPARATION, CONTRACTOR BID SOLICITATION AND CONSTRUCTION MONITORING

Work Write-Up Preparation

The Operating Agency is to prepare a work write-up for each rehabilitation loan. The work write-up will include the following:

- All evident Building and Safety Code violations, health and sanitary problems and items that improve habitability and promote housing preservation.
- A floor plan of the dwelling containing: location of rooms, dimensions, proposed additions and/or alterations (where applicable), description of major components and lot size.

  Note: On those cases requiring architectural plans, lot surveys, drafting services, engineering plans, geological surveys or specialized services of any kind "in order to complete the work write-up" the CDC will be notified. The CDC may choose to contract separately for these services or authorize the Operating Agency to procure the services at the CDC's expense.

Contractor Bid Solicitation

The Operating Agency will assist property owners to solicit competitive bids for the work itemized on the work write-up. In this phase of the process the Operating Agency will do the following:

- Prepare a work write-up for contractor bidding purposes, where each item of work is categorized and requires a separate price.
- Provide each contractor with a copy of CDC's Standard Specifications and General Conditions and secure a signed copy for the file.
- Verify contractor's eligibility relative to B1 license status, General Liability Insurance Limits and Worker's Compensation Insurance Limits.
- Make contractors aware that they are responsible for all final measurements, Building and Safety Permits, plans and specifications, or any special services that are applicable to the project.

Construction Monitoring

The Operating Agency is responsible for monitoring the progress of the work contracted for by the homeowner and delineated in the work write-up. This will include the following:

- Periodic visits to the job site to determine quantity and quality of work performed, contract deviations, overall home owner satisfaction and to discourage owner/contractor agreements not covered by the scope of work as delineated in the work write-up contract.

- Conduct specific site visits when progress payments are requested to decide if the percentage of work completed is commensurate with the requested compensation.

- Upon completion, review overall quality of finished work, compliance with work write-up, homeowner satisfaction with the completed project and Building & Safety Inspection Card indicating progress inspections and final sign-off. Prepare change orders for unanticipated deviations. Have contractor provide all warranties, guarantees, releases and other paper work required to schedule CDC final inspection. Notarize homeowners signature on Notice of Completion and remit for recordation.

- Visit job site to assist in the resolution of any work related disputes that may arise. Those that cannot be resolved by the Operating Agency will be recommended for arbitration, as required by the construction contract.

  Note: Operating Agency will advise both homeowner and contractor against unnecessary changes to the work write-up and/or extraneous agreements to the contract. If dramatic changes to the scope of work are discovered, the CDC will be notified in writing.

H. FEDERAL REPORTING REQUIREMENTS

The Operating Agency shall maintain, for Federal reporting purposes, and submit to the CDC accurate data on each household assisted, according to criteria established by the CDC. Such data includes, but is not limited to, household type (elderly, handicapped, small family, large family), income level (low, moderate), ethnicity, number of units, head of household (male, female), occupancy (owner, tenant), census tract location and other data as deemed necessary by the CDC.

I. LOAN IN PROGRESS AT TIME OF TERMINATION OR CONCLUSION OF CONTRACT PERIOD

1. All funded loans in process at the time of termination or expiration of this Contract must be completed by the Operating Agency within 90 calendar days.

2. All pending loan files and documents pertaining to the HPLP program and administered by the Operating Agency shall become the property of CDC upon termination of this Contract as indicated in Section 3. Time of Performance. All pending files and documents must be delivered to the CDC within 15 days from the termination or expiration of this Contract.

3. Sixty days prior to the expiration or termination of this Contract, the CDC or the Operating Agency may request an extension of this Contract to continue servicing approved rehabilitation loan applications. The CDC in its sole discretion may approve such a request and grant the Operating Agency up to 90 days after the expiration or termination of this Contract to complete rehabilitation activities related to funded loans, but will not approve processing of new loan applications.

J. LOAN SERVICES

LOAN SERVICES

MAJOR ACTIVITIES	DOCUMENTATION
1. Market program in selected eligible census tracts in Supervisorial Districts One, Two, Four and Five. 2. Determine eligibility of inquiring homeowners and explain program benefits and limitations. 3. Assist interested homeowners with the application process. 4. Verify ownership, income and credit standing of each applicant. 5. Visit property, prepare write-up of work to be done, estimate costs and assist in the solicitation of bids. 6. Verify contractors license status, general liability and worker's compensation insurance limits. 7. Refer homeowner to Los Angeles County Department of Consumer Affairs for counseling. 8. Request Historical Preservation Clearance from CDC. 9. Submit loan to CDC for approval. 10. If approved, have homeowner sign all loan documents and notarize, where applicable. 11. Submit signed loan documents to CDC along with the Project Set Up Form. 12. Record Deed of Trust, Request for Notice and order title update. 13. Have homeowner and contractor agree to start date for construction. 14. Monitor progress of construction. 15. Assist contractors and homeowners in the preparation of payment request. 16. Prepare, review and approve change orders, where applicable. 17. At completion, assist in the preparation of paper work for project finalization. 18. Mediate disputes. 19. Prepare monthly activity reports. 20. Assist in the resolution of homeowner complaints up to six months following the Notice of Completion. 21. Prepare data on all households assisted, and contractors.	1. Copies of mailers, brochures, newspaper articles, community meetings schedules. 2. Client inquiry form. 3. Loan application. 4. Property Tax Statement, Income Tax forms, title report and credit report. 5. Work write-up, cost estimate, contractor bids. 6. Copy of pocket license, general liability and worker's compensation insurance. 7. Consumer Affairs Letter. 8. CDC Historical Clearance Form. 9. Loan Package. 10. Signed loan documents. 11. Signed documents and Project Set-Up form. 12. Title company update indicating instrument number and recording date. 13. Notice to Proceed. 14. Operating Agency signed Request for Payment invoices, copies of Building & Safety Permits and notes to file. 15. Check Request Forms signed by homeowner, contractor and agency. 16. Signed change orders. 17. Contractor guarantees, warranties and releases, Final Building & Safety sign off card. Homeowner signed and notarized Notice of Completion. Check requests for termite, final payment and retention. 18. Project Completion or Arbitration. 19. Remit following reports monthly: cancelled loans, funded loans and loans in process by Supervisorial District. 20. Document complaint, access legitimacy, and follow up with contractor, where applicable. Assist homeowner to pursue proper action. 21. Reports on households and contractors required by HUD or CDC.

* Reports will be submitted outlining all marketing activities that will be conducted by the Operating Agency. This will include: an overall marketing strategy for the Housing Preservation Loan Program (HPLP) in the District, evidence of marketing materials such as direct mailings, schedule of community group meetings, advertisements, seminars, brochures, and any joint-marketing ventures with the CDC. Dates to submit reports are as follows:

11/01/08 02/01/09 04/01/09 06/01/09

Exhibit B

COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME PROGRAMS
ACTIVITY BUDGET

Original X Amendment No.

1. OPERATING AGENCY:

NAME: Arceneaux DelHomme & Company

ADDRESS: 9512 S. Central Avenue

Los Angeles, CA 90002

CONTACT PERSON: Joseph W. Arceneaux

TITLE: Partner

TELEPHONE NUMBER (323) 846-1520/846-1525

2. PROJECT TITLE:

Housing Preservation Loan Program

3. PROJECT NUMBER: HR0001
1st District

4. PROJECT DURATION:

From: _____ to 06/30/09

5. HUD ACTIVITY CODE: 14A

5A. HUD TITLE: Rehab: Single-Unit Residential

6. FUNDING:

CDBG		HOME	
Amount	Fiscal Year	Amount	Source
$		$ 202,500	HOME FY 08-09
$		$	
$		$	
$		$	
	Program Income		
$	TOTAL CDBG	$ 202,500	TOTAL HOME

7. BUDGET SUMMARY:

Cost Category	CDBG Share*	HOME
(1) Personal Services		
(2) Non-Personal Services	$	$ 202,500
(3) Capital Outlays		
(4) Interfund Transfers		
(5) TOTAL (1-4)	$	$ 202,500

*Includes Program Income

NOTE: All expenditures must conform with appropriate HOME and CDBG regulations and to the Auditor-Controller Handbook. All expenditures must be fully documented by receipts, time records, invoices, canceled checks, inventory records, or other appropriate documentation which completely discloses the amount and nature of the expenditures.

8. BUDGET APPROVALS:

N/A

Operating Agency Signature Title Date

N/A

CDBG Fiscal Review Signature Title Date

N/A

CDBG Program Manager Signature Title Date

Exhibit B

COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME PROGRAMS
ACTIVITY BUDGET

Original X Amendment No.

1. OPERATING AGENCY:

NAME: Arceneaux DelHomme & Company

ADDRESS: 9512 S. Central Avenue

Los Angeles, CA 90002

CONTACT PERSON: Joseph W. Arceneaux

TITLE: Partner

TELEPHONE NUMBER: (323) 846-1520/846-1525

2. PROJECT TITLE:

Housing Preservation Loan Program

3. PROJECT NUMBER: HR0001
2nd District

4. PROJECT DURATION:

From: _____ to 06/30/09

5. HUD ACTIVITY CODE: 14A

5A. HUD TITLE: Rehab: Single-Unit Residential

6. FUNDING:

CDBG		HOME	
Amount	Fiscal Year	Amount	Source
$		$ 150,000	HOME FY 08-09
$		$	
$		$	
$		$	
	Program Income		
$	TOTAL CDBG	$ 150,000	TOTAL HOME

7. BUDGET SUMMARY:

Cost Category	CDBG Share*	HOME
(1) Personal Services		
(2) Non-Personal Services	$	$ 150,000
(3) Capital Outlays		
(4) Interfund Transfers		
(5) TOTAL (1-4)	$	$ 150,000

*Includes Program Income

NOTE: All expenditures must conform with appropriate HOME and CDBG regulations and to the Auditor-Controller Handbook. All expenditures must be fully documented by receipts, time records, invoices, canceled checks, inventory records, or other appropriate documentation which completely discloses the amount and nature of the expenditures.

8. BUDGET APPROVALS:

N/A

Operating Agency Signature Title Date

N/A

CDBG Fiscal Review Signature Title Date

N/A

CDBG Program Manager Signature Title Date

Exhibit B

COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME PROGRAMS
ACTIVITY BUDGET

Original X Amendment No.

1. OPERATING AGENCY:

NAME: Arceneaux DelHomme & Company

ADDRESS: 9512 S. Central Avenue

Los Angeles, CA 90002

CONTACT PERSON: Joseph W. Arceneaux

TITLE: Partner

TELEPHONE NUMBER: (323) 846-1520/846-1525

2. PROJECT TITLE:

Housing Preservation Loan Program

3. PROJECT NUMBER: HR0001
3rd District

4. PROJECT DURATION:

From: _____ to 06/30/09

5. HUD ACTIVITY CODE: 14A

5A. HUD TITLE: Rehab: Single-Unit Residential

6. FUNDING:

CDBG		HOME	
Amount	Fiscal Year	Amount	Source
$		$ 0	HOME FY 08-09
$		$	
$		$	
$		$	
	Program Income		
$	TOTAL CDBG	$ 0	TOTAL HOME

7. BUDGET SUMMARY:

Cost Category	CDBG Share*	HOME
(1) Personal Services		
(2) Non-Personal Services	$	$ 0
(3) Capital Outlays		
(4) Interfund Transfers		
(5) TOTAL (1-4)	$	$ 0

*Includes Program Income

NOTE: All expenditures must conform with appropriate HOME and CDBG regulations and to the Auditor-Controller Handbook. All expenditures must be fully documented by receipts, time records, invoices, canceled checks, inventory records, or other appropriate documentation which completely discloses the amount and nature of the expenditures.

8. BUDGET APPROVALS:

N/A

Operating Agency Signature Title Date

N/A

CDBG Fiscal Review Signature Title Date

N/A

CDBG Program Manager Signature Title Date

Exhibit B

COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME PROGRAMS
ACTIVITY BUDGET

Original X Amendment No.

1. OPERATING AGENCY:

NAME: Arceneaux DelHomme & Company

ADDRESS: 9512 S. Central Avenue

Los Angeles, CA 90002

CONTACT PERSON: Joseph W. Arceneaux

TITLE: Partner

TELEPHONE NUMBER: (323) 846-1520/846-1525

2. PROJECT TITLE:

Housing Preservation Loan Program

3. PROJECT NUMBER: HR0001
4th District

4. PROJECT DURATION:

From: _____ to 06/30/09

5. HUD ACTIVITY CODE: 14A

5A. HUD TITLE: Rehab: Single-Unit Residential

6. FUNDING:

CDBG		HOME	
Amount	Fiscal Year	Amount	Source
$		$ 112,500	HOME FY 08-09
$		$	
$		$	
$		$	
	Program Income		
$	TOTAL CDBG	$ 112,500	TOTAL HOME

7. BUDGET SUMMARY:

Cost Category	CDBG Share*	HOME
(1) Personal Services		
(2) Non-Personal Services	$	$ 112,500
(3) Capital Outlays		
(4) Interfund Transfers		
(5) TOTAL (1-4)	$	$ 112,500

*Includes Program Income

NOTE: All expenditures must conform with appropriate HOME and CDBG regulations and to the Auditor-Controller Handbook. All expenditures must be fully documented by receipts, time records, invoices, canceled checks, inventory records, or other appropriate documentation which completely discloses the amount and nature of the expenditures.

8. BUDGET APPROVALS:

N/A

Operating Agency Signature Title Date

N/A

CDBG Fiscal Review Signature Title Date

N/A

CDBG Program Manager Signature Title Date

Exhibit B

COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME PROGRAMS
ACTIVITY BUDGET

Original X Amendment No.

1. OPERATING AGENCY:

NAME: Arceneaux DelHomme & Company

ADDRESS: 9512 S. Central Avenue

Los Angeles, CA 90002

CONTACT PERSON: Joseph W. Arceneaux

TITLE: Partner

TELEPHONE NUMBER: (323) 846-1520/846-1525

2. PROJECT TITLE:

Housing Preservation Loan Program

3. PROJECT NUMBER: HR0001
5th District

4. PROJECT DURATION:

From: _____ to 06/30/09

5. HUD ACTIVITY CODE: 14A

5A. HUD TITLE: Rehab: Single-Unit Residential

6. FUNDING:

CDBG		HOME	
Amount	Fiscal Year	Amount	Source
$		$ 60,000	HOME FY 08-09
$		$	
$		$	
$		$	
	Program Income		
$	TOTAL CDBG	$ 60,000	TOTAL HOME

7. BUDGET SUMMARY:

Cost Category	CDBG Share*	HOME
(1) Personal Services		
(2) Non-Personal Services	$	$ 60,000
(3) Capital Outlays		
(4) Interfund Transfers		
(5) TOTAL (1-4)	$	$ 60,000

*Includes Program Income

NOTE: All expenditures must conform with appropriate HOME and CDBG regulations and to the Auditor-Controller Handbook. All expenditures must be fully documented by receipts, time records, invoices, canceled checks, inventory records, or other appropriate documentation which completely discloses the amount and nature of the expenditures.

8. BUDGET APPROVALS:

N/A

Operating Agency Signature Title Date

N/A

CDBG Fiscal Review Signature Title Date

N/A

CDBG Program Manager Signature Title Date

Exhibit C

INSURANCE REQUIREMENTS

Without limiting the Operating Agency's indemnification of the Community Development Commission of the County of Los Angeles (CDC) and the County of Los Angeles (County), the Operating Agency shall provide and maintain at its own expense during the term of this Contract a program of insurance satisfactory to the CDC's Risk Manager covering its operations hereunder. Such insurance shall be secured through a carrier admitted to write insurance in California or carriers with a rating of, or equivalent to, A:VIII by A.M. Best & Company. Certificates evidencing such insurance, along with significant endorsements, shall be delivered to the CDC on or before the effective date of this Contract, and shall stipulate that the CDC is to be given at least thirty (30) days written notice in advance of cancellation or any material changes to policy limits, coverage or form of any policy of insurance:

a. Comprehensive General Liability: The minimum amount of coverage for General Liability shall be $1 million combined single limit for bodily injury, personal injury and property damage or $2 million general aggregate. The Community Development Commission of the County of Los Angeles, the Housing Authority of the County of Los Angeles (Housing Authority), and the County of Los Angeles and their officials and employees shall be covered as additional insured as respects liability arising out of activities performed by or on behalf of the Operating Agency and premises owned, leased or used by the Operating Agency.

b. Automobile Liability: The minimum amount of coverage for Automobile Liability shall be $1 million combined single limit per accident for bodily injury and property damage covering owned, non-owned and hired vehicles.

c. Workers' Compensation: The Operating Agency's employees shall be covered by Workers' Compensation insurance as required by the Labor Code of the State of California with Employers Liability limits of $1,000,000.

Any self-insurance program or self-insured retention must be separately approved in writing by CDC. CDC reserves the right to require complete copies of all policies at any time. Any modification or waiver of the insurance requirements herein shall only be made with the written approval of the CDC Risk Manager or designee.