



**COMMUNITY DEVELOPMENT COMMISSION  
of the County of Los Angeles**

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**Gloria Molina  
Mark Ridley-Thomas  
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Don Knabe  
Michael D. Antonovich**  
Commissioners

**Sean Rogan**  
Executive Director

September 09, 2014

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

Dear Commissioners:

**APPROVE A REIMBURSABLE CONTRACT WITH L.A. FAMILY HOUSING CORPORATION  
(DISTRICT 3) (3 VOTES)**

**SUBJECT**

This letter requests that your Board approve a Reimbursable Contract between the Community Development Commission (Commission) and L.A. Family Housing Corporation (LAFH) for their Phase I-Transitional Living Center Project.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the approval of a Reimbursable Contract between the County of Los Angeles and LAFH for its Phase I-Transitional Living Center is exempt from the provisions of the California Environmental Quality Act (CEQA) for the reasons stated in this letter and record of the project.
2. Approve a Reimbursable Contract with LAFH, presented in substantially final form, for their Phase I-Transitional Living Center Project, using \$1,000,000 in Homeless Services Funds allocated to the Third Supervisorial District, following approval as to form by County Counsel and execution by all parties, through December 31, 2015.
3. Instruct the Executive Director, or his designee, to execute, amend and, if necessary, terminate the attached standard Reimbursable Contract on behalf of the County of Los Angeles, following approval as to form by County Counsel.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

LAFH serves homeless and low income families and individuals through emergency and transitional

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

1-D September 9, 2014

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

shelters and permanent rental housing along with providing supportive services. The Sydney M. Irmas Transitional Living Center (TLC) currently operates as emergency and transitional shelter for 65 homeless families. TLC facility requires significant capital upgrades to ensure the sustainability of the building. Phase I of the TLC project will include upgrades to plumbing, HVAC, and electrical systems and energy efficiency upgrades. The project is located at 7817 Lankershim Boulevard in North Hollywood.

### **FISCAL IMPACT/FINANCING**

This project will be funded with \$1,000,000 in Third District Homeless Services Funds included in the Commission's approved Fiscal Year 2014-2015 budget.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

On April 1, 2014, your Board authorized the Executive Director to execute a Funding Agreement with the County and any related documents to accept and incorporate up to \$1,200,784 into the Commission's Fiscal Year 2013-2014 budget; \$1,000,000 for LAFH and \$200,784 for Commission administrative costs. This action will approve a Reimbursable Contract with LAFH to rehabilitate the TLC facility.

Should LAFH require additional or replacement personnel after the effective date of this Contract, they shall give consideration for any such employment openings to participants in the County's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program or Homeless Services Relief Opportunity for Work (GROW) Program who meet the agency's minimum qualifications for the positions in question.

### **ENVIRONMENTAL DOCUMENTATION**

This project is categorically exempt from the provisions of CEQA. The project, upgrades to plumbing, HVAC, and electrical systems, as well as refurbishments to bathrooms and energy efficiency upgrades, is within a class of projects that have been determined not to have a significant effect on the environment in that it meets the criteria set forth in Section 15301 of the CEQA Guidelines and Class 1 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. In addition, the project is not in a sensitive environment, and there are no cumulative impacts, unusual circumstances, or other limiting factors that would make the exemption inapplicable based on the project records.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The project will ensure that Sydney M. Irmas Transitional Living Center can continue to provide much needed emergency and transitional shelter for homeless families and individuals.

The Honorable Board of Supervisors

9/9/2014

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sean Rogan", followed by a horizontal line extending to the right.

SEAN ROGAN

Executive Director

SR:SS:rw

Enclosures

## ATTACHMENT A

### WOMEN/MINORITY COMPOSITION

#### LOS ANGELES FAMILY HOUSING CORPORATION

	<b>Board of Directors</b>	<b>Employees</b>
Total	19	134
Minorities (Number)	9	101
Women (Number)	8	74
Minorities (Percent)	47%	75%
Women (Percent)	42%	55%

The Commission encourages the participation of minorities and women in the contract award process by: providing information about the Commission at local and national conferences; conducting seminars for minorities and women regarding the Commission's programs and services; advertising in newspapers to invite placement on the vendor list; and mailing information to associations that represent minorities and women. The above information has been voluntarily provided by the Office of Samoan Affairs.

The recommendation to approve the Reimbursable Contract with the above agency is being made in accordance with federal regulations, and without regard to race, creed, color, gender, religion or sexual orientation.



3. SCOPE OF SERVICES. The Operating Agency is to perform all the services set forth in the Exhibit A, Project Description and Activity Budget.
4. TIME OF PERFORMANCE. Operating Agency shall commence the services described herein on the date first above written and shall complete same by no later than «Month» «Date», «Year». The construction project shall be limited to an eighteen month duration and must be successfully completed within this period, unless the Operating Agency has received prior written approval from the Commission, through its Executive Director, or his designee.
5. COMPENSATION AND METHOD OF PAYMENT. For satisfactory performance under this Contract, Commission shall reimburse Operating Agency an amount not to exceed One Million dollars (\$1,000,000), which shall constitute full and complete compensation hereunder for the completion of the project, including closeout and final permit signoff, described in Exhibit A. Said reimbursement will only be paid out of funds allocated by the Commission for allowable costs actually incurred and paid for the express purposes specified. Funds shall be paid only after submittal of a payment request form. This payment request form must be submitted on a minimum of a monthly basis as specified and provided by the Commission. Said payment request shall give the total of said cash expenses paid during the monthly reporting period and shall also itemize the same in detail conforming to the budget required by Section 6 of this Contract. After timely receipt and approval of each payment request form, the Commission will draw a check in favor of the Operating Agency in the approved amount.

Operating Agency shall have no claim against the County or Commission for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Operating Agency after the expiration and/or termination of this contract or completion of the project.. Should Operating Agency receive any such payment, it shall immediately notify the County and immediately repay all such funds to the Commission. Payment by the Commission for services rendered after expiration and/or termination of this Contract shall not constitute a waiver of the Commission's right to recover such payment from Operating Agency. This provision shall survive the expiration or other termination of this Contract.

The Commission's payment obligations pursuant to this Contract are payable solely from funds appropriated by the County for the purpose of this project. Operating Agency shall have no recourse to any other funds allocated to or by the County or the Commission. Operating Agency acknowledges that the funding for this Contract is limited to the project costs identified in the Exhibit A Project Description and Activity Budget, with no future funding promised or guaranteed.

6. BUDGET SECTION. No more than the amounts and expenditure items specified in the Project Description and Activity Budget, attached as Exhibit A to this Contract, which is attached hereto and incorporated herein by this reference in Section 3, may be spent for the separate cost categories specified in Exhibit A without written approval of the Commission.

7. COMPLIANCE WITH LAWS. All parties agree to be bound by all applicable Federal State and local laws, ordinances, regulations and directives as they pertain to the performance of this contract, including the County Auditor Controller Contract Accounting and Administration Handbook.

Operating Agency shall comply with all Applicable Governmental Restrictions. As used herein, “**Applicable Governmental Restrictions**” shall mean and include any and all laws, statutes, ordinances, codes, rules, regulations, directives, writs, injunctions, orders, decrees, rulings, conditions of approval, or authorizations, now in force or which may hereafter be in force, of any governmental entity, agency or political subdivision as they pertain to the performance of this Agreement or development or operation of the Project, including specifically but without limitation all code and other requirements of the jurisdiction in which the Project is located; the California Environmental Quality Act; applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 18579h), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency Regulations (40 CFR part 15), the laws specified in Section 13 below, fair housing laws, prevailing wage laws as applicable (e.g. Cal. Labor Code 1720 et seq. and any other applicable federal, state and local laws. Operating Agency shall indemnify, defend (with counsel acceptable to the indemnified parties) and hold the Commission, the Housing Authority of the County of Los Angeles (“**HACoLA**”), and the County harmless from any suit, cost, attorneys’ fees, claim, administrative proceeding, damage, wage award, fine, penalty or liability arising (whether by negligence, willful act or otherwise) out of or relating to Operating Agency’s failure to comply with any applicable Governmental Restrictions, including, without limitation, the nonpayment of any prevailing wages required to be paid, failure to maintain wage records, failure to post prevailing wage schedules, or other acts or omissions, regardless of whether they are the responsibility of the contractor or the party awarding the contract. Operating Agency is solely responsible for determining the applicability of laws, and should not rely on statements by Commission. Operating Agency acknowledges that Commission has not represented that the Project is not a “public work” as defined in Labor Code Section 1720 et seq.; and Operating Agency shall notify Commission and Operating Agency’s contractors and subcontractors immediately upon learning of any investigation or determination by the California Department of Industrial Relations relating to whether or not the Project is a “public work”.

Operating Agency shall comply with the Civil Rights Act of 1964 Title VI which provides that no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity under this Program.

The Operating Agency shall ensure equal opportunity in the award and performance of any contract to all persons without regard to race, color, gender,

sexual orientation, religion, national origin, ancestry, age, marital status, or disability.

The Operating Agency will, in all solicitations or advertisements for employees placed by or on behalf of the Operating Agency, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

8. **OPERATING AGENCY'S CHARITABLE ACTIVITIES 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 Agencies to complete the "Charitable Contributions Certificate" form included as Exhibit "C," the Commission seeks to ensure that all Commission Operating Agencies that receive or raise charitable contributions comply with California law in order to protect the Commission and its taxpayers. A Operating Agency that received 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.

9. **LOBBYING CERTIFICATIONS.** With regards to the certification for contracts, grants, and loans, by executing this Agreement, the Operating Agency certifies, to the best of its knowledge and belief, that:

- a. The Operating Agency is familiar with the Los Angeles County Code Chapter 2.160 regarding County Lobbyists and assures the County that all persons acting on behalf of the Operating Agency will comply with the County Code.
- b. The Operating Agency shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-contracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

10. **TERMINATION FOR FAILURE TO COMPLY WITH COUNTY LOBBYIST REQUIREMENTS.** Failure on the part of the Operating Agency and/or its Lobbyist(s) to fully comply with said County Lobbyist requirements shall constitute a material breach of the Contract upon which the Commission may

immediately terminate this Contract, and the Operating Agency shall be liable for any and all damages incurred by the Commission and/or the County as a result of such breach

11. CONFIDENTIALITY OF REPORTS. 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 Commission.

12. 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 safeguard safety devices and protective equipment and take any other needed actions, as its own responsibility, as reasonably necessary to protect the life and health of employees on the job, the safety of the public and personal and real property in connection with the performance of this Contract.

The Operating Agency shall also comply with sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327A 330) as supplemented by Department of Labor Regulations (29 CFR part 5). This requirement will pertain to construction contracts awarded to Operating Agencies and subcontractors in excess of \$2,000, and in excess of \$2,500 for other contracts which involve the employment of mechanics and laborers.

13. 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 of breadth, such provision shall be deemed valid to the extent of the scope of breadth permitted by law.

14. INTERPRETATION. No provision of this Contract shall 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 both parties drafted it hereto.

15. WAIVER. No waiver by the Commission of any breach of any provision of this Contract shall constitute a waiver of any other breach or of such provision. Failure of the Commission to enforce at any time, or from time to time, any provision of this Contract shall not be construed as a waiver thereof. The rights and remedies set forth in this section 15 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

16. PROJECT EVALUATIONS AND REVIEW. The Commission will monitor, evaluate, and provide guidance to the Operating Agency in the performance of the Project identified in the Exhibit A project description,. Reviews will focus on the

extent to which the planned Project has been implemented, measurable goals achieved, effectiveness of project management and timely project completion..

Upon seventy-two (72) hours written notice, Operating Agency shall make available for inspection to authorized Commission and/or County personnel and their agents, for five years (5) after the term, of this Contract, all records, including financial, pertaining to its performance under this Contract and allow said County personnel and agents to inspect and monitor Operating Agency's facilities and program operations, and interview Operating Agency's staff and program participants, as required by the Commission (including, but not limited to, documents related to construction and project financing) reasonably required by Commission or its representatives as they relate to the Project or this Agreement. Operating Agency shall ensure that its employees, agents, officers, and board members fully cooperate with the Commission and the County with respect to the production of any information, which in the reasonable judgment of Commission representatives, may be relevant to a question of compliance with this Agreement. In the event any litigation, claims or audit is commenced during the term of this Agreement, said books and records shall be retained until all litigation, claims or audit findings involving said books and records have been resolved.

Failure of Operating Agency to comply with the requirements of this Section shall constitute a material breach of contract upon which the Commission, through its Executive Director or his designee may cancel, terminate or suspend this Contract.

17. ACCOUNTING. The Operating Agency must establish and maintain on a current basis an adequate accounting system in accordance with generally accepted accounting principles and standards, and the County Auditor-Controller Contract Accounting and Administration Handbook. Regardless of the Operating Agency's method of accounting, expenses must be reported in accordance with Sections 5 and 46 of this Contract.
18. CHANGES. The Commission may, from time to time, request changes hereunder, including the scope of services of the Operating Agency. Such changes, including any increase or decrease in the amount of the Operating Agency's compensation, which are agreed upon by and between the Commission and the Operating Agency, shall be incorporated into this Contract by written amendments. Any changes to the regulations or requirements governing Operating Agency's performance hereunder need not be incorporated by written amendment and will be binding upon Operating Agency upon written notification by Commission.
19. REVENUE DISCLOSURE REQUIREMENT. Upon request, Operating Agency shall file with the Commission a written statement listing all revenue received, or expected to be received, by Operating Agency from Federal, State, City or County sources, or other governmental agencies, and applied for, or expected to be applied for, to offset, in whole or in part, any of the costs incurred by Operating

Agency in conducting current or prospective projects or business activities, including, but not necessarily limited to, the project or business activity which is the subject of this Contract. Such statement shall reflect the name and a description of such business activity, the dollar amount of funding provided, or to be provided, by each and every governmental agency for each such project or business activity, and the full name and address of each governmental agency. Operating Agency shall make available for inspection and audit to Commission's representatives, upon request, at any time during the duration of this Contract, and for a period of five (5) years thereafter, all of its books and records relating to the operation by it of each project or business activity which is funded in whole or in part with governmental monies, including the project(s) funded under this Contract, whether or not such monies are received through Commission. All such books and records shall be maintained by Operating Agency at a location in Los Angeles County.

Failure of Operating Agency to comply with the requirements of this Section 25 of this Contract shall constitute a material breach of contract upon which Commission may immediately cancel, terminate or suspend this Contract through its Executive Director.

20. JOINT FUNDING. For projects in which there are sources of funds in addition to funds awarded through this contract, Operating Agency may be required to provide proof of such other funding. The Commission shall not pay for any costs incurred by Operating Agency, which are paid with other funds. All restrictions and/or requirements provided for in this Contract, relative to accounting, budgeting and reporting, apply to the total project regardless of funding sources. Separate financial records shall be kept for each funding source and program.
21. ASSURANCES. The Operating Agency hereby assures and certifies that it has complied with applicable regulations, policies, guidelines and requirements, and that it will comply with all applicable Federal, State and local laws and regulations as they relate to acceptance and use of County/Commission funds for the project specified in Exhibit A. Operating Agency further assures and certifies that it will comply with any further amendments or changes to said required assurances and certifications and that, during the term of this Contract, it will maintain current copies of said assurances and certifications at the address specified below.
22. NOTICES. All notices shall be served in writing. The notices to the Operating Agency shall be sent to the following address:

Los Angeles Family Housing Corporation  
7843 Lankershim Blvd  
North Hollywood, CA 91605

Notices, reports and statements to the County shall be personally delivered or sent via First Class U.S. mail to the Executive Director or his designee at:

Community Development Commission of the County of Los Angeles  
Community Development Division  
700 W. Main Street  
Alhambra, California 91801

Each party shall promptly notify the other of any change in its mailing address.

23. ASSIGNMENT. Operating Agency may not assign any portion of this Contract without the express written consent of the Commission. Any attempt by Operating Agency to assign any performance of the terms of this Contract shall be null and void and shall constitute a material breach of this Contract, upon which the Commission may immediately terminate this Contract through the Executive Director or his designee.
24. SUBCONTRACTING. The requirements of this Contract may not be subcontracted by the Operating Agency without the advance approval of the Commission. Any attempt by the Operating Agency to subcontract without prior consent of the Commission may be deemed a material breach of this Contract.

If the Operating Agency desires to subcontract, the Operating Agency shall provide the following information promptly at the Commission's request:

- A description of the work to be performed by the subcontractor;
- A draft copy of the proposed subcontract; and
- Other pertinent information and/or certifications requested by the Commission.

The Operating Agency shall indemnify and hold the Commission, **HACoLA, and** County and harmless with respect to the activities of each and every subcontractor in the same manner and to the same degree as if such Subcontractor(s) were the Operating Agency's employees.

The Operating Agency shall remain fully responsible for all performances required of it under this Contract, including those that the Operating Agency has determined to subcontract, notwithstanding the Commission's approval of the Operating Agency's proposed subcontract.

The Commission's consent to subcontract shall not waive the Commission's right to prior and continuing approval of any and all personnel, including subcontractor employees, providing services under this Contract. The Operating Agency is responsible to notify its subcontractors of this Commission right.

The Commission's Executive Director, or his designee is authorized to act for and on behalf of the County with respect to approval of any subcontract and subcontractor employees. After approval of the subcontract by the Commission,

the Operating Agency shall forward a fully executed subcontract to the Commission for their files.

The Operating Agency shall be solely liable and responsible for all payments or other compensation to all subcontractors and their officers, employees, agents, and successors in interest arising through services performed hereunder, notwithstanding the Commission's consent to subcontract.

The Operating Agency shall obtain and maintain on site, certificates of insurance, which establish that the subcontractor maintains all the programs of insurance required by the Commission from each approved subcontractor. The Commission may request copies of the certificates and endorsements required herein at any time. Failure by the Operating Agency to comply with the Commission's request may be deemed by the Commission as a material breach of this contract.

25. NOTICE OF FEDERAL EARNED INCOME CREDIT. 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.
26. FISCAL LIMITATIONS. The Commission may, in its sole discretion, reduce the compensation amount of this Contract in whole or in part, or may limit the rate of the Operating Agency's use of both its uncommitted and its unspent funds. The Commission, through its Executive Director, or his designee, may act for the County in implementing and effecting such a reduction in the compensation amount of this Contract.

Where the Commission, through its Executive Director, or his designee, has reasonable grounds to question the fiscal accountability, financial soundness, or compliance with this Contract of the Operating Agency, the Commission, through the Executive Director, or his designee, may suspend this Contract for up to sixty (60) days, upon three (3) days notice to Operating Agency, pending an audit or other resolution of such questions. In no event, however, shall a revision made by the Commission 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, that such commitments are consistent with Commission cash withdrawal guidelines, and that County funds are available to satisfy such expenditures or legally binding commitments.

27. USE OF FUNDS FOR ENTERTAINMENT, MEALS OR GIFTS. Operating Agency certifies and agrees that it will not use funds provided through this Contract to pay for entertainment, meals or gifts.
28. CONFLICT OF INTEREST. The Operating Agency, its agents and employees shall comply with all applicable State and County laws and regulations governing conflict of interest. The Operating Agency agrees to incorporate the language

found in this Section 34, CONFLICT OF INTEREST in contracts using funds awarded through this contract and subject to compliance with State and County conflict of interest laws.

The general rule shall be that no person described in the *Persons covered* section below of this Section 34, CONFLICT OF INTEREST, who exercises, or has exercised any function or responsibilities with respect to the Project, or who is in a position to participate in a decision making process or gain inside information with regards to such activities, may obtain a financial interest or benefit from a County-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a County-assisted activity, or with respect to the proceeds of the County-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

*Persons covered* – The conflict of interest provisions of this Section 34, CONFLICT OF INTEREST, shall apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the Operating Agency, or of any designated public agencies, or of any subrecipients that are receiving County funds.

The Operating Agency represents, warrants and agrees that to the best of its knowledge, it does not presently have, nor will it acquire during the term of this Contract, any interest direct or indirect, by contract, employment or otherwise, or as a partner, joint venture or shareholder (other than as a shareholder holding a one (1%) percent or less interest in publicly traded companies) or affiliate with any business or business entity that has entered into any contract, subcontract or arrangement with the County or Commission. Upon execution of this Contract and during its term, as appropriate, the Operating Agency shall, disclose in writing to the County any other contract or employment during the term of this Contract by any other persons, business or corporation in which employment will or may likely develop a conflict of interest between the County's and/or Commission's interest and the interests of the third parties.

29. BUDGET MODIFICATIONS. The Executive Director or his designee, who shall be a Division Director or higher, may grant budget modifications to this Contract for the movement of funds between the budget categories identified in Exhibit A, when such modifications:
  - i. Are specifically requested by Operating Agency;
  - ii. Will not change the project goals or scope of services;
  - iii. Are in the best interest of the County, the Commission and Operating Agency in performing the scope of services under this Contract;
  - iv. Do not alter the total amount of compensation under this Contract; and
  - v. Are in writing prior to expenditures being made.
  
30. TIME OF PERFORMANCE MODIFICATIONS. The Executive Director or his designee, who shall be a Division Director or higher, may grant time of performance modifications to this contract when such modifications:

- i. Are specifically requested by Operating Agency;
- ii. Will not change the project goals or scope of services;
- iii. Are in the best interest of the County, the Commission and Operating Agency in performing the scope of services under this Contract;
- iv. Do not alter the total amount of compensation under this Contract; and
- v. Are in writing prior to expenditures being made.

31. AUDIT EXCEPTIONS. Operating Agency agrees that in the event the program established hereunder is subject to audit exceptions by appropriate audit agencies, it shall be responsible for complying with such exceptions and paying the Commission and/or the County, applicable, the full amount of Commission and/or the County's 's liability to the funding agency resulting from such audit exceptions.

32. AUDITS. The Operating Agency's program will be audited in accordance with the County and Commission's policy and funding source guidelines. Audits may also be conducted by State or local funding source agencies. The Commission or its authorized representatives shall, at all times during the term of this Contract, and for a period of five (5) years thereafter, have access, for the purpose of audit or inspection, to any and all books, documents, papers, records, property, and premises of the Operating Agency. The Operating Agency's staff will cooperate fully with authorized auditors when they conduct audits and examinations of the Operating Agency's program. A financial audit of the Operating Agency's performance under this Contract shall be conducted at County's discretion. If indications of misappropriation or misapplication of the funds of this Contract cause the Commission to require a special audit, the cost of the audit will be encumbered and deducted from this Contract's budget.

Failure of Operating Agency to comply with the requirements of this Section shall constitute a material breach of contract upon which the Commission, through its Executive Director or his designee may cancel, terminate or suspend this Contract.

33. INDEPENDENT CONTRACTOR. Both parties hereto in the performance of this Contract will be acting in an independent capacity and not as agents, employees, partners, joint ventures or associates of one another. The employees or agents of one party shall not be deemed or construed to be the agents or employees of the other party for any purpose whatsoever, including workers' compensation liability. 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.

34. AMENDMENTS/VARIATIONS. This writing, with attachments, embodies the whole of the agreement of the parties hereto. No oral agreement shall be binding upon the parties unless expressly stated herein. Except as provided herein, any addition to 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. All Amendments must be received by Commission no less than sixty (60) calendar days from the expiration date of this Contract.

35. ACQUISITION OF SUPPLIES AND EQUIPMENT. Following approval by the Commission for necessary supplies and equipment for Contract performance, the Operating Agency may purchase from a related agency/organization only if: (a) prior authorization is obtained in writing from the Commission, (b) no more than maximum prices or charges are made and no more than minimum specifications are met, as provided in writing by the Commission, (c) a community related benefit is derived from such Operating Agency related acquisition, and (d) no conflict of interest for private gain accrues to the Operating Agency or its employees, agents or officers.
  
36. INSURANCE. The Executive Director hereby authorizes the Commission's Risk Manager to determine the requirements of the insurance policy to be procured and maintained by Operating Agency with respect to its activities and obligations hereunder. Without limiting Operating Agency's indemnification requirements as set forth in **Section 45** below, the Operating Agency shall provide and maintain at its own expense during the term of this Contract, a program of insurance satisfactory to the Commission's Risk Manager covering its operations hereunder, as specifically defined in Exhibit B to this Contract, a copy of which is attached hereto and incorporated herein by this reference.
  
37. FAILURE TO PROCURE INSURANCE. Failure on the part of Operating Agency to procure or maintain required insurance (pursuant to Exhibit B) shall constitute a material breach of contract under which Commission may immediately suspend or terminate this Contract or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith. All monies so paid by Commission shall be repaid by the Operating Agency to County upon demand or County may offset the cost of the premiums against any monies due to the Operating Agency from Commission.
  
38. INDEMNIFICATION. Except as otherwise set forth below, the Operating Agency agrees to indemnify, defend and hold harmless the County, the Commission, the Housing Authority of the County of Los Angeles ("Housing Authority"), and each of their elected and appointed officers, officials, representatives, employees, and agents (hereinafter collectively referred to as "Public Agencies") from and against any and all liability, demands, damages, claims, causes of action, fees, (including reasonable attorneys' fees, expert witness' fees, defense costs), and expenses, including, but not limited to, claims for bodily injury, property damage, and death (hereinafter collectively referred to as "Liabilities"), arising from, related to, or connected with the Operating Agency's acts, errors, or omissions. Operating Agency shall not be required to indemnify, defend, and hold harmless the Public Agencies from any Liabilities that arise from the sole negligence or willful misconduct of Public Agencies.

In the event that Operating Agency provides construction services in relation to the construction of a project related in any way to this Contract, with respect to those construction services, Operating Agency agrees to indemnify, defend, and hold harmless Public Agencies from and against any and all Liabilities that arise out of, pertain to, or relate to such project or the construction services of Operating Agency. Operating Agency shall not be required to indemnify, defend, and hold harmless Public Agencies from any Liabilities that arise from the active negligence, sole negligence or willful misconduct of Public Agencies, Public Agencies' agents, servants, or independent contractors who are directly responsible to Public Agencies.

In the event that Operating Agency contracts with another entity (hereinafter "Construction Entity") for construction services to be provided in relation to the construction of a project (hereinafter "Operating Agency-Construction Entity Contract"), Operating Agency agrees that language substantially equivalent to the following shall be incorporated in its contract with Construction Entity in favor of Public Agencies: Construction Entity agrees to indemnify, defend, and hold harmless Public Agencies from and against any and all liabilities demands, damages, claims, causes of action, fees (including reasonable attorney's fees and costs and expert witness fees), and expenses, including, but not limited to, claims for bodily injury, property damage, and death (hereinafter collectively referred to as "Liabilities"), that arise out of, pertain to, or relate to the project or the construction services of Construction Entity, its employees, representatives, consultants, subcontractors, agents, or any other entity for which Construction Entity is responsible. Construction Entity shall not be required to indemnify, defend, and hold harmless Public Agencies from any Liabilities that arise from the active negligence, sole negligence or willful misconduct of Public Agencies, Public Agencies' agents, servants, or independent contractors who are directly responsible to Public Agencies. This indemnification clause shall remain in full force and effect following the expiration and/or termination of the Operating Agency-Construction Entity Contract.

In the event that Operating Agency provides design professional services in relation to a project related in any way to this Contract, Operating Agency agrees to indemnify, defend, and hold harmless Public Agencies from and against any and all Liabilities that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of Operating Agency.

In the event that Operating Agency contracts with another entity (hereinafter "Design Professional Entity") for design professional services to be provided in relation to a project related in any way to this Contract (hereinafter "Operating Agency-Design Professional Contract"), Operating Agency agrees that language substantially equivalent to the following shall be incorporated in the Operating Agency-Design Professional Contract in favor of Public Agencies, if such contract is entered into subsequent to the execution date of this Contract: Design Professional Entity agrees to indemnify, defend, and hold harmless Public Agencies from and against any and all liability, demands, damages, claims, causes of action, fees (including reasonable attorney's fees and costs and expert witness

fees), and expenses, including, but not limited to, claims for bodily injury, property damage, and death (hereinafter collectively referred to as "Liabilities"), that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of Design Professional Entity, its employees, representatives, consultants, subcontractors, agents, or any other entity for which Design Professional Entity is responsible. This indemnification clause shall remain in full force and effect following the expiration and/or termination of the Operating Agency-Design Professional Contract.

Operating Agency further agrees to indemnify, defend, and hold harmless the Public Agencies from and against any and all Liabilities relating to the Operating Agency's acts or omissions, whether civil or criminal, intentional or unintentional, including, without limitation, allegations or acts of physical abuse, mental abuse, psychological abuse, senior abuse, sexual abuse, molestation, maltreatment, or mistreatment, related in any way to this Contract or the services or work to be provided hereunder.

The above mentioned indemnification provisions shall remain in full force and effect and survive the cancellation, termination and/or expiration of this Contract. Operating Agency further agrees to require any entities with which it contracts to agree to and abide by the above mentioned indemnification requirements in favor of the Public Agencies, as applicable to each of them.

39. FINANCIAL CLOSE OUT PERIOD. The Operating Agency agrees to complete all necessary financial close out procedures required by the Commission, within a period of not more than sixty (60) calendar days from the expiration date of this Contract. This time period will be referred to as the financial close out period. The Commission is not liable to provide reimbursement for any expenses or costs associated with this Contract after the expiration of the financial close out period. After the expiration of the financial close out period, those funds not paid to the Operating Agency under this Contract, if any, may be immediately reprogrammed by the County into other eligible activities in the Commission. The Commission may request a final financial audit for activities performed under this Contract at the expiration of the financial close out period.
40. NEPOTISM. Operating Agency shall not hire nor permit the hiring of any person to fill a position funded through this Contract if a member of that person's immediate family is employed in an administrative capacity by Operating Agency, unless this action is approved by the Operating Agency's governing body and waived by the Commission. For the purpose of this section, the term "immediate family" means spouse, child, mother, father, brother, sister, brother-in-law, sister-in-law, father-in-law, mother-in-law, son-in-law, daughter-in-law, aunt, uncle, niece, nephew, stepparent and stepchild. The term "administrative capacity" means having selection, hiring, supervisory or management responsibilities, including serving on the governing body of Operating Agency.
41. RELIGIOUS AND POLITICAL ACTIVITIES. 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. Further, 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.

42. USE OF FUNDS. All funds approved under this Contract shall be used solely for costs approved in the Project budget for this Contract. Contract funds shall not be used as a cash advancement between contracts, as security to guarantee payments for any non-program obligations, or as loans for non-program activities. Separate financial records shall be kept for each funding source and program.
43. REPORTS AND RECORDS. Operating Agency agrees to prepare and submit financial, program progress, monitoring, evaluation and other reports as required by the Commission. Program progress reports shall be submitted as required, in the form specified by the Commission, through its' Executive Director or his designee. Operating Agency shall maintain, and permit on site inspections of such property, personnel, financial and other records and accounts as are considered necessary by Commission to assure proper accounting for all Contract funds during the term of this Contract and for a period of five (5) years thereafter. Operating Agency will ensure that its employees and board members furnish such information, which, in the judgment of Commission representatives, may be relevant to a question of compliance with contractual conditions, with County or Commission directives, or with the effectiveness, legality and achievements of the program.
44. EXPENDITURES. Expenditures made by Operating Agency in the operation of this Contract shall be in strict compliance and conformity with the Budget set forth in Exhibit A, unless prior written approval for an exception is obtained from the Commission, through its Executive Director or his designee.
45. CERTIFICATION PROHIBITING USE OF EXCESSIVE FORCE. In accordance with Section 519 of Public Law 101-144, the undersigned certifies, to the best of his or her knowledge and belief that it has adopted and is enforcing:
  - i A policy prohibiting the use of excessive force in violation of applicable federal, state, or local laws by anyone acting under the authority or supervision of Operating Agency against any individuals engaged in non-violent civil rights demonstrations; and
  - ii. A policy of compliance with applicable federal, State and local laws against individuals physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction.
46. DRUG-FREE WORKPLACE. Operating Agency agrees to provide a drug-free workplace by:

- i. 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;
- ii. Establishing an ongoing drug-free awareness program to inform employees about:
  - a. The dangers of drug abuse in the workplace;
  - b. The Operating Agency's policy of maintaining a drug-free workplace;
  - c. Any available drug counseling, rehabilitation, and employee assistance programs; and
  - d. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- iii. 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 subparagraph i of this Section 53;
- iv. Notifying the employee in the statement required by paragraph i of this Section 53 that, as a condition of employment under the grant, the employee will:
  - a. Abide by the terms of the statement; and
  - b. 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 (5) calendar days after such conviction;
- v. Notifying the Commission in writing, within ten (10) calendar days after receiving notice under subparagraph (iv)(b) 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;
- vi. Taking one of the following actions, within thirty (30) calendar days of receiving notice under subparagraph (iv)(b), with respect to any employee who is so convicted -
  - a. 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

- b. 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;

vii. Making a good faith effort to continue to maintain a drug-free workplace through implementation of subparagraphs i, ii, iii, iv, v and vi.

47. RELOCATION REQUIREMENTS. If applicable, Operating Agency shall be responsible for assuring compliance with all relocation requirements as governed by State relocation laws and regulations for projects funded in whole or in part with County General Funds, including the California Relocation Assistance Law (California Government Code Section 7260 et seq.), Section 33410 et seq. of the California Health and Safety Code, the State Department of Housing and Community Development's implementing regulations known as the California Relocation Assistance and Property acquisition Guidelines (Title 25, California Code of Regulations, Section 6000 et seq.) and the Commission's Relocation Policies and Procedures Manual.

In circumstances where both federal and state funds are contributed to a program or Project, it is the policy of the County to follow the requirements that provide the displaced person or household with the greatest benefit. For example, if in a mixed-funded project, the assistance or benefit under state law is more favorable to the displaced person or household, then the state law applies, and if the opposite is the case, then applicable federal laws and regulations (e.g., Section 4601 et seq. of Title 42 of the United States Code) shall apply. Any relocation assistance shall be provided through and in the manner directed by Commission, provided, however, that Operating Agency shall indemnify, defend (with counsel approved by the indemnified parties) and hold harmless the Public Agencies and each of their respective members, directors, agents, officers, representatives and employees for relocation payments, consulting fees and expenses incurred in connection with the Project. At Commission's election and sole discretion, Commission may hire a relocation consultant to coordinate the relocation. The fees and costs of the consultant shall be paid or reimbursed by Operating Agency.

48. CONSTRUCTION REQUIREMENTS. Operating Agency shall cause the Project construction work to commence promptly, proceed diligently, and achieve Completion of the Project, as defined below, within the timeframe identified in the construction contract, subject to any extensions negotiated and agreed to by the Commission, Operating Agency and Contractor due to unforeseen conditions or other circumstances including force majeure delays beyond Operating Agency's reasonable control. "Completion of the Project" shall be deemed to have occurred when Commission has received satisfactory evidence that all final permits and certificates necessary to the operation of the Project as contemplated herein have been obtained and that the Project has been completed in compliance with this Agreement and as represented in plans and specifications for this project. This evidence shall include, without limitation, the following, each of which is subject to Commission's review and approval:

- (1) a signed certificate of substantial completion from the Project's architect or General Contractor, in a form reasonably acceptable to Commission, certifying to Commission that construction was completed substantially in accordance with the requirements of the plans and specifications as approved through this Agreement, and all other related on-site and off-site improvements have been completed;
- (2) a certificate of occupancy and other final permits and licenses necessary to permit the use and occupancy of the Project for its intended purposes, which have been issued by proper governmental agencies;
- (3) unconditional waivers and releases upon final payment, in statutory form, showing no amounts in dispute, have been received from the General Contractor, all subcontractors, and all other persons or entities providing services or furnishing materials in connection with the Project;
- (4) a copy of the notice of completion given in compliance with California Civil Code and evidence of its required recording and delivery;
- (5) expiration of all applicable statutory periods for the enforcement of any mechanics' liens pursuant to applicable California laws and an Endorsement 122 from Title Company certifying that the Mortgaged Property is free from liens; and
- (6) a certification in a form acceptable to Commission from the Operating Agency that all of the work has been performed in accordance with applicable laws and the Loan Documents.

Construction shall proceed in accordance with Exhibit "D", Construction Requirements, and shall conform to the layout and design represented in Operating plans and specifications for the Project.

49. ENVIRONMENTAL CONDITIONS. Operating Agency shall comply with any CEQA mitigation measures or other environmental conditions imposed by Commission or any other applicable governmental authority in connection with the Project.
50. PROPERTY MAINTENANCE STANDARDS. Neither the Commission nor the County shall be responsible for maintenance of the property or facility where services or work under this Agreement are being provided. Such maintenance is solely the responsibility of the Operating Agency providing such services under this Agreement. Operating Agency shall ensure to the Commission that sufficient property maintenance ("property maintenance standards") shall be provided to the facility where services are being provided. Property maintenance includes but is not limited to removal of trash and debris, graffiti abatement, landscaping and physical appearance acceptable to the Commission.

51. TERMINATION FOR IMPROPER CONSIDERATION (GRATUITIES). The Commission may, by written notice to the Operating Agency, immediately terminate the right of the Operating Agency to proceed under this Contract if it is found that improper consideration, in any form, was offered or given by the Operating Agency, either directly or through an intermediary, to any County or Commission 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 Commission shall be entitled to pursue the same remedies against Operating Agency as it could pursue in the event of default by the Operating Agency.

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

52. OPERATING AGENCY'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM. Operating Agency acknowledges that the County has established a goal of ensuring that all individuals who benefit financially from County 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 County and its taxpayers.

As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Operating Agency's duty under this Contract to comply with all applicable provisions of law, 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).

53. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM. Failure of Operating Agency to maintain compliance with the requirements set forth in Section 57, OPERATING AGENCY'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM shall constitute a default by Operating Agency under this Contract. Without limiting the rights and remedies available to County 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 Executive Director or his designee may terminate this Contract pursuant to Section 62, Termination for Cause.

54. POST MOST WANTED DELINQUENT PARENTS LIST. The Operating Agency acknowledges that the County 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 County's policy to voluntarily post a list entitled L.A.'s Most Wanted: Delinquent Parents poster in a prominent position at Operating Agency's place of business. The CSSD will supply the Operating Agency with the poster to be used.
55. QUALITY ASSURANCE PLAN. The Commission 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's deficiencies, which Commission 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 Supervisors. The report will include improvement/corrective action measures taken by the Commission and the Operating Agency. If improvement does not occur consistent with the corrective measure, Commission may terminate this Contract, pursuant to **Sections 61 or 62**, or impose other penalties as specified in this Contract.
56. TERMINATION FOR CONVENIENCE. The County reserves the right to cancel this Contract for any reason at all upon 30 days' prior written notice to Operating Agency. In the event of such termination, Operating Agency shall be entitled to a prorated portion paid for all satisfactory work unless such termination is made for cause, in which event, compensation if any, shall be adjusted in such termination.

If the County exercises its rights under **Section 32**, Fiscal Limitations, the Operating Agency shall have the right to terminate this Contract for convenience with thirty (30) days' advance written notice under this **Section 61**.

57. TERMINATION FOR CAUSE. This Contract may be terminated by the Commission upon written notice to the Operating Agency for just cause (failure to perform satisfactorily) with no penalties incurred by the Commission upon termination or upon the occurrence of any of the following events in i, ii, iii, iv, or v:
- i. 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 Commission within the time specified in such notice, the Commission shall have the power to suspend or terminate the operations of the Operating Agency in whole or in part.
  - ii. 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 the Operating Agency by the Commission.

- iii. 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 Commission, through its Executive Director, or his designee shall have the power to suspend or terminate the operations of the Operating Agency in whole or in part.
- iv. In the event that a petition of bankruptcy shall be filed by or against the Operating Agency.
- v. If, through any cause, the Operating Agency shall fail to fulfill in timely and proper manner the obligations under this Contract, or if the Operating Agency shall violate any of the covenants, Contracts, or stipulations of this Contract, the Commission shall thereupon have the right to terminate this Contract by giving written notice to the Operating Agency 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 Operating Agency or under this Contract shall, at the option of the Commission become its property and the Operating Agency shall be entitled to receive just and equitable compensation for any work satisfactorily completed.

58. ARCHITECTURAL BARRIERS ACT AND THE AMERICANS WITH DISABILITIES ACT. The Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157) requires certain Federal and Federally funded buildings and other facilities to be designed, constructed, or altered in accordance with standards that insure accessibility to, and use by, physically handicapped people. A building or facility designed, constructed, or altered with funds allocated or reallocated under this part after December 11, 1995, and that meets the definition of residential structure as defined in 24 CFR Section 40.2 or the definition of building as defined in 41 CFR Part 101, is subject to the requirements of the Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157) and shall comply with the Uniform Federal Accessibility Standards (Appendix A to 24 CFR Part 40 for residential structures and Appendix A to 41 CFR Parts 101-19 for general type buildings). The Americans with Disabilities Act (42 U.S.C. Section 12131; 47 U.S.C. Sections 155.201, 218 and 225) (ADA) provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, State and local government services, and telecommunications. It further provides that discrimination includes a failure to design and construct facilities for first occupancy after January 26, 1993 that are readily accessible to and usable by individuals with disabilities. Further, the ADA requires the removal of architectural barriers and communication barriers that are structural in nature in existing facilities, where such removal is readily achievable--that is, easily accomplishable and able to be carried out without much difficulty or expense.

59. USE OF RECYCLED-CONTENT PAPER PROJECTS. Consistent with the County Board of Supervisors' policy to reduce the amount of solid waste deposited at County landfills, the Operating Agency agrees to use recycled-content paper to the maximum extent possible.

60. EMPLOYEES OF OPERATING AGENCY. *Workers' Compensation:* Operating Agency understands and agrees that all persons furnishing services to the County pursuant to this Contract are, for the purposes of Workers' Compensation liability, employees solely of the Operating Agency. Operating Agency shall bear sole responsibility and liability for providing Workers' Compensation benefits to any person for injuries arising from an accident connected with services provided to the County under this Contract.

*Professional Conduct:* The Commission 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 activities or behavior that might be construed as harassment. The Commission will properly investigate all charges of harassment by residents, employees or agents of the Commission against any and all Operating Agency's employees, agents or subcontractors providing services for the Commission. 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.

61. CONTRACTOR RESPONSIBILITY AND DEBARMENT. A responsible contractor is a contractor, consultant, vendor, or 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 Commission, Housing Authority, and County to conduct business only with responsible contractors.

a. The Operating Agency is hereby notified that if the Commission acquires information concerning the performance of a contractor on this or other contracts which indicates that the contractor is not responsible, the Commission may, in addition to other remedies provided in the Contract, debar the contractor from bidding or proposing on, or being awarded, and/or performing work on County, Commission, and/or Housing Authority contracts for a specified period of time, which generally will not to exceed five years but may exceed five years or be permanent if warranted by circumstances, and terminate any or all existing contracts the contractor may have with the County, Commission, and/or Housing Authority.

b. The Commission may debar a contractor, consultant, vendor or operating agency if the Board of Commissioners finds, in its discretion, that the contractor, consultant, vendor, or operating agency has done any of the following: (1) violated any term of a contract with the Commission, Housing Authority, or County, or a nonprofit corporation created by the Commission,

Housing Authority, or County (2) committed any act or omission which negatively reflects on the its quality, fitness or capacity to perform a contract with the Commission, Housing Authority, or County or any other public entity, or a nonprofit corporation created by the Commission, Housing Authority, or County, 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 Commission, Housing Authority, County, or any other public entity.

- c. If there is evidence that the contractor may be subject to debarment, the County will notify the contractor in writing of the evidence, which is the basis for the proposed debarment and will advise the contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
- d. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The contractor and/or the contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the contractor should be debarred, and, if so, the appropriate length of time of the debarment. The contractor and the Commission shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Commissioners.
- e. After consideration of any objections, or if no objections are submitted, 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.
- f. If a contractor has been debarred for a period longer than five years, that contractor may, after the debarment has been in effect for at least five years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The Commission may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the County.
- g. The Contractor Hearing Board will consider a request for review of the debarment determination only where (1) the contractor has been debarred for a period longer than five years; (2) the debarment has been in effect for at least five years; and (3) the request is in writing, states one or more of the ground for reduction of the debarment period or termination of the debarment,

and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment Hearing.

- h. The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation 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.
- i. These terms shall also apply to subcontractors and consultants of County, Commission, or Housing Authority contractors, consultants, vendors and operating agencies.

- 62. CONSTRUCTION/REHABILITATION PROJECTS. The Operating Agency shall submit a request to the Commission, to conduct a Contract and Labor Compliance File Review at least 30 calendar days prior to the anticipated completion of construction/rehabilitation activities.
- 63. PATENT RIGHTS. The Operating Agency must adhere to federal requirements and regulations relating to patent rights with respect to any discovery or invention which arises or is developed in the course of or under this contract.
- 64. DISALLOWED COSTS. If Operating Agency has failed to return unexpended funds or funds spent for disallowed costs related to this contract, , the Commission may withhold and offset payments to be made to Operating Agency under this Contract.
- 65. PHOTOGRAPHS, FOOTAGE, AND OTHER MEDIA MATERIALS. Operating Agency represents and warrants that all photographs, videos, DVD's, footage, magazines, and other media materials provided to the Commission are either public record or have been legally procured without invading the copyright, ownership, or privacy rights of any individual. Operating Agency further agrees to defend, hold harmless, and indemnify the County and Commission from any and all liability, as described in **Section 45**, Indemnification, arising from or related to County's use of said photographs, videos, DVD's, footage, magazines, and other media materials.
- 66. OPERATING AGENCY'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW. The Operating Agency acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Operating Agency understands that it is the County's policy to encourage all County Contractors to

voluntarily post the County'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. This poster is available at [www.babysafela.org/docs/poster\\_e.pdf](http://www.babysafela.org/docs/poster_e.pdf).

67. 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 available at [www.babysafela.org](http://www.babysafela.org) for printing purposes.
68. COMPLIANCE WITH JURY SERVICE PROGRAM. Unless Operating Agency has demonstrated to the Commission's satisfaction either that Operating Agency is not a "Contractor" as defined under the Jury Service Program or that Operating Agency qualifies for an exception to the Jury Service Program, Operating Agency shall have and adhere to a written policy that provides that its Employees shall receive from the Operating Agency, 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 Operating Agency or that the Operating Agency deduct from the Employee's regular pay the fees received for jury service.
- a. For purposes of this Section, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full time employee of Operating Agency. "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 County, or 2) Operating Agency 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 Operating Agency uses any subcontractor to perform services for the County 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.
- b. If the Operating Agency is not required to comply with the Jury Service Program when the Contract commences, Operating Agency shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Operating Agency shall immediately notify County if Operating Agency at any time either comes within the Jury Service Program's definition of "Contractor" or if Operating Agency

no longer qualifies for an exception to the Program. In either event, Operating Agency shall immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Contract and at its sole discretion, that Operating Agency demonstrate to the County's satisfaction that Operating Agency either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Operating Agency continues to qualify for an exception to the Program.

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

69. OPERATING AGENCY'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM. The Operating Agency acknowledges that the County has established a goal of ensuring that all individuals and businesses that benefit financially from the County through contract are current in paying their personal and real property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers. Unless the Operating Agency qualifies for an exemption or exclusion, the Operating Agency warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this Contract will maintain compliance, with the County's Defaulted Tax Program, found at Los Angeles County Ordinance No. 2009-0026 and codified at Los Angeles County Code, Chapter 2.206.

70. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM. Failure of the Operating Agency to maintain compliance with the requirements set forth in Section 76, "OPERATING AGENCY'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM" shall constitute default under this Contract. Without limiting the rights and remedies available to the County under any other provision of this Contract, failure of the Operating Agency to cure such default within 10 days of notice shall be grounds upon which County may suspend or terminate this contract pursuant to the County's Defaulted Property Tax Reduction Program found at Los Angeles County Ordinance No. 2009-0026 and codified at Los Angeles County Code, Chapter 2.206.

71. CLEAN AIR ACT. The Operating Agency must comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15). These terms shall apply to construction contracts in excess of \$100,000 awarded to the Operating Agency, as well as contracts awarded to subcontractors and subconsultants.

72. ENERGY POLICY AND CONSERVATION ACT. The Operating Agency must comply with mandatory standards and policies related to energy efficiency which are contained in the State Energy Conservation Plan issued in compliance with the Energy Policy and Conservation Act (Pub.L.94A 163, Stat.871).
73. WARRANTY OF AUTHORITY. The undersigned signatory for the Operating Agency covenants, warrants and guarantees that he/she is empowered and authorized to sign this Contract on behalf of Operating Agency in accordance with the terms and conditions stated herein.
74. ENTIRE CONTRACT. This Contract with attachments and any and all CDBG Bulletins, which the County may issue from time to time following the date of execution, constitute the entire understanding and agreement of the parties.

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

COUNTY OF LOS ANGELES

LOS ANGELES FAMILY HOUSING  
CORPORATION  
Operating Agency

By: \_\_\_\_\_  
SEAN ROGAN, Executive Director  
Community Development Commission  
of the County of Los Angeles

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

APPROVED AS TO FORM:

APPROVED AS TO PROGRAM:

JOHN F. KRATTLI  
County Counsel

SEAN ROGAN, Executive Director  
Community Development Commission  
of the County of Los Angeles

By: \_\_\_\_\_  
Deputy

By: \_\_\_\_\_  
Director, CDD Division

**Community Development Commission  
County of Los Angeles  
Project Description and Activity Budget**

Contract No. 42678      Version 0

**PROJECT**

**OPERATING AGENCY**

Project No: 3D0002-14 Title: Phase I - TLC Rehabilitation  Funding Period:                      To: 11/30/2015 Funding Source: General Fund Jurisdiction: 3rd District General Fund	<b>Organization</b> Name: L.A. Family Housing  Type: CBO CDC Program Mgr: Samuel Leung
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**Project Administration**

Keon Montgomery, Director of Housing  
 7843 Lankershim Blvd.  
 North Hollywood, CA 91605  
 Phone: (818)-225-2745  
 Fax: (818) 255-2770

**Activity Summary**

L.A. Family Housing’s Sydney M. Irmas Transitional Living Center is located at 7817 Lankershim Boulevard in North Hollywood, CA91605, between Stagg Street and Arminta Street. The two- and three-story building currently operates as emergency and transitional shelter for 65 homeless families, with each of the 65 units equipped with a bathroom, 10 of which also have kitchens. Throughout the building are community rooms dedicated for service delivery, as well as laundry rooms, maintenance and storage facilities, and executive offices.

After 15 years of high impact use by more than 5,000 homeless children and parents, the TLC facility requires significant capital upgrades to not only accommodate a different homeless population as part of The Campus plan, but to ensure the sustainability of the building and extend its useful life for decades to come:

- Plumbing work will eliminate rampant leakage from broken pipes and damage to roof drainage systems;
- Replacement of HVAC systems and circuit breakers will update 20-year old heating, cooling and electrical equipment;
- Bathroom refurbishment and space configuration in each unit (e.g. replacing fiber glass tubs with

steel; converting tub stalls into standing shower enclosures) will reduce wear and tear and bring each unit up to current ADA compliance standards; and

- Energy-efficiency upgrades, including solar power installation, will reduce energy costs and modernize building operations.

May-June 2014 - engineering work, Community Development Commission (CDC) submit prevailing wage exemption

July 2014 – construction project put out to bid and finalize loan documents with CDC

September 2014 – execute construction contract,

November 2014 - begin construction

October 2014 – April 2015 – families move out of TLC

May – November 2015 – rehab interior spaces in advance of individuals moving into TLC

December 2015 – VS individuals move into TLC

Funds will be used for Capital Outlay Costs.

### **Special Conditions**

The Operating Agency shall maintain during the term of this Contract, and for a period of five (5) years after the expiration of the contract, complete and adequate financial records and accounts as considered necessary by the CDC to assure proper accounting for all program funds and to support all program expenditures. These records and accounts shall include, but not be limited to, the following:

- \* A double-entry General Ledger that supports the costs charged to the CDBG or ESG Program;
- \* Records documenting procurement of goods and services;
- \* Contracts for goods or services;
- \* Lease or Rental Agreements;
- \* Invoices;
- \* Billing Statements;
- \* Cancelled Checks;
- \* Timecards signed by employees and supervisors;
- \* Personnel Authorization Records;
- \* Payroll Registers;
- \* Payroll Tax Records;
- \* Bank Statements;
- \* Bank Reconciliations; and
- \* Documentation to support the allocation of costs.

The Operating Agency shall submit adequate financial documentation to support the program expenditures reported in the monthly CDBG Funding Request forms. The financial supporting documentation will include contracts for goods or services, evidence of procurement, lease or rental agreements, invoices, billing statements, cancelled checks, timecards signed by employee and supervisors, payroll registers, payroll tax records, bank statements, bank reconciliations, a detailed General Ledger that supports the costs charged to the CDBG program, and an approved cost allocation method for indirect costs charged. Failure to submit the necessary supporting

documentation will result in the disallowance of costs.

**Contracted Services/Subrecipients**

**Funding Summary**

<u>Cost Category</u>	<u>Amount</u>	<u>Leverage Sources</u>	<u>Amount</u>
Capital Outlays	\$1,000,000.00	General Fund	\$134,500.00
<b>Total</b>	<b>\$1,000,000.00</b>	Irma Family Foundation	\$1,015,000.00
		<b>Total</b>	<b>\$1,149,500.00</b>

**Service Area**

<u>Region</u>	<u>Population</u>	<u>Low/Mod Pop</u>
<b>Grand Total:</b>	<b>0</b>	<b>0 NaN Low/Mod</b>

## EXHIBIT “B” TO GRANT AGREEMENT

### INSURANCE REQUIREMENTS

(GENERAL FUNDS - PROJECT NO. 3D0002-14)

As established in Section 10.10 of the Agreement, Operating Agency shall comply with the following insurance requirements:

(1) Such insurance shall be secured from carriers admitted in California, authorized to do business in California, and in good standing with the California Secretary of State’s Office and the California Department of Insurance. Such carriers must be admitted and approved by the California Department of Insurance, or must be included on the California Department of Insurance List of Eligible Surplus Line Insurers (hereinafter “**LASLI**”). Carriers must have a minimum rating of or equivalent to A:VIII in A.M. Best’s Insurance Guide.

(2) Operating Agency shall, concurrent with the execution of this Agreement, deliver to the Public Agencies certificates of insurance with original endorsement(s) evidencing the insurance coverage required by this Agreement. If original endorsements are not immediately available, such endorsements may be delivered subsequent to the execution of this Agreement, but no later than thirty (30) days following execution of this Agreement.

Operating Agency shall deliver satisfactory evidence of Property insurance at such time that such exposures are at risk, but in no event later than the Close of Escrow.

Operating Agency shall deliver satisfactory evidence of Professional Liability insurance once the Design Professionals are hired for the project, or Operating Agency begins to provide professional services, whichever comes first. (For purpose of these insurance requirements and the indemnity provisions in Section 10.6, “**Design Professional(s)**” shall include, but not be limited to, the following: architects, structural engineers, civil engineers, geotechnical engineers and environmental consultants.) In the event that the Design Professional has been contracted or has substantially or fully completed their work prior to the execution of this Agreement, Public Agencies may waive this requirement.

The aforementioned certificate(s) or evidence of insurance shall be signed by a person authorized by the insurers to bind coverage on its behalf and shall be in form and substance acceptable to Public Agencies. Operating Agency shall provide Public Agencies with certificates of insurance and applicable endorsements each year during the term of this Agreement to evidence its annual compliance with the insurance requirements set forth herein. Endorsements shall be issued by the insurance company on the applicable policy form as required by this Agreement. The Public Agencies reserve the right to require complete certified copies of all policies at any time. The failure of Public Agencies to object to the form or substance of any certificate, endorsement or policy shall not relieve Operating Agency of the responsibility to obtain and maintain at all times the insurance required by this Agreement.

(3) Said insurance shall be in a form acceptable to the Public Agencies and may provide for such deductible(s) as may be acceptable to the Public Agencies. Any self-insurance program and self-insured retention must be separately approved by the Commission. In the

event such insurance does provide for deductible(s) or self insurance, Operating Agency agrees that it and/or the entities with which it contracts, will defend (with counsel acceptable to Public Agencies), indemnify and hold harmless the Public Agencies in the same manner as they would have been defended, indemnified and held harmless if full coverage under any applicable policy had been in effect. This indemnity shall survive the expiration or earlier termination of this Agreement.

(4) Each policy shall be endorsed to stipulate, that the Public Agencies be given at least thirty (30) days written notice in advance of any cancellation for any policy of insurance required herein, excepting ten (10) days written notice for non-payment of premium. Operating Agency shall give the Public Agencies immediate notice of any insurance claim or loss which may be covered by insurance.

(5) Borrow represents and warrants that the insurance coverage required herein will be required of Operating Agency's contracted third parties, including but not limited to, general contractors, subcontractors, architects, engineers and other Design Professionals. It is the Operating Agency's responsibility to obtain separate written approval from the Commission to waive this provision for contractual obligations Operating Agency entered into or fully performed prior to the execution of this Agreement.

(6) All Certificates of Insurance and Additional Insured Endorsements shall carry the following identifier:

Sydney M. Irmas Transitional Living Center (TLC)  
Phase I - TLC Rehabilitation  
7817 Lankershim Blvd. North Hollywood CA 91605

(7) The aforementioned insurance policies shall be primary and non-contributory insurance with respect to the Public Agencies, except when the Operating Agency executed a contract subject to this clause before this Agreement is executed.

(8) The aforementioned insurance policies shall contain a waiver of subrogation, for the benefit of the Public Agencies.

(9) Failure on the part of Operating Agency and/or any entities with which Operating Agency contracts, to procure or maintain the insurance coverage required herein may, upon the Commission's sole discretion, constitute a material breach of this Agreement pursuant to which the Public Agencies may immediately terminate this Agreement and exercise all other rights and remedies set forth herein, at its sole and absolute discretion, and without waiving such default or limiting the rights or remedies of the Public Agencies, procure or renew such insurance and pay any and all premiums in connection therewith and all monies so paid by the Public Agencies shall be immediately repaid by the Operating Agency to the Public Agencies, upon demand, including interest thereon at the Default Rate. In the event of such a breach, the Public Agencies shall have the right, at its sole election, to participate in and control any insurance claim adjustment or dispute with the insurance carrier to the extent permitted by the insurance policy form. Operating Agency's failure to assert or delay in asserting any claim shall not diminish or impair the Public Agencies' rights against the Operating Agency or the insurance carrier to the extent permitted by the insurance policy form.

(10) Operating Agency, or any entity with which Operating Agency contracts, shall name the Public Agencies as additional insureds on the general liability insurance policy set forth below, then the Additional Insured Endorsement shall contain language similar to the language contained in ISO form CG 20 10 11 85. In the alternative and in the Commission's sole and absolute discretion, it may accept both CG 20 10 10 01 and CG 20 37 10 01, or their equivalents, in place of CG 20 10 11 85. Operating Agency shall not be required to provide completed operations liability insurance during the development period, which completed operations insurance shall be provided solely by its General Contractor and its sub-tier contractors.

(11) Operating Agency and/or specified entities with which Operating Agency contracts shall procure and maintain, at their expense, for the duration of this Agreement unless otherwise set forth herein the following insurance against claims for injuries to persons or damage to property which may arise from or in connection with performance under this Agreement:

**A. GENERAL LIABILITY INSURANCE:** (written on ISO policy form CG 00 01 or its equivalent) including coverage for bodily injury, personal injury, property damage, and contractual liability with limits of not less than the following:

General Aggregate	\$2,000,000
Products/ Completed Operations Aggregate	\$2,000,000
Personal and Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000

The Public Agencies shall be named as additional insureds on such policy.

**A.1 Additional Insured Endorsement Form:** In addition, the Operating Agency must provide evidence of or a separate Additional Insured Endorsement form, identifying the Public Agencies as additional insureds with primary and non-contributory coverage for the General Liability insurance policy.

**A.2 Abuse and Sexual Molestation Endorsement for Minors:** If the services provided in relation to this Agreement relate in any way to minors, then this policy shall also include an endorsement for abuse and sexual molestation.

(b) **PROPERTY INSURANCE:** Based upon the specifics of the Project, the Public Agencies have the right to require Operating Agency to obtain either "Basic Form" or "Special Form" property insurance as follows:

(i) "Special Form" perils property insurance coverage shall be provided for both Builders Risk (course of construction) and completed operational property. All builders risk insurance shall provide coverage against theft, vandalism, malicious mischief, collapse, false work, temporary buildings on site, theft and vandalism to construction materials, building materials in transit and debris removal including demolition occasioned by enforcement of any applicable building codes. The amount of the property coverage shall at all times meet or exceed the full replacement value of materials supplied or installed by others and all existing structures, improvements and fixtures on the Mortgaged Property. There shall not be a "co-

insurance” clause and Operating Agency agrees to waive any co-insurance clause **to the full extent described in the insurance policy form**. If a co-insurance waiver is not commercially available at reasonable rates, Public Agencies’ may waive this requirement. Said insurance shall be maintained for the duration of this Agreement. The Public Agencies shall be named as loss payees on such policy.

(ii) If “Special Form” is not available from Operating Agency’s underwriters due to market conditions or unreasonable costs, or Public Agencies determine “Basic Form” is preferred, “Basic Form” may be obtained in lieu of “Special Form.” “Basic Form” insurance coverage shall include, without limitation, insurance against the perils of fire and physical loss of damage including, without duplication of coverage, vandalism, malicious mischief and extended coverage. The amount of the property coverage shall at all times meet or exceed the actual cash value (“ACV”) of all existing structures, improvements and fixtures on the Property. Said insurance shall be maintained for the duration of this Agreement. The Public Agencies shall be named as loss payees on such policy.

(c) **FLOOD INSURANCE:** Flood Insurance shall be maintained for any project located in a Special Flood Hazard Area. The flood insurance shall provide coverage in an amount that at all times meets or exceeds the full replacement value of materials supplied or installed by others and all existing structures, improvements and fixtures on the Property, or the maximum limit available through the National Flood Insurance Program (NFIP), whichever is greater.

(d) **AUTOMOBILE LIABILITY INSURANCE** (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than \$1 million for each incident. Such insurance shall include coverage of all “owned”, “hired” and “non-owned” vehicles, or coverage for “any auto”.

(e) **WORKERS' COMPENSATION AND EMPLOYER’S LIABILITY:** Insurance providing workers’ compensation benefits, as required by the Labor Code of the State of California. This must include a waiver of subrogation in favor of the Public Agencies and their Agents. In all cases, the above insurance also shall include Employer’s Liability coverage with limits of not less than the following:

Each Accident	\$1,000,000
Disease-Policy Limit	\$1,000,000
Disease-Each Employee	\$1,000,000

(f) **PROFESSIONAL LIABILITY INSURANCE, (If Applicable)** including coverage for bodily injury and property damage in an amount not less than One Million Dollars (\$1,000,000) for each occurrence and general aggregate. Said insurance shall be maintained for the statutory period during which the professional maybe exposed to liability. If Operating Agency is not providing professional services, then it is the responsibility of Operating Agency to obtain separate written approval from the Commission to eliminate this professional liability insurance requirement. Operating Agency shall require that the aforementioned professional liability insurance coverage language be incorporated into its contract with any other entity with which it contracts for professional services, if required under section (2) of this Exhibit “N” of this Agreement.

(g) **POLLUTION LIABILITY INSURANCE**, (If Applicable) including coverage for bodily injury, property damages, and environmental damage with limits of not less than the following:

General Aggregate	\$ 2,000,000
Completed Operations	\$ 2,000,000
Each Occurrence	\$ 1,000,000

Said policy shall also include, but not be limited to: coverage for any and all remediation costs, including, but not limited to, restoration costs, and coverage for the removal, repair, handling, and disposal of asbestos and/or lead containing materials where applicable. The Public Agencies shall be covered as additional insureds on the pollution liability insurance policy. If the general liability insurance policy and/or the pollution liability insurance policy are written on a claims-made form, then said policy or policies shall also comply with all of the following requirements:

(i) The retroactive date must be shown on the policy and must be before the date of this Agreement or the beginning of the work or services that are the subject of this Agreement;

(ii) Insurance must be maintained and evidence of insurance must be provided for the duration of this Agreement or for five (5) years after completion of the work or services that are the subject of this Agreement, whichever is greater;

(iii) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of this Agreement, then the Operating Agency must purchase an extended period coverage for a minimum of five (5) years after completion of work or services that are the subject of this Agreement;

(iv) A copy of the claims reporting requirements must be submitted to the Commission for review; and

(v) If the work or services that are the subject of this Agreement involve lead based paint or asbestos identification/remediation, then the Operating Agency's Pollution Liability shall not contain any lead-based paint or asbestos exclusions.

(h) **CRIME INSURANCE**, (If Applicable) including coverage against loss of money, securities, inventory or other property, with limits in amounts not less than indicated below:

Employee Dishonesty Coverage	\$500,000
Forgery or Alteration Coverage	\$500,000

The above mentioned insurance provisions shall remain in full force and effect and survive the cancellation, termination, and/or expiration of this Agreement. Operating Agency further agrees to require any entities with which it contracts to agree to and abide aforementioned insurance requirements in favor of the Public Agencies, as applicable to each of them.

**EXHIBIT “C” TO GRANT AGREEMENT**

**CHARITABLE CONTRIBUTIONS CERTIFICATION FORM**

(GENERAL FUNDS - PROJECT NO. 3D0002-14)

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
Internal Revenue Service Employer Identification Number

\_\_\_\_\_  
California Registry of Charitable Trusts “CT” number (if applicable)

The Nonprofit Integrity Act (SB 1262, Chapter 919) added requirements to California’s Supervision of Trustees and Fundraisers for Charitable Purposes Act, which regulates those receiving and raising charitable contributions.

**CERTIFICATION**

**YES NO**

Proposer or Contractor has examined its activities and determined that it does not now receive or raise charitable contributions regulated under California’s Supervision of Trustees and Fundraisers for Charitable Purposes Act. If Proposer engages in activities subjecting it to those laws during the term of a Community Development Commission (CDC) and/or Housing Authority contract, it will timely comply with them and provide the CDC and/or Housing Authority a copy of its initial registration with the California State Attorney General’s Registry of Charitable Trusts when filed. ( ) ( )

**OR**

**YES NO**

Proposer of Contractor is registered with the California Registry of Charitable Trusts under the CT number listed above and is in compliance with its registration and reporting requirements under California law. Attached is a copy of its most recent filing with the Registry of Charitable Trusts as required by Title 11 California Code of Regulations, sections 300-301 and Government Code sections 12585-12586. ( ) ( )

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name and Title (please type or print)

## **BACKGROUND AND RESOURCES: CALIFORNIA CHARITIES REGULATION**

There is a keen public interest in preventing misuse of charitable contributions. California's "Supervision of Trustees and Fundraisers for Charitable Purposes Act" regulates those raising and receiving charitable contributions. The "Nonprofit Integrity Act of 2004" (SB 1262, Chapter 919) tightened Charitable Purposes Act requirements for charitable organization administration and fundraising.

The Charitable Purposes Act rules cover California public benefit corporations, unincorporated associations, and trustee entities. They may include similar foreign corporations doing business or holding property in California. Generally, an organization is subject to the registration and reporting requirements of the Charitable Purposes Act if it is a California nonprofit public benefit corporation or is tax exempt under Internal Revenue Code § 501(c)(3), and not exempt from reporting under Government Code § 12583. Most educational institutions, hospitals, cemeteries, and religious organizations are exempt from Supervision of Trustees Act requirements.

Key new Charitable Purposes Act requirements affect executive compensation, fundraising practices and documentation. Charities with over \$2 million of revenues (excluding grants and service-contract funds a governmental entity requires to be accounted for) have new audit requirements. Charities required to have audits must also establish an audit committee whose members have no material financial interest in any entity doing business with the charity.

Organizations or persons that receive or raise charitable contributions are likely to be subject to the Charitable Purposes Act. A bidder/proposer on Commission and/or Housing Authority contracts must determine if it is subject to the Charitable Purposes Act and certify either that:

- It is not presently subject to the Act, but will comply if later activities make it subject, or,
- If subject, it is currently in compliance.

### **RESOURCES**

The following resource references are offered to assist bidders/proposers who engage in charitable contributions activities, however, each bidder/proposer is responsible to research and determine its own legal obligations and properly complete the Charitable Contributions Certification form.

In California, supervision of charities is the responsibility of the Attorney General, whose website, <http://caag.state.ca.us/>, contains much information helpful to regulated charitable organizations.

#### **1. LAWS AFFECTING NONPROFITS**

The "Supervision of Trustees and Fundraisers for Charitable Purposes Act" is found at California Government Code §§ 12580 through 12599.7. Implementing regulations are found at Title 11, California Code of Regulations, §§ 300 through 312. In California, charitable solicitations ("advertising") are governed by Business & Professions Code §§ 17510 through 17510.95. Regulation of nonprofit corporations is found at Title 11, California Code of Regulations, §§

999.1 through 999.5. (Amended regulations are pending.) Links to all of these rules are at: <http://caag.state.ca.us/charities/statutes.htm>.

## **2. SUPPORT FOR NONPROFIT ORGANIZATIONS**

Several organizations offer both complimentary and fee-based assistance to nonprofits, including in Los Angeles, the *Center for Nonprofit Management*, 606 S. Olive St #2450, Los Angeles, CA 90014 (213) 623-7080 <http://www.cnmsocal.org/>, and statewide, the *California Association of Nonprofits*, <http://www.canonprofits.org/>. Both organizations' websites offer information about how to establish and manage a charitable organization.

**The above information, including the organizations listed, is for informational purposes only. Nothing contained in this sub-section shall be construed as an endorsement by the Commission of such organizations.**

**EXHIBIT “D” TO GRANT AGREEMENT**  
**COMMISSION CONSTRUCTION REQUIREMENTS**

(GENERAL FUNDS - PROJECT NO. 3D0002-14)

The Operating Agency’s receipt of the funding through this agreement for purposes of paying construction and permanent costs in connection with the project is conditioned upon the Operating Agency’s adherence to certain construction requirements imposed by Commission in connection with the Project, including, without limitation, the requirements set forth in this EXHIBIT “D”. The Operating Agency covenants to comply with each and every construction requirement set forth in this EXHIBIT “D” or as otherwise imposed by any applicable Governmental Restriction, including, without limitation, any regulations or administrative procedures established by Commission for the disbursement of funds for the construction of affordable housing projects in the County of Los Angeles.

1. Submittals and Review Procedure; Construction Monitoring

(a) For purposes of this EXHIBIT “D”:

(i) “Construction Documents” shall mean all documents necessary to construct the Project including but not limited to plans, standard drawings, details, specifications, construction contract, schedules, addenda, reference standards, calculations, reports, cost estimates, value engineering studies, constructability reviews, and related documents; and

(ii) “Empirical Cost Model” shall mean a cost model which Commission may elect to prepare based on the Construction Documents for the purpose of evaluating the proposed construction budget against the database of construction costs maintained by Commission.

(b) The Operating Agency’s submittal requirements shall include the following:

(i) The Operating Agency shall submit to Commission within 20 days of the execution of this Agreement a project team staffing plan (“Staffing Plan”) for review and approval by Commission. The Staffing Plan shall contain an organizational chart showing all component functions and reporting relationships, and the related staff for all activities, including a separate narrative describing the roles and responsibilities of all participants. Where the Staffing Plan utilizes organizations other than the Operating Agency, a company profile must be provided for each. A detailed resume for each individual on the organizational chart must be included.

(ii) The Operating Agency shall submit to Commission within 20 days of the execution of this Agreement a detailed development schedule (“Development Schedule”) for review and approval by Commission. The Operating Agency shall incorporate any

changes or corrections requested by Commission in a revised schedule to be submitted to Commission within 10 days after receiving comments from Commission with respect to the original schedule submitted, as provided above. The Development Schedule shall be developed and submitted in CPM network configuration using MS Project, or approved equivalent. The scope of the Development Schedule will comprise all discrete functions, from Project start to completion, necessary to deliver the Project per the requirements of the Construction Contract, as defined in Section 1(c) of this EXHIBIT “D”. The construction portion of the Development Schedule will be a summary of the more detailed Construction Schedule defined in Section 1(b)(iii) of this EXHIBIT “D”.

(iii) The Operating Agency shall submit to Commission within 20 days of the approval of the Construction Contract a detailed construction schedule (“Construction Schedule”) for review and approval by Commission. The Operating Agency shall incorporate any changes or corrections requested by Commission in a revised schedule to be submitted to Commission within 10 days after receiving comments from Commission with respect to the original schedule submitted, as provided above. The Construction Schedule shall be developed and submitted in CPM network configuration using MS Project, or approved equivalent. The Construction Schedule shall follow the recommendations of the latest edition of the Associated General Contractors of America book, *Using CPM in Construction*. The original submittal and required monthly updates shall be submitted on floppy disk and two plotted hard copies (this will include both Gantt chart and CPM network plots).

(iv) The Operating Agency shall provide to Commission a draft completed regulatory “Entitlement Review” package for Commission review and approval prior to any formal submittal to the controlling land use jurisdiction or other regulatory agency. This package shall be submitted to Commission not later than 14 days prior to the submittal to the regulatory body.

(v) The Operating Agency shall submit to Commission within 30 days of the execution of this Agreement basic concept drawings (“Basic Concept Drawings”) for review and approval by Commission. The Basic Concept Drawings shall be in form and content as directed from time to time by Commission.

(vi) Based on, and within 60 days of Commission’s approval of, the Basic Concept Drawings, the Operating Agency and its design team shall submit to Commission for review and approval by Commission certain design development plans and related documents (“Design Development Plans”) for the following phases of design: expanded conceptual design; schematic design; design development; construction cost estimates for schematic design and design development, including any value engineering analysis; value engineering review; and constructability analysis review. The Operating Agency will include ten (10) business days for each review in the Development Schedule and adequate redesign time to respond to Commission comments as required.

(vii) Based on the approved Design Development Plans, the Operating Agency and its design team shall prepare and submit to Commission for review and approval by Commission the (preliminary drawings) 50% construction documents (the “Preliminary Drawings”). The 50% submittal shall include a detailed cost estimate and a list of value

engineering considerations representing a saving goal of 10% of the overall Project budget.

(viii) The (final working drawings) 100% construction documents (the “Final Drawings”) submittal shall contain a complete and coordinated package adequate to obtain building permits and build the Project with a minimum of change orders. If required by Commission, the Operating Agency and its design team shall submit evidence of a constructability review from a licensed contractor knowledgeable in the type of construction and project proposed. A final cost estimate shall be submitted reflective of the various value engineering and constructability review efforts to date. If the final construction document package cost estimate exceeds the Empirical Cost Model the Operating Agency shall be required to demonstrate to Commission the reason why the cost overrun occurred and may be required to make adjustments to meet the Empirical Cost Model.

(ix) The Construction Documents shall include all related work for the Project, including but not limited to the buildings, grading, landscaping, site improvements, off-site improvements (if included). All Construction Documents (including both the Preliminary Drawings and the Final Drawings) shall be prepared and submitted within the times established in the Development Schedule, subject to extensions as they are authorized herein or as mutually agreed to by the parties. During the preparation of all Construction Documents, Commission staff and the Operating Agency shall hold regular meetings to coordinate the preparation of, submission to, and review of Construction Documents by Commission. Commission and the Operating Agency shall communicate and consult informally as frequently as is necessary to insure that the formal submittal of any documents to Commission can receive prompt and speedy consideration. The Operating Agency will incorporate Commission CM Division AF101 specifications sections into the Construction Documents, as required by law.

(c) The Operating Agency shall submit to Commission in accordance with the Development Schedule a construction contract (“Construction Contract”) for review and approval by Commission. The Construction Contract shall utilize the appropriate and most recent AIA form of Standard Agreement and General Conditions and shall contain such modifications and additions to such AIA forms as Commission may require.

(d) The Construction Management Division of Commission will provide oversight monitoring of the Project. The Operating Agency shall maintain at the job site adequate records and shall permit site access to Commission at all reasonable times to accommodate the monitoring activities. The monitoring program may include, but is not limited to, the following: establishment of various reporting requirement formats and frequencies; review of scheduling documents for conformance and performance; review of QA/QC program results; review of Project budgets and cash flows; attendance at job site meetings; review of job correspondence; review of change order requests; review of submittals to architect; site inspections; pay request reviews and approvals; review of job site safety conditions; review of construction documents for compliance with actual construction; review of labor compliance documents and compliance of same; monitoring of any and all Agreement conditions, and other related activities. The Operating Agency acknowledges that Commission’s review, inspection and monitoring activities as set forth