



County of Los Angeles CHIEF EXECUTIVE OFFICE OPERATIONS CLUSTER

FESIA A. DAVENPORT
Acting Chief Executive Officer

DATE: October 07, 2020
TIME: 2:00 p.m. – 4:00 p.m.
LOCATION: **TELECONFERENCE CALL-IN NUMBER: (415)655-0001**
TELECONFERENCE ID: 927075833

To join via phone, dial 1(415)655-0001, then press 927075833#, then press # when prompted for attendee number ****IF DIALING IN PLEASE CALL IN AT 1:45 P.M. TO FACILITATE PARTICIPANT CHECK-IN**.**

YOU CAN ALSO JOIN THIS MEETING BY CLICKING ON THE FOLLOWING LINK:

[Join meeting](#)

DUE TO THE CLOSURE OF ALL COUNTY BUILDINGS, MEMBERS OF THE PUBLIC WILL NEED TO CALL IN TO PARTICIPATE IN THE MEETING.

AGENDA

Members of the Public may address the Operations Cluster on any agenda item by submitting a written request prior to the meeting.
Two (2) minutes are allowed for each item.

1. **Call to order – Rick Velasquez/Gevork Simdjian**
2. **INFORMATIONAL ITEM(S):**
(5 minutes)
 - A) Board Memo:
NEW SOLE SOURCE CONTRACT WITH KRONOS, INC. FOR THE PROVISION OF A CONSOLIDATED OPERATIONS STAFFING AND TIMEKEEPING SYSTEM EXPANSION
LAFD – Christopher Anderson, Deputy Chief
 - B) Board Letter:
CONVEYANCE OF SURPLUS PROPERTY FROM THE COUNTY OF LOS ANGELES TO PARK RAMONA, INC. FOR FAIR MARKET VALUE-
APN: 8437-017-900- BALDWIN PARK
CEO/RE – Dean Lehman, Senior Manager and
Roger Hernandez, Senior Real Property Agent

CONTINUED ON PAGE 2

- C) Board Memo:
REPORT BACK ON SOCIALLY RESPONSIBLE INVESTING
TTC – Keith Knox, Treasurer and Tax Collector and
Elizabeth Buenrostro Ginsberg, Chief Deputy
- D) Board Letter:
CONTRACT AMENDMENT FOR ADDITIOANL LICENSES AND
SERVICES WITH YARDI SYSTEMS, INC.
LACDA – Douglas Van Gelder, Information Technology Manager

3. **PRESENTATION/DISCUSSION ITEMS:**

None available.

- 4. **Public Comment**
(2 minutes each speaker)
- 5. **Adjournment**

FUTURE AGENDA TOPICS

CALENDAR LOOKAHEAD:

DHR – APPROVAL TO UTILIZE FUNDS FROM THE COUNTY’S LEGACY
SYSTEM MODERNIZATION FUND FOR THE IMPLEMENTATION OF AN
ENTERPRISE ADVOCACY CASE MANAGEMENT SYSTEM

DHR – APPROVAL TO UTILIZE FUNDS FROM THE COUNTY’S
INFORMATION TECHNOLOGY FUND FOR THE IMPLEMENTATION OF
COUNTYWIDE HIRING OPERATIONS DASHBOARDS PROJECT

DHR – APPROVAL TO UTILIZE FUNDS FROM THE COUNTY’S
INFORMATION TECHNOLOGY FUND FOR THE IMPLEMENTATION OF
COUNTYWIDE TEMPORARY SERVICES REGISTRY SYSTEM

DHR – APPROVAL TO UTILIZE FUNDS FROM THE COUNTY’S
INFORMATION TECHNOLOGY FUND FOR THE IMPLEMENTATION OF AN
ENTERPRISE FAIR CHANCE SYSTEM

CEO/CP – DEFERRED MAINTENANCE PROGRAM SERVICES PHASE III
APPROVE AND AUTHORIZE THE EXECUTION OF SUPPLEMENTAL
SERVICES AGREEMENT 3 FOR STAFF AUGMENTATION AND DATABASE
ENHANCEMENT

BOARD LETTER/MEMO – FACT SHEET OPERATIONS CLUSTER

☐ Board Letter

☒ Board Memo

☐ Other

OPS CLUSTER AGENDA REVIEW DATE	10/7/2020	
BOARD MEETING		
DELEGATED AUTHORITY BOARD LETTER	<input type="checkbox"/> Yes <input type="checkbox"/> No <u>N/A</u>	
SUPERVISORIAL DISTRICT AFFECTED	ALL DISTRICTS	
DEPARTMENT	FIRE	
SUBJECT	Intent to negotiate a Sole Source Contract with Kronos Inc. (Kronos)	
PROGRAM	Business Operations	
SOLE SOURCE CONTRACT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please explain why: The Fire Department (District) needs to replace its legacy timekeeping and staffing systems. A sole source contract will allow the District to leverage our experience with a Kronos system in use by the Lifeguards since 2011. Selection of a competing product would require a lengthy RFP and evaluation process. In addition, significant conversion costs would be incurred given the large investment already made in Kronos software, development, and training. The Contract term will be a one-year with two optional six-month extensions.	
DEADLINES/ TIME CONSTRAINTS	The District is hoping to avoid any gaps in service delivery from Phase II (Purchase Order) to Phase III (Board Contract) of this project.	
COST & FUNDING	Total cost: \$1.25M (estimated)	Funding source: District Funding
	TERMS (if applicable): One-time implementation cost.	
	Explanation: 1.25M is a one-time implementation cost only, any additional licenses and maintenance will be procured as a commodity via a purchase order annually using the Internal Services Department's delegated purchasing authority.	
PURPOSE OF REQUEST	Board approved Sole Source Contract will be required due to the dollar threshold for service expenditures.	
BACKGROUND (include internal/external issues that may exist)	Phase I (Project Initiation) of the Consolidated Operations Staffing and Timekeeping System (COSTS) project was completed on 8/30/2020. Phase II (Lifeguard timekeeping) is currently in progress and scheduled for completion on 12/31/2020. Phase III, which will be governed by the sole source board contract, will support Departmentwide implementation of COSTS.	
DEPARTMENTAL AND OTHER CONTACTS	Name, Title, Phone # & Email: <ul style="list-style-type: none"> Christopher Anderson (Presenter), Deputy Chief, 323-881-2426, Christopher.Anderson@fire.lacounty.gov Rob Sawyer, DCIO, 323-890-4147, Robert.Sawyer@fire.lacounty.gov Mike Tsao, Division Chief MMD, 323-838-2270, Mike.Tsao@fire.lacounty.gov Vanessa Lam, ITM I, 323-890-4315, Vanessa.Lam@fire.lacounty.gov Carlos Santiago, ASMII, 323-838-2365, Carlos.Santiago@fire.lacounty.gov 	



COUNTY OF LOS ANGELES FIRE DEPARTMENT

1320 NORTH EASTERN AVENUE
LOS ANGELES, CALIFORNIA 90063-3294
(323) 881-2401
www.fire.lacounty.gov

"Proud Protectors of Life, Property, and the Environment"

DARYL L. OSBY
FIRE CHIEF
FORESTER & FIRE WARDEN

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MARK RIDLEY-THOMAS
SECOND DISTRICT

SHEILA KUEHL
THIRD DISTRICT

JANICE HAHN
FOURTH DISTRICT

KATHRYN BARGER
FIFTH DISTRICT

October 7, 2020

TO: EACH SUPERVISOR

FROM: DARYL L. OSBY, FIRE CHIEF

SOLE SOURCE NOTIFICATION – NEW SOLE SOURCE CONTRACT WITH KRONOS INC. FOR THE PROVISION OF A CONSOLIDATED OPERATIONS STAFFING AND TIMEKEEPING SYSTEM EXPANSION

In accordance with Board Policy Number 5.100, Sole Source Contracts, this is to notify your Honorable Board that it is the intent of the Consolidated Fire Protection District of Los Angeles County (District) to enter into contract negotiations with Kronos Inc. (Kronos), for services to configure and implement the Consolidated Operations Staffing and Timekeeping System (COSTS) departmentwide.

COSTS will be the District's next generation timekeeping and staffing system. COSTS is a vendor supported Software as a Service (SaaS) solution. The new system will replace the two legacy timekeeping and staffing systems in use now: the Internet Protocol Field Incident Reporting System (IPFIRS) for timekeeping and the Fire Office application for staffing. These legacy systems are well past the end of their useful service lifecycle.

The current Kronos Lifeguard staffing system was the result of a joint project between the Sheriff, Probation, and the District to develop a replacement staffing and timekeeping system for their non-civilian personnel. All three departments agreed to select the Kronos Telestaff product after a Request for Proposals (RFP) solicitation process. The Board Letter approving the project was adopted in 2009 granting the participating departments with \$1,494,600 in spending authority for Phase 1 development. However, development on the combined system was suspended during 2011 with both the Sheriff and Probation departments opting not to continue development.

At the end of combined development, the District assessed the capability of the then-in-progress system. The Telestaff product offered at that time lacked some features requested by District executives and Local 1014. The Lifeguard Division had fewer employees with a less complex staffing process, so a decision was made to go into production for Lifeguard staffing only.

SERVING THE UNINCORPORATED AREAS OF LOS ANGELES COUNTY AND THE CITIES OF:

AGOURA HILLS
ARTESIA
AZUSA
BALDWIN PARK
BELL
BELL GARDENS
BELLFLOWER
BRADBURY

CALABASAS
CARSON
CERRITOS
CLAREMONT
COMMERCE
COVINA
CUDAHY
DIAMOND BAR
DUARTE

EL MONTE
GARDENA
GLEN DORA
HAWAIIAN GARDENS
HAWTHORNE
HERMOSA BEACH
HIDDEN HILLS
HUNTINGTON PARK

INDUSTRY
INGLEWOOD
IRVINDALE
LA CANADA-FLINTRIDGE
LA HABRA
LA MIRADA
LA PUENTE
LAKEWOOD
LANCASTER

LAWNDALE
LOMITA
LYNWOOD
MALIBU
MAYWOOD
NORWALK
PALMDALE
PALOS VERDES ESTATES

PARAMOUNT
PICO RIVERA
POMONA
RANCHO PALOS VERDES
ROLLING HILLS
ROLLING HILLS ESTATES
ROSEMEAD
SAN DIMAS
SANTA CLARITA

SIGNAL HILL
SOUTH EL MONTE
SOUTH GATE
TEMPLE CITY
WALNUT
WEST HOLLYWOOD
WESTLAKE VILLAGE
WHITTIER

Remaining firefighter staff (non-Lifeguard) continued utilizing the District's legacy staffing solution. In 2019, the Lifeguard's staffing system was upgraded to a SaaS solution.

As the Lifeguard Division has already replaced Fire Office with a production Kronos staffing system, the District is now in the process of implementing an IPFIRS replacement. Phase I, COSTS project initiation, was completed on August 30, 2020. Phase II, which should result in a production timekeeping system for the Lifeguards, is scheduled to be completed by December 31, 2020. Phase III, the expansion of COSTS to the rest of the District, is expected to take approximately six months to complete.

A one-time sole source implementation contract will allow the District to leverage our familiarity with Kronos software and reduce the cost and effort required to expand COSTS. As Kronos was the vendor for Phase I and II, they need to be the vendor to continue and successfully complete the rollout departmentwide. In addition, the procurement of a competing vendor would require a very lengthy RFP and evaluation process and would be an inefficient use of resources given the large investment already made to the Kronos system. Specifically, if another vendor were to be selected, significant costs would be incurred at this point given the outlay already made in existing Kronos COSTS software, development, and training. Also, this would cause a significant delay in departmentwide implementation for the District.

Software licensing and maintenance support for COSTS falls within the Internal Services Department's delegated authority and will be handled via an annual purchase order.

The District will commence contract negotiations within four weeks unless otherwise instructed by your Board.

If you have any questions, please contact me at (323) 881-6180, or your staff may contact Chief Deputy Dawnna B. Lawrence at (323) 881-2478.

DLO:cs

C: Fesia A. Davenport
Celia Zavala
Sheila Williams
Each Board Deputy
County Counsel

SOLE SOURCE CHECKLIST

Department Name: Fire Department



New Sole Source Contract



Existing Sole Source Contract

Date Sole Source Contract Approved: _____

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS Identify applicable justification and provide documentation for each checked item.
<input type="checkbox"/>	➤ Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. A monopoly is an <i>“Exclusive control of the supply of any service in a given market. If more than one source in a given market exists, a monopoly does not exist.”</i>
<input type="checkbox"/>	➤ Compliance with applicable statutory and/or regulatory provisions.
<input type="checkbox"/>	➤ Compliance with State and/or federal programmatic requirements.
<input type="checkbox"/>	➤ Services provided by other public or County-related entities.
<input type="checkbox"/>	➤ Services are needed to address an emergent or related time-sensitive need.
<input type="checkbox"/>	➤ The service provider(s) is required under the provisions of a grant or regulatory requirement.
<input checked="" type="checkbox"/>	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
<input type="checkbox"/>	➤ Services are needed during the time period required to complete a solicitation for replacement services; provided services are needed for no more than 12 months from the expiration of an existing contract which has no available option periods.
<input type="checkbox"/>	➤ Maintenance and support services are needed for an existing solution/system during the time to complete a solicitation for a new replacement solution/ system; provided the services are needed for no more than 24 months from the expiration of an existing maintenance and support contract which has no available option periods.
<input type="checkbox"/>	➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.
<input type="checkbox"/>	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
<input checked="" type="checkbox"/>	➤ It is in the best economic interest of the County (e.g., significant costs to replace an existing system or infrastructure, administrative cost savings and excessive learning curve for a new service provider, etc.) In such cases, departments must demonstrate due diligence in qualifying the cost-savings or cost-avoidance associated with the best economic interest of the County.

Sheila Williams

Digitally signed by Sheila Williams
DN: cn=Sheila Williams, o=CEO, ou=BOMB,
email=swilliams@ceo.lacounty.gov, c=US
Date: 2020.08.28 14:11:12 -0700

Chief Executive Office

8/28/2020

Date

Sole Source Checklist – Kronos (Telestaff)

The Automated Employee Scheduling System (AESS) was to be a joint project between the Sherriff's, Probation, and Fire departments to develop a replacement staffing and timekeeping system for non-civilian personnel. All three Department agreed to select the Telestaff product during the RFP process.

The board letter approving the AESS project was approved in FY 2008-2009 granting the participating departments with \$1,494,600 in authority for Phase 1 development.

Development on the combined system was suspended during FY 11-12 with both the Sherriff's Department and Probation opting not to continue development. The Fire Department deployed a production staffing system for the Lifeguards only. Legacy systems were to be used for timekeeping and staffing for all other public safety personnel.

There has been a growing need to replace the legacy staffing and timekeeping systems as both systems are well past the end of their useful service lifecycle. Since the Fire Department has already devoted significant training and resources to the implementation of the AESS system, we wish to leverage this knowledge to reduce the cost of the effort in developing the next generation departmentwide staffing and timekeeping systems.

Selection of a competing product would require the very lengthy time required for another RFB and evaluation process. In addition, significant conversion costs would be incurred at this point given the large investment already made in existing AESS software and development.

BOARD LETTER/MEMO – FACT SHEET OPERATIONS CLUSTER

☒ Board Letter

☐ Board Memo

☐ Other

OPS CLUSTER AGENDA REVIEW DATE	10/7/2020	
BOARD MEETING	10/27/2020	
DELEGATED AUTHORITY BOARD LETTER	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
SUPERVISORIAL DISTRICT AFFECTED	First	
DEPARTMENT	Chief Executive Officer (CEO)	
SUBJECT	CONVEYANCE OF SURPLUS PROPERTY FROM THE COUNTY OF LOS ANGELES TO PARK RAMONA, INC. FOR FAIR MARKET VALUE – APN: 8437-017-900 – BALDWIN PARK	
PROGRAM	N/A	
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	If Yes, please explain why:	
DEADLINES/ TIME CONSTRAINTS		
COST & FUNDING	Park Ramona Inc. will pay the County \$95,240.00 for fee title to the land.	Funding source: 100% net County cost
	TERMS (if applicable): In accordance with the proposed sale and purchase agreement Park Ramona Inc. will pay the County the fair market value of \$95,240.00 for the land.	
	Explanation: The sales price has been discussed with the County's contracted appraiser and reflects the fair market value for the property, based upon sales of similar properties in the San Gabriel Valley market area, and has been appropriately discounted to reflect the limitations on development due to the parcel's size and that the property is currently encumbered with a private utility and access easement. Furthermore, the value of the property has been additionally discounted as a result of the access and maintenance easement, storm drain improvement covenant, and deed restriction that will be reserved on the property by the County as part of the conveyance.	
PURPOSE OF REQUEST	Sale of the land will remove liability to the County posed by owning property that contains encroachments owned by the adjacent ownership and utility easements owned by third parties.	
BACKGROUND (include internal/external issues that may exist)	The parcel proposed to be sold totals approximately 4,943 square feet (Surplus Parcel) and was approved by the Board of Supervisors for acquisition on December 20, 1955, and has historically been a portion of the Baldwin Park Animal Care Center. The Animal Care Center was constructed, but the Surplus Parcel was never contemplated for development as it was already encumbered with a utility easement. The parcel is not contemplated for use or development by the County and will be sold to the Park Ramona Inc. on a direct basis, in accordance with Government Code Section 25526.7. The Buyer will be acquiring such property subject to a deed restriction that the parcel be held as one lot with the buyer's adjoining property. In addition, the deed will include a covenant to maintain or improve the buyer's existing drainage system, to avoid run-off onto the Animal Care Center. The sale of the parcel will eliminate the County's exposure to liability related to ownership of the property, eliminate ongoing maintenance costs, return the parcel to the tax rolls, and provide the County with funds that can be better allocated for the rehabilitation, purchase, or construction of other County facilities, which in this instance can be used to reimburse the County for its cost in constructing a new secured fence for the Animal Care Center.	
DEPARTMENTAL AND OTHER CONTACTS	Name, Title, Phone # & Email: Dean Lehman, Senior Manager (Via teleconference Call) 213-974-4200 • dlehman@ceo.lacounty.gov	Roger Hernandez, Senior Real Property Agent 213-974-4208 • rhernandez@ceo.lacounty.gov



FESIA A. DAVENPORT
Acting Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

Board of Supervisors
HILDA L. SOLIS
First District

MARK RIDLEY-THOMAS
Second District

SHEILA KUEHL
Third District

JANICE HAHN
Fourth District

KATHRYN BARGER
Fifth District

October 27, 2020

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**CONVEYANCE OF SURPLUS PROPERTY FROM THE COUNTY OF LOS ANGELES TO
PARK RAMONA, INC. FOR FAIR MARKET VALUE
ASSESSOR'S IDENTIFICATION NUMBER: APN: 8437-017-900
BALDWIN PARK
(FIRST DISTRICT)
(3 VOTES)**

SUBJECT:

The County proposes to convey surplus County property to Park Ramona, Inc. (Buyer) for fair market value.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed conveyance of surplus property is categorically exempt from the provisions of California Environmental Quality Act (CEQA) for the reasons stated in this Board letter and in the record of the project.
2. Find that the County-owned real property, as shown on the map and legally described in the Quitclaim Deed, is no longer necessary for the County or other public purposes, and that the property's estimated sales price does not exceed \$100,000.
3. Find that the property is exempt surplus land as defined in Government Code Section 54221(f)(1)(B) as it is surplus land that is (i) less than 5,000 square feet in area, (ii) not contiguous to land owned by a State or local agency for open-space or low- and moderate-income housing purposes, and (iii) is being sold to an owner of contiguous land.

4. Approve the sale of the County's right, title, and interest in the property located at 4275 Elton Street in Baldwin Park, identified as APN: 8437-017-900, to adjoining property owner, Park Ramona, Inc., for \$95,240.00, and instruct the Acting Chief Executive Officer, or her designee, to execute the Quitclaim Deed and the Sale and Purchase Agreement. Authorize the Acting Chief Executive Officer, or her designee, to complete and execute any additional documentation necessary to complete the transaction.
5. Instruct the Auditor-Controller to deposit the sale proceeds into the Asset Development Implementation Fund.

PURPOSE OF RECOMMENDED ACTION/JUSTIFICATION

The purpose of the recommended actions is to approve the direct sale of, and convey title to, the surplus County-owned real property in the City of Baldwin Park, to Park Ramona, Inc. (Buyer), the adjacent property owner.

The parcel proposed to be sold to the adjacent property owner totals approximately 4,943 square feet (Surplus Parcel) of improved land and is located adjacent to the County's Baldwin Park Animal Care Center (Animal Care Center). As a matter of background, the parcel of land upon which the Animal Care Center resides was approved by the Board of Supervisors for acquisition on December 20, 1955. The Animal Care Center was constructed thereafter and currently serves County residents by offering animal care and control services. The Surplus Parcel was never contemplated for development as part of the Animal Care Center due to its location and the existing encumbrances found on the Surplus Parcel consisting of a utility easement and utility pole that restrict development. The County constructed the easterly perimeter block wall for the Animal Care Center adjacent to the Surplus Parcel to avoid these encumbrances. Some years later, the adjacent owner constructed a driveway and curb improvements on the Surplus Parcel to serve their private business, under the assumption that the County's easterly block wall for the Animal Care Center was the property line between the properties. A recent survey of the properties revealed that the land encompassing the Surplus Parcel is still under the ownership of the County, although it serves the adjacent owner (Park Ramona, Inc) as their main access driveway for their property. Due to the deterioration of the perimeter wall, the County recently constructed a new security fence on the County's Animal Care Center property with the intent to use this fence as the property line when the Surplus Parcel is sold to Park Ramona, Inc. The Surplus Parcel is not contemplated for use or development by the County and will be sold to the Buyer on a direct basis, in accordance with Government Code Section 25526.7.

The Buyer will be acquiring such property subject to a covenant that the Surplus Parcel be held as one lot with the Buyer's adjoining property. The County will also be reserving an access and maintenance easement in the quitclaim deed granting the County the right to enter the Buyer's property in perpetuity to maintain the County's new security fence, as needed. Additionally, the deed will include a restriction to maintain the Buyer's existing

drainage system to avoid run-off onto the Animal Care Center. As stated in the deed, in the event it is found that runoff from the Buyer's property is coming onto the County's property, the County will require the Buyer to improve the drainage system to minimize the runoff. Failure to maintain and/or improve the Buyer's drainage system as required by the County could result in the Surplus Parcel being deeded back to the County from the Buyer.

The sale of the Surplus Parcel will eliminate the County's exposure to liability related to ownership of the Surplus Parcel, eliminate ongoing maintenance costs, return the Surplus Parcel to the tax rolls, and provide the County with funds that can be better allocated for the rehabilitation, purchase, or construction of other County facilities.

Implementation of Strategic Plan Goals

These recommendations support the County Strategic Plan: Strategy III.3.1 - Maximize Revenue; and Objective III.3.2 - Manage and Maximize County Assets. In this case, the conveyance of surplus County property, that would be costly to maintain and develop, will generate capital funds through the sales proceeds and annual property tax assessments, which could be used in capital projects and/or other investments in public infrastructure for the local community.

FISCAL IMPACT/FINANCING

The sales price for the Surplus Parcel to be conveyed to Park Ramona, Inc. totals \$95,240.00, averaging approximately \$19.27 per square foot. The sales price has been discussed with the County's contracted appraiser and reflects the fair market value for the Surplus Parcel, based upon sales of similar properties in the San Gabriel Valley market area, and has been appropriately discounted to reflect the limitations on development due to the parcel's size, the limitations on the property's development posed by the private, third-party utility and access easement and utility improvements, the access and maintenance easement to be reserved by the County, and the Buyer's storm drain maintenance and improvement covenant.

The proceeds from this sale will be deposited into the County's Asset Development Implementation Fund.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The sale of the Surplus Parcel directly to a private party is authorized by Government Code Section 25526.7, which authorizes the direct sale of surplus real property having an estimated sales price not exceeding \$100,000.

The Surplus Parcel is exempt surplus land as defined in Government Code Section 54221(f)(1)(B) as it is (i) less than 5,000 square feet in area, (ii) not contiguous to land owned by a state or local agency for open-space or low- and moderate-income housing purposes, and (iii) is being sold to an owner of contiguous land.

In accordance with the Board's policy, the deed reserves (i) an access, improvement, and maintenance easement to the County, over the entire Surplus Parcel in perpetuity, to allow the County to service the perimeter fencing for the Animal Care Center; (ii) a covenant for the Buyer to maintain or improve its existing drainage system; and (iii) the mineral rights for the property, are to be retained by the County. Additionally, a covenant⁷⁷ will be placed upon the Surplus Parcel as a condition of this sale that will require Buyer to combine the Surplus Parcel with their adjoining property, holding it all as one parcel.

As required by Government Code Section 65402, the proposed sale was submitted to the City of Baldwin Park (City), which has jurisdiction for determining conformance with the City's adopted general plan. No objection to this sale was received. Notification of the Board's intended action has been posted and published in compliance with Government Code Section 6061.

The Sale and Purchase Agreement and Quitclaim Deed for this sale have been reviewed and approved as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION

The proposed sale of surplus property is categorically exempt from CEQA pursuant to Section 15312 of the State CEQA Guidelines (Class 12-Surplus government property sales). The proposed sale is a sale of surplus government property and the property is not located in an area of statewide, regional, or areawide concern identified in Section 15206(b)(4) of the State CEQA Guidelines (Guidelines) and is therefore within a class of projects that has been determined not to have a significant effect on the environment in that it meets the criteria of Section 15312 (Class 12) of the Guidelines. In addition, the proposed sale will comply with all applicable regulations, and there are no cumulative impacts, unusual circumstances, damage to scenic highways, listing on hazardous waste site lists compiled pursuant to Government Code Section 65962.5, or indications that it may cause a substantial adverse change in the significance of a historical resource that would make the exemption inapplicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The conveyance of the Surplus Parcel will not impact the operations of the Baldwin Park Animal Care Center and the Department of Animal Care and Control concurs with this recommendation.

The Honorable Board of Supervisors
October 27, 2020
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CONCLUSION

It is requested that the Executive Office, Board of Supervisors, return one certified copy of the Minute Order, and the adopted, stamped Board letter to the CEO, Real Estate Division, at 320 West Temple Street, 7th Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

FESIA A. DAVENPORT
Acting Chief Executive Officer

FAD:JMN:DPH:DL
JLC:MGR:RH:gw

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Animal Care and Control

SALE AND PURCHASE AGREEMENT

THIS SALE AND PURCHASE AGREEMENT ("Agreement") is made and entered into as of the 7th day of NOVEMBER, 2018 by and between the **COUNTY OF LOS ANGELES** ("Seller") and **Park Ramona Inc.** ("Buyer"). Based upon the mutual consideration provided for herein, Seller and Buyer agree as follows:

1. Sale and Purchase. Seller is the owner of certain real property located at 4275 Elton St., in Baldwin Park, County of Los Angeles, State of California and legally described in Exhibit A, attached hereto and incorporated herein by reference ("Property"). Seller desires to sell the Property, and convey it to Buyer, and Buyer desires to purchase the Property and accept it from Seller, for the consideration and on the terms and conditions hereinafter set forth.

2. Purchase Price. The purchase price ("Purchase Price") for the Property is Ninety-five thousand two hundred forty and NO/100 dollars (\$95,240.00), payable by Buyer to Seller as follows:

A. Nine thousand five hundred twenty-four and NO/100 dollars (\$9,524.00), receipt of which is hereby acknowledged by the Seller ("Down Payment"). The Down Payment shall be sent by Buyer to Seller contemporaneously with the execution of this Agreement and refunded to Buyer only in the event the Property is not conveyed to Buyer as the sole direct result of Seller's uncured breach of this Agreement.

B. The remaining balance of Eighty-five thousand seven hundred sixteen and NO/100 dollars (\$85,716.00) to be paid in full thirty (30) days prior to the conveyance of the Property in accordance with Section 4 herein, subject to approval from Seller's board.

Payments shall be made by certified check payable to the County of Los Angeles.

3. Costs. All costs and expenses related to this transaction shall be paid by Buyer, including, but not limited to, the cost of a title insurance policy, and all documentary transfer taxes and document drafting, recording and any other miscellaneous charges and fees. Buyer shall also pay for the cost of surveying the property and creating the legal description of the Property as provided for herein. In the event any cost or expense is paid by Seller, Buyer shall immediately, upon Seller's request, remit a certified check payable to the County of Los Angeles in an amount equal to the aggregate of all such costs and expenses.

4. Conveyance and Closing Date. On the Closing Date, Seller shall convey the Property to Buyer by quitclaim deed ("Deed"), subject to:

A. All taxes, interest, penalties, and assessments of record assessed but not yet due, if any;

B. Covenants, conditions, restrictions, reservations, easements, licenses, rights, and rights-of-way of record, if any; and

C. The following restrictions and/or reservations:

- i. The Property, along with property currently owned by Buyer and described in **Exhibit B** attached hereto and incorporated herein by reference ("Buyer's Property"), shall be held as one parcel by the Buyer and no portion of the Property or the Buyer's Property shall be sold, conveyed, assigned, granted, or bequeathed separately. In connection with Buyer's obligations pursuant to the immediately preceding sentence, Buyer agrees to execute the Covenant and Agreement to Hold Property as One Parcel, attached hereto as **Exhibit C** and incorporated herein by reference, contemporaneously with the execution of this Agreement.
- ii. In the event that Seller determines in its sole and absolute discretion that the restriction set forth in subsection 4(C)(i) above is not being complied with ("Default Condition"), written notice shall be given to the record owner of the Property and the owner shall have thirty (30) days from the date of the notice to cure the Default Condition, provided that if the nature of the Default Condition is such that it cannot reasonably be cured within the thirty (30) day period described above, and such cure is commenced within such thirty (30) day period and thereafter diligently prosecuted to completion, additional time to cure, as determined by the County, will be allowed. If the Default Condition is not so cured, then all right, title, and interest in and to the Property shall automatically revert back to Seller without further action by Seller. The record owner shall relinquish possession and execute a quitclaim deed conveying the Property to Seller upon request. In no event shall Seller have the right to take title to the Buyer's Property as defined in Section 4.C.i. herein.

Further, within six (6) months after transfer of title of the Property to Buyer, Buyer shall hire a licensed surveyor who will set permanent corners for the new property line, and file with the City of Baldwin Park ("City") an application for a Certificate of Compliance and shall record said Certificate of Compliance when issued by the City. County agrees to support said application and to provide reasonable assistance to Buyer and the City in the preparation of and in the processing of said application, provided that such application and related matters shall be Buyer's sole

responsibility and at Buyer's cost and County shall have no liability thereby. Buyer agrees to comply with the conditions, if any, that the City may attach to the Certificate of Compliance.

- iii. Reservation to, and exception from the conveyance from, the County of Los Angeles an exclusive access, improvement and maintenance easement over the Property in perpetuity, but without the obligation of the County to maintain any County improvement built thereon. The above shall be in addition to merging and holding the Property with Buyer's existing Property so that neither Property can be sold separately
- iv. Buyer will ensure that Buyer's existing drainage system on the Property and Buyer's Property shall be maintained and/or improved to prevent erosion, remove sediment and collect debris so that it does not impact any adjacent property. Buyer shall consult with the County prior to the design or construction of any changes or improvements that would have any potential impacts on the drainage system or any adjoining property. Buyer shall not make any changes or improvements to its operation and maintenance of the Property or Buyer's Property that does or could reasonably be expected to increase storm water or any other run-off onto any adjacent property. In the event any damage is caused to any adjacent property as a result of Buyer's storm water and/or run-off, Buyer will be solely responsible for any and all costs and expenses incurred in connection with repairing and or replacing any and all damage caused to such property.

- D. Seller's reservation to itself and exception from the conveyance contemplated herein of all oil, gas, hydrocarbons, or other minerals in and under the Property, without the use of the surface or subsurface, to a depth of five hundred (500) feet, measured vertically, from the surface of the Property, in perpetuity.

5. Closing Date. Seller shall convey the Property on a date (the "Closing Date") occurring approximately sixty (60) days after the later of (A) the date on which the County of Los Angeles Board of Supervisors (the "County Board"), in its sole and absolute discretion, approves the sale of the Property and (B) the date on which Seller is in receipt of Buyer's Payments and executed associated documents necessary to complete the conveyance. In the event Buyer fails to provide Seller with all Payments and associated documents (and any other documents reasonably requested by County in connection with the conveyance of the Property) to effectuate the Closing within 180 days of the date Seller executes this Agreement and Deed, Seller, at its option and in its

sole and absolute discretion, may elect to terminate this Agreement, and thereafter Seller shall have no further obligations to Buyer pursuant to this Agreement.

In connection with Buyer's obligations pursuant to Section 4.C. above, contemporaneously with the execution hereof, Buyer shall execute the Covenant and Agreement to Hold Property as One Parcel, attached hereto as Exhibit C and incorporated herein by reference.

6. Title. Buyer understands that the Property is being sold without any representation or warranty of any kind regarding the condition of title to the Property, and Buyer further acknowledges and understands that Seller expressly disclaims any such representation or warranty, express or implied. Buyer accepts all matters of record and understands that Seller will not provide a policy of title insurance and makes no representations or warranties as to condition of title. Buyer acknowledges that Buyer has the right but not the obligation to engage, at Buyer's sole cost and expense, a licensed title company to issue a policy of title insurance. Buyer agrees that the condition of title shall not be cause for Buyer's cancellation of this Agreement.

7. Recording. Seller shall prepare the Deed indicating title to the Property to be vested in the name of the Buyer as follows: Park Ramona Inc., and shall cause the Deed to be recorded in the official records of the Los Angeles County Recorder, subject to all terms and conditions of this Agreement.

8. Delivery of Deed. Seller shall transmit to Buyer a copy of the Deed stamped by the Recorder, the original of which shall be mailed to the Buyer by the Recorder at the address for notice to Buyer pursuant to Section 14 herein.

9. Condition of the Property.

A. Buyer acknowledges that Buyer is purchasing the Property "as is," solely in reliance on Buyer's own investigation, and that no representation or warranty of any kind whatsoever, express or implied, has been made by Seller or Seller's agents, and Seller hereby expressly disclaims any such representation or warranty of any kind, express or implied. Any information given or disclosure made to Buyer by Seller or Seller's agents concerning the Property shall not constitute or be construed as a representation or warranty made by Seller. Buyer acknowledges and agrees that it has been given the full opportunity to inspect the Property prior to execution of this Agreement. Buyer shall be solely responsible for any and all costs and expenses incurred in connection with the removal and lawful disposal of all contaminated materials, toxic or hazardous substances, and asbestos, if any, on the Property.

B. Buyer acknowledges and agrees that Seller has disclosed all information in Seller's possession that impacts Buyer's use of the Property. Such disclosures are not exhaustive and do not imply that no other conditions impact Buyer's use of, or the value of the Property or that other conditions are not known to Seller. Buyer

knowingly and willingly assumes any and all risk related to the existence of any and all other conditions that could impact Buyer's use of or the value of the Property.

- C. Buyer also acknowledges that it is aware of all zoning regulations, other governmental requirements, site and physical conditions, and all other matters affecting the use and condition of the Property, and Buyer agrees to purchase the Property in said condition and to fully comply with all such zoning regulations and other governmental requirements at all times during Buyer's possession of the Property.
- D. Buyer waives any and all Claims (as hereinafter defined) against County and its Special Districts, elected and appointed officers, employees, and agents (collectively, "County Indemnitees"), and agrees to indemnify, defend, save, and hold harmless the County Indemnitees, and each of them, from and against any and all claims, demands, actions, rights, causes of action, obligations, liabilities, penalties, costs and expenses, including without limitation reasonable attorneys' fees and court costs (collectively, "Claims") of any nature whatsoever in any way related to or arising out of or in connection with this Agreement or the Property.

10. Possession/Risk of Loss. Any and all risk of loss or damage with respect to the Property shall pass from Seller to Buyer on the Closing Date.

11. Brokerage Commission. Buyer and Seller hereby acknowledge and represent that there are no broker's commission or finder's fees due in connection with this Agreement. Each party shall indemnify and hold the other party harmless from any claim of any broker, agent or finder, licensed or otherwise, claiming through, under or by reason of the conduct of either party with respect to the transaction contemplated hereunder.

12. Conflicts. In the event of a conflict between the provisions of this Agreement and the provisions of any other documents executed or agreements made or purported to be executed or made between the parties prior to the date hereof, the provisions contained in this Agreement shall in all instances govern and prevail.

13. Assignment. This Agreement is not assignable. Buyer shall not assign or attempt to assign this Agreement, or any rights hereunder, to any other person or entity. Any such assignment or purported assignment shall be null and void *ab initio*, and of no force and effect whatsoever.

14. Notices. All notices, demands, and requests required or desired to be given pursuant to this Agreement by either party shall be sent by United States Mail, nationally recognized overnight mail service, registered or certified, postage prepaid, and addressed to the parties as follows:

Seller: County of Los Angeles
Chief Executive Office
222 South Hill Street, 3rd Floor
Los Angeles, CA 90012
Attention: Dean Lehman, Acting Senior Manager
Real Estate Division

Buyer: Park Ramona Inc.
14827 Ramona Blvd.,
Baldwin Park, CA 91706
Attention:

Notices, demands, and requests served in the above manner shall be considered sufficiently given or served for all purposes under this Agreement at the time the notice, demand, or request is postmarked to the addresses shown above.

15. Time is of the Essence. Time is of the essence for each and every term, condition, covenant, obligation, and provision of this Agreement.

16. Seller's Remedies. In the event of Buyer's failure to consummate the transaction contemplated by this Agreement, or in the event of termination of this Agreement due to Buyer's violation of any provision of this Agreement, Seller shall have all remedies in law and equity, and shall be entitled to enforce this Agreement and to obtain the benefit of the bargain contained herein. The retention by Seller of the Down Payment to set off such consequential damages based on the cost to the Seller of the sale shall not be deemed a waiver or relinquishment of any other remedies.

THE DOWN PAYMENT SHALL BE RETAINED BY SELLER, IN THE EVENT OF BUYER'S FAILURE TO CONSUMMATE THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT, TO COMPENSATE SELLER FOR THE COST ASSOCIATED WITH NEGOTIATING, OBTAINING BOARD OF SUPERVISOR APPROVAL AND ENTERING INTO THIS AGREEMENT. THE DOWN PAYMENT AMOUNT SHALL BE PRESUMED TO BE A REASONABLE ESTIMATE OF THE AMOUNT OF ACTUAL CONSEQUENTIAL DAMAGES SUSTAINED BY SELLER BECAUSE OF BUYER'S BREACH OF ITS OBLIGATION TO PURCHASE THE PROPERTY. SELLER HAS AUDITED ITS HISTORIC COSTS OF CONDUCTING NEGOTIATIONS, OBTAINING BOARD OF SUPERVISOR APPROVAL AND ENTERING INTO THIS AGREEMENT AND HAS DETERMINED THAT SUCH COSTS EXCEED TWENTY FIVE THOUSAND DOLLARS (\$25,000). AS SUCH, IN THE EVENT OF BUYER'S BREACH OF ITS OBLIGATION TO PURCHASE THE PROPERTY, BUYER AND SELLER AGREE AS FOLLOWS: (1) THAT SELLER'S RETENTION OF THE DOWN PAYMENT IS PARTICULARLY APPROPRIATE FOR THE TYPE OF TRANSACTION CONTEMPLATED BY THIS AGREEMENT; (2) THAT THE AMOUNT OF THE DOWN PAYMENT IS INSUFFICIENT TO COVER SELLER'S COST OF THE TYPE OF TRANSACTION CONTEMPLATED BY THIS AGREEMENT; AND (3) THAT THE DOWN PAYMENT SHALL BE RETAINED BY SELLER, TOGETHER WITH ALL

REMEDIES AT LAW OR IN EQUITY TO OTHERWISE ENFORCE THIS AGREEMENT AND OBTAIN THE BENEFIT OF THE BARGAIN. SELLER'S OTHER REMEDIES SHALL INCLUDE, WITHOUT LIMITATION, THE RIGHT TO SUE FOR THE EXCESS, IF ANY, WHICH WOULD HAVE BEEN DUE TO THE SELLER UNDER THIS AGREEMENT OVER THE VALUE OF THE PROPERTY TO SELLER, PLUS INTEREST, OR THE RIGHT TO SUE FOR SPECIFIC PERFORMANCE OF THIS AGREEMENT.

Seller's Initials _____

Buyer's Initials MS

Buyer's Initials _____

17. Conveyance of Buyer's Property. If, at any time during the period between the execution of this Agreement by Buyer and the conveyance of the Property from Seller to Buyer, the Buyer's Property or any part thereof is granted, conveyed, transferred, or quitclaimed to any third party, or vested by any means in any name(s) other than Buyer, Seller, at its option, may elect to terminate this Agreement, and thereafter, Seller shall have no further obligations to Buyer pursuant to this Agreement. Seller, at its sole option, shall have all remedies in law and equity and shall be entitled to enforce any part of this Agreement and to obtain the benefit of the bargain, together with all remedies contained herein and in accordance with all provisions of this Agreement.

18. County Lobbyist Ordinance. Buyer is aware of the requirements of Chapter 2.160 of the Los Angeles County Code with respect to County Lobbyists as such are defined in Section 2.160.010 of said Code, and certifies and represents and warrants that Buyer is in full compliance with the requirements thereof. Failure to fully comply with all such requirements at all time shall constitute a material breach upon which County may terminate this Agreement.

19. Severability. In the event any portion of this Agreement shall be declared by any court of competent jurisdiction to be invalid, illegal or unenforceable, such portion shall be severed from this Agreement and the remaining parts hereof shall remain in full force and effect as fully as though such invalid, illegal or unenforceable portion had never been part of this Agreement; provided that the remaining Agreement can be reasonably and equitably enforced.

20. Binding on Successors. Subject to the limitations set forth herein, the Agreement shall be binding upon and inure to the benefit of the successors and assigns of the respective parties hereto.

21. Governing Law and Forum.

This Agreement shall be governed by and construed in accordance with the internal laws of the State of California. Any litigation with respect to this Agreement shall be conducted in the courts of the County of Los Angeles, State of California.

22. Waivers. No waiver by either party of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by either party of the same or any other provision.

23. Captions. The captions and the section and subsection numbers appearing in this Agreement are inserted only as a matter of convenience and in no way define, limit, construe, or describe the scope or intent of such sections of this Agreement nor in any way affect this Agreement.

24. No Presumption Re: Drafter. The parties acknowledge and agree that the terms and provisions of this Agreement have been negotiated and discussed between the parties and their attorneys, and this Agreement reflects their mutual agreement regarding the same. Because of the nature of such negotiations and discussions, it would be inappropriate to deem any party to be the drafter of this Agreement, and therefore, no presumption for or against validity or as to any interpretation hereof, based upon the identity of the drafter shall be applicable in interpreting or enforcing this Agreement.

25. Assistance of Counsel. Each party hereto either had the assistance of legal counsel of its choice or had legal counsel available to it, in the negotiation for, and the execution of, this Agreement, and all related documents.

26. Required Actions of Buyer and Seller. Buyer and Seller agree to execute such reasonable instruments and documents and to take such reasonable action as may be reasonably required in order to consummate the purchase and sale herein contemplated.

27. Power and Authority. The Buyer has the legal right authority to enter into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated hereby. Buyer further represents that it (i) is duly incorporated, validly existing and in good standing under the laws of the State of California; and (ii) has the power and authority to enter into this Agreement and the documents referenced in this Agreement and to consummate the transaction contemplated by this Agreement and otherwise to perform Buyer's obligations under this Agreement.

28. Survival of Covenants. The covenants, agreements, representations, and warranties made herein are intended to survive the consummation of the sale of the Property and recordation of the Deed.

29. Interpretation. Unless the context of this Agreement clearly requires otherwise: (i) the plural and singular numbers shall be deemed to include the other; (ii) the masculine, feminine, and neuter genders shall be deemed to include the others; (iii) "or" is not exclusive; and (iv) "includes" and "including" are not limiting.

30. Entire Agreement. This Agreement contains the entire agreement between

the parties herein, and no addition or modification of any terms or provisions shall be effective unless set forth in writing, signed by both Seller and Buyer

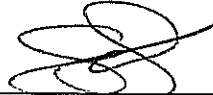
31. .Counterparts and Electronic Copies. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Signatures transmitted electronically or by facsimile will be deemed original signatures. Electronic copies of this Agreement shall constitute and be deemed an original copy of this Agreement for all purposes, provided that such electronic copies are fully executed, dated and identical in form to the original hard copy version of this Agreement.

[signatures on following page.]

IN WITNESS HEREOF, the parties have executed this Agreement as of the day and year first written above.

BUYER

PARK RAMONA INC.

By: 
Its: CORPORATE OFFICER
Print name: WILLIAM SALAZAR

Upon approval of this Agreement, a signed copy will be mailed via United States Postal Service to Buyer.

SELLER

COUNTY OF LOS ANGELES

ATTEST:

Dean C. Logan
Registrar-Recorder/County Clerk

By: _____
FESIA A. DAVENPORT
Acting Chief Executive Officer

By: _____
Deputy

APPROVED AS TO FORM:
MARY C. WICKHAM
COUNTY COUNSEL


Deputy

EXHIBIT A
LEGAL DESCRIPTION
PROPERTY TO BE ACQUIRED

APN: 8437-017-900 (Portion)

[Buyer to provide. Buyer is solely responsible for costs incurred in connection with survey and obtaining legal description.]

EXHIBIT B
LEGAL DESCRIPTION
PROPERTY CURRENTLY OWNED BY BUYER

Parcel 1:

That Portion of Section 17, Township 1 South, Range 10 West, San Bernardino Base Meridian, In the City of Baldwin Park, County of Los Angeles, State of California, According to The Official Plat of Said Land Filed in The District Land Office on April 21, 1877, Bounded by The Following Described Lines:

Beginning at A Point in The Westerly Line of The Land Described in The Deed To R.S. Edgar Recorded on June 21, 1911 In Book 4581 Page 258 Of Deeds, In the Office of The County Recorder of Said County Which Lines Passes Through a Point In The Northerly Line of Said Section Distant 2145.78 Feet Westerly Thereon From The Northeast Corner of Said Section, Said Point of Beginning Being Distant 440 Feet Northerly Along Said Westerly Line from The Northerly Line of San Bernardino Road, 60 Feet Wide; Thence Northerly Along Said Westerly Line, A Distance Of 350 Feet; Thence Southwesterly Parallel with Said Northerly Line Of San Bernardino Road, A Distance Of 208 Feet, More or Less, To the Easterly Line of The Land Described in The Deed to John Kolbert, Sr. And Wife, recorded on September 13, 1933 As Instrument No. 156 In Book 12346 Page 206 Of Official Records of Said County; Thence Southerly Along Said Easterly Line, A Distance Of 350 Feet to A Line That Is Parallel with Said Northerly Line of San Bernardino Road and That Passes Through the Point of Beginning; Thence Northeasterly Along Said Parallel Line 208 Feet, More or Less, To the Point of Beginning. Except the Southerly 300 Feet, Measured Along the Easterly Line of Said Land.

Parcel 2:

That Portion of Section 17, Township 1 South, Range 10 West, San Bernardino Base Meridian, In the City of Baldwin Park, County of Los Angeles, State of California, According to The Official Plat of Said Land Filed in The District Land Office on April 21, 1877, Described as Follows:

Beginning at A Point in The Westerly Line of The Land Described in The Deed to Jonas Misbin And Wife, recorded on October 25, 1954 As Instrument No. 942, In Book 45929 Page 137 Of Official Records, In the Office of The County Recorder Of Said County, Said Point Being Distant Northerly 890 Feet, Measured Along Said West Line and Southerly Prolongation Thereof from The North Line of San Bernardino Road, 60 Feet Wide; Thence Northeasterly Parallel with Said Northerly Line 208 Feet, More or Less, To the Westerly Line of The Land Described in Deed Recorded on June 21, 1911, As Instrument No. 70, In Book 4581 Page 258 Of Deeds, Records of Said County, Thence Southerly Along Said Westerly Line 100 Feet to The Southeast Corner of Said Land of Misbin; Thence Southwesterly Parallel with Said Northerly Line of San Bernardino Road 208 Feet; More or Less to The Southwest Corner of Said Land of Misbin; Thence Along the West Line of Said Land Northerly 100 Feet to The Point of Beginning.

As Instrument No. 3334 In Book 40296 Page 369 Of Official Records of Said County; Thence Northerly Along Said Last Mentioned Parallel Line to The Southeasterly Line of The Right of Way of The Southern Pacific Railroad Company, Recorded In Book 23603, Page 237 Of Official Records Of Said County, Thence Northeasterly Along Said Southeasterly Line Of Said Right Of Way To A Line Parallel With And Distant Easterly 16 Feet From The Westerly Line Of The Land Described In Said Deed To Jeane B. O'banion And Wife; Thence Southerly Along Said Last Mentioned Parallel Line To The Northerly Line Of The Land Described IN The Deed To Emil C. Hoffmeister And Wife, Recorded As Instrument No. 1203 On December 4, 1953 In Book 43310 Page 133 Of Official Records Of Said County; Thence Westerly Along Said Northerly Line 12 Feet To A Line Parallel With And Distant Easterly 4 Feet From The Westerly Line Of The Land Described In Said Last Mentioned Deed; Thence Southerly Along Said Last Mentioned Parallel Line 420 Feet To The Northerly Line Of Said East Ramona Boulevard; Thence Southwesterly Along The Northerly Line Of Said Boulevard, 32.5 Feet To The True Point Of Beginning.

Except Therefrom Those Portions Within Parcels 1, 2 And 3.

RECORDING REQUESTED BY & MAIL TO

County of Los Angeles
222 South Hill Street, 3rd Floor
Los Angeles, CA 90012
Attention: Dean Lehman,
Acting Senior Manager

*
*
*
*
*

SPACE ABOVE THIS LINE FOR RECORDER'S USE

COVENANT AND AGREEMENT TO HOLD PROPERTY AS ONE PARCEL

The undersigned hereby certify that they are the owner of the real property described below located in Baldwin Park, County of Los Angeles, State of California that is legally described as follows:

Parcel A

APN: 8437-017-900 (Portion)

Need legal description

Parcel B

APNS: 8437-016-005, 8437-016-015, 8437-016-016

Parcel 1:

That Portion of Section 17, Township 1 South, Range 10 West, San Bernardino Base Meridian, In the City of Baldwin Park, County of Los Angeles, State of California, According to The Official Plat of Said Land Filed in The District Land Office on April 21, 1877, Bounded by The Following Described Lines:

Beginning at A Point in The Westerly Line of The Land Described in The Deed To R.S. Edgar Recorded on June 21, 1911 In Book 4581 Page 258 Of Deeds, In the Office of The County Recorder of Said County Which Lines Passes Through a Point In The Northerly Line of Said Section Distant 2145.78 Feet Westerly Thereon From The Northeast Corner of Said Section, Said Point of Beginning Being Distant 440 Feet Northerly Along Said Westerly Line from The Northerly Line of San Bernardino Road, 60 Feet Wide; Thence Northerly Along Said Westerly Line, A Distance Of 350 Feet; Thence Southwesterly Parallel with Said Northerly Line Of San Bernardino Road, A Distance Of 208 Feet, More or Less, To the Easterly Line of The Land Described in The Deed to John Kolbert, Sr. And Wife, recorded on September 13, 1933 As Instrument No. 156 In Book 12346 Page 206 Of Official Records of Said County; Thence Southerly Along Said Easterly Line, A Distance Of 350 Feet to A Line That Is Parallel with Said Northerly Line of San Bernardino Road and That Passes Through the Point of Beginning; Thence Northeasterly Along Said Parallel Line 208 Feet, More or Less, To the Point of Beginning. Except the Southerly 300 Feet, Measured Along the Easterly

Line of Said Land.

Parcel 2:

That Portion of Section 17, Township 1 South, Range 10 West, San Bernardino Base Meridian, In the City of Baldwin Park, County of Los Angeles, State of California, According to The Official Plat of Said Land Filed in The District Land Office on April 21, 1877, Described as Follows:

Beginning at A Point in The Westerly Line of The Land Described in The Deed to Jonas Misbin And Wife, recorded on October 25, 1954 As Instrument No. 942, In Book 45929 Page 137 Of Official Records, In the Office of The County Recorder Of Said County, Said Point Being Distant Northerly 890 Feet, Measured Along Said West Line and Southerly Prolongation Thereof from The North Line of San Bernardino Road, 60 Feet Wide; Thence Northeasterly Parallel with Said Northerly Line 208 Feet, More or Less, To the Westerly Line of The Land Described in Deed Recorded on June 21, 1911, As Instrument No. 70, In Book 4581 Page 258 Of Deeds, Records of Said County, Thence Southerly Along Said Westerly Line 100 Feet to The Southeast Corner of Said Land of Misbin; Thence Southwesterly Parallel with Said Northerly Line of San Bernardino Road 208 Feet; More or Less to The Southwest Corner of Said Land of Misbin; Thence Along the West Line of Said Land Northerly 100 Feet to The Point of Beginning.

Parcel 3:

That Portion of Section 17, Township 1 South, Range 10 West, San Bernardino Base Meridian, In the City of Baldwin Park, County of Los Angeles, State Of California, According to The Official Plat of Said Land Filed in The District Land Office on April 21, 1877, Described as Follows:

Beginning at A Point in The Westerly Line of The Land Described in The Deed To R.S. Edgar Recorded on June 21, 1911 In Book 4581 Page 258 Of Deeds, Records Of Said County Recorder Which Line Passes Through a Point in The Northerly Line Of Said Section Distant Thereon 2145.78 Feet Westerly from The Northeast Corner of Said Section 17, Said Point of Beginning Being Distant 790 Feet Northerly Along Said Westerly Line from The Northerly Line of San Bernardino Road, 60 Feet Wide, Thence Northerly Along Said Westerly Line To The Southeasterly Right of Way at The Southern Pacific Railroad Company, Or Pacific Electric Railway, As Described in Deed Recorded in Book 23603 Page 237, Official Records of Said County, Thence Southwesterly Along Said Southeasterly Line to The Westerly Line of The Land Described in The Deed To Jeane B. O'banion And Wife, Recorded on November 13, 1957 As Instrument No. 3334 In Book 40296 Page 369, Official Records of Said County, Thence Southerly Along Said Last Mentioned Westerly Line to A Line That Is Parallel with Said Northerly Line of San Bernardino Road, And Passes Through the Point of Beginning, Thence Northeasterly Along Said Last Mentioned Parallel Line, A Distance Of 200 Feet, More or Less to The Point of Beginning. Except Therefrom the Southerly 100 Feet of Said Land, Measured Along the Easterly and Westerly Line of Said Land.

Parcel 4:

An Easement for Driveway Purposes and Public Utilities with The Right Of Ingress and Egress to Be Used in Common by Said Owners and Their Successors, Over That Portion of Section 17, Township 1 South, Range 10 West, San Bernardino Base

Meridian, In the County of Los Angeles, State of California, According to The Official Plat of Said Land Filed in The District Land Office April 21, 1877, Within A Strip of Land, Described as Follows:

Beginning at A Point in The North Line of Said Section, Being an Intersection with the Produced West Line of The Land Described in Deed to R.S. Edgar, recorded on June 21, 1911 As Instrument No. 70 In Book 4581, Page 258 Of Deeds, Records of Said County, Which Line Passes Through a Point in The Northerly Line of Said Section, Distant 2145.78 Feet Westerly Thereon from The Northeast Corner of Said Section; Thence West Along the North Line of Said Section 401.10 Feet; Thence South Parallel with The West Line of The Land Described in The Deed to R.S. Edgar Above Mentioned, To the North Line of The Rancho La Puente; Thence Along Said Ranch Line North 74(50' 50" East, 179.92 Feet; Thence North, Parallel with The West Line of The Land Described in Said Deed to R.S. Edgar To The Northerly Line of East Ramona Boulevard 50 Feet Wide (Formerly San Bernardino Road) And the True Point of Beginning; Thence Continuing Northerly Parallel with Said West Line of The Land Described in Said Deed To R.S. Edgar, A Distance Of 440 Feet; Thence Easterly Parallel with Said Northerly Line of East Ramona Boulevard, A Distance Of 12.5 Feet to A Line Parallel with And Distant Westerly 16 Feet from The Westerly Line of The Land Described in The Deed to Jean B. O'banion And Wife, recorded on November 13, 1952 As Instrument No. 3334 In Book 40296 Page 369 Of Official Records of Said County; Thence Northerly Along Said Last Mentioned Parallel Line to The Southeasterly Line of The Right of Way of The Southern Pacific Railroad Company, Recorded In Book 23603, Page 237 Of Official Records Of Said County, Thence Northeasterly Along Said Southeasterly Line Of Said Right Of Way To A Line Parallel With And Distant Easterly 16 Feet From The Westerly Line Of The Land Described In Said Deed To Jeane B. O'banion And Wife; Thence Southerly Along Said Last Mentioned Parallel Line To The Northerly Line Of The Land Described In The Deed To Emil C. Hoffmeister And Wife, Recorded As Instrument No. 1203 On December 4, 1953 In Book 43310 Page 133 Of Official Records Of Said County; Thence Westerly Along Said Northerly Line 12 Feet To A Line Parallel With And Distant Easterly 4 Feet From The Westerly Line Of The Land Described In Said Last Mentioned Deed; Thence Southerly Along Said Last Mentioned Parallel Line 420 Feet To The Northerly Line Of Said East Ramona Boulevard; Thence Southwesterly Along The Northerly Line Of Said Boulevard, 32.5 Feet To The True Point Of Beginning.

Except Therefrom Those Portions Within Parcels 1, 2 And 3.

The above described property is referred to as Buyer's Property in Deed from County of Los Angeles recorded concurrently herewith.

This property is located at and is known by the following address and Assessor Parcel Numbers (APN):

APNs: 8437-016-005, 8437-016-015, and 8437-016-016 located at 4290 Elton St., Baldwin Park, CA 91706.

The undersigned hereby agrees and covenants with the County of Los Angeles that the above legally described real property shall be merged and held as one parcel and that no portion of Parcel A or Parcel B will be sold, conveyed, assigned, granted, or bequeathed separately.

This Covenant and Agreement is executed for the purpose of prohibiting the further subdivision of the land described herein.

This Covenant and Agreement shall run with all the above described land and shall be binding upon the undersigned, and future owners, encumbrancers, their successors, heirs, or assignees and shall continue in effect in perpetuity.

Agreed to:

Ramona Park Inc.

By: 

Its: CORPORATE OFFICER

Print name: WILLIAM SALAZAR

Notary Page for Covenant and Agreement to Hold Property as One Parcel

State of CALIFORNIA }
County of LOS ANGELES }

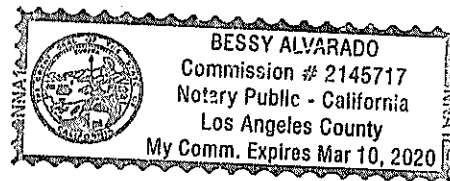
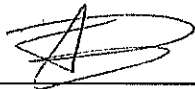
On 11/07/2018 before me, BESSY ALVARADO,

a notary public personally appeared WILLIAM SALAZAR, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



BOARD LETTER/MEMO – FACT SHEET OPERATIONS CLUSTER

☐ Board Letter

☒ Board Memo

☐ Other

OPS CLUSTER AGENDA REVIEW DATE	10/7/2020	
BOARD MEETING	Click or tap to enter a date.	
DELEGATED AUTHORITY BOARD LETTER	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
SUPERVISORIAL DISTRICT AFFECTED	All Districts	
DEPARTMENT	Treasurer and Tax Collector (TTC)	
SUBJECT	TTC Socially Responsible Investing Report Back to the March 31, 2020, Board Motion Agenda Item No. 29	
PROGRAM	N/A	
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:	
DEADLINES/ TIME CONSTRAINTS	Report Back to the Board in 180 days (September 30, 2020). TTC requested a 30-day extension (October 30, 2020) for the purpose of completing the analysis and recommendations and presenting the draft to Operations Cluster prior to filing the report with the Board.	
COST & FUNDING	Total cost: N/A	Funding source: N/A
	TERMS (if applicable):	
	Explanation:	
PURPOSE OF REQUEST	The Board directed the TTC in consultation with the Chief Executive Officer, the Chief Sustainability Officer and County Counsel, to report back in 180 days with an analysis, evaluation, and recommendations regarding incorporating Environmental, Social and Corporate Governance (ESG) and Socially Responsible Investing (SRI) into TTC's Investment Policy.	
BACKGROUND (include internal/external issues that may exist)	The TTC is recommending, as part of the Board's annual review of the Investment Policy, to add a new section titled, "Consideration of Environmental, Social and Corporate Governance (ESG) Scores," and to incorporate Sustainalytics ESG scores as part of our analysis of investment issuers.	
DEPARTMENTAL AND OTHER CONTACTS	Name, Title, Phone # & Email: <ul style="list-style-type: none"> • Keith Knox, Treasurer and Tax Collector, (213) 974-2101, kknox@ttc.lacounty.gov • Elizabeth Buenrostro Ginsberg, Chief Deputy, (213) 974-0703, eginsberg@ttc.lacounty.gov. 	



KEITH KNOX
TREASURER AND TAX COLLECTOR

COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 437, Los Angeles, California 90012
Telephone: (213) 974-2101 Fax: (213) 626-1812
ttc.lacounty.gov and propertytax.lacounty.gov

Board of Supervisors
HILDA L. SOLIS
First District
MARK RIDLEY-THOMAS
Second District
SHEILA KUEHL
Third District
JANICE HAHN
Fourth District
KATHRYN BARGER
Fifth District

October 30, 2020

TO: Supervisor Kathryn Barger, Chair
Supervisor Hilda L. Solis
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Janice Hahn

FROM: Keith Knox
Treasurer and Tax Collector

SUBJECT: **BOARD MOTION MARCH 31, 2020 – AGENDA ITEM NO. 29
REPORT BACK ON SOCIALLY RESPONSIBLE INVESTING**

On March 31, 2020, your Board directed the Treasurer and Tax Collector (TTC), in consultation with the Chief Executive Officer, the Chief Sustainability Officer and County Counsel, to report back in 180 days with: 1) a proposal to incorporate considerations related to Environmental, Social and Corporate Governance (ESG) investing and Socially Responsible Investing (SRI) into the March 2021 Investment Policy update; and 2) an analysis of how these considerations are aligned with our fiduciary obligations under the Government Code and how other comparable governmental agencies consider ESG and SRI issues in their investment policies. In addition, your Board specified the proposal should include a recommendation for annual reporting on investments by business sector and ESG and SRI issues in our Treasury Pool investments, and an analysis of any costs or consultant support necessary to achieve these goals. On September 9, 2020, we requested a 30-day extension to complete our analysis and present recommendations at an Operations Cluster meeting.

This report addresses deliverables related to the TTC's Investment Policy. In summary, the TTC is recommending, as part of the Board's annual review of the Investment Policy, to add a new section titled, "Consideration of Environmental, Social and Corporate Governance (ESG) Scores," and to incorporate Sustainalytics ESG scores as part of our analysis of investment issuers. The motion deliverables related to the Deferred Compensation Plan Administrative Committees and the Los Angeles County Employees Retirement Association will be reported on separately in the near future.

BACKGROUND ON INVESTMENT POLICY, TREASURY POOL AND OPERATIONS

Investment Policy

On an annual basis, the TTC seeks delegated authority from the Board to invest and reinvest County funds and funds of other depositors in the County Treasury, and approval of its Investment Policy. A fundamental aspect of our Investment Policy is as follows:

The Treasurer, a trustee, is inherently a fiduciary and subject to the prudent investor standard. Accordingly, when investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing investments, the investment decisions SHALL be made with the care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity would use with like aims. All investments SHALL be governed by the Government Code and comply with the specific limitations set forth within this Investment Policy.

In addition, the Investment Policy describes the prioritized objectives of the Pooled Surplus Investments (PSI) portfolio (Treasury Pool):

The primary objective SHALL be to ensure the safety of principal. The secondary objective SHALL be to meet the liquidity needs of the PSI participants, which might be reasonably anticipated. The third objective SHALL be to achieve a return on funds invested, without undue compromise of the first two objectives.

Treasury Pool

The TTC manages the Treasury Pool on behalf of Pool participants, both mandatory and voluntary. Mandatory Pool participants include the County, local school and community college districts within the County, and the Superior Courts. Voluntary participants consist of the Sanitation Districts, the Metropolitan Transportation Authority, the South Coast Air Quality Management District and certain other municipal agencies. The interest earned from the Treasury Pool, less expenses, is allocated among the Pool participants monthly. The current approximate value of the Treasury Pool is \$32 billion.

Investment Operations

Upon the daily opening of the U.S. financial markets, the TTC's Investment Office (IO) staff accesses Bloomberg Financial Systems (Bloomberg), a real time system of financial data and analysis, to gather relevant market information and execute transactions to invest surplus cash in the Treasury Pool. A limited supply of fixed income investment opportunities exist, and there is significant demand from other

municipalities seeking similar fixed income opportunities. As a result, IO staff must make immediate decisions on their investment selections as they become available, taking the following factors into consideration:

- Type - certificates of deposit, commercial paper, corporate notes, municipal bonds, asset backed securities, and money market accounts;
- Duration - short-term cash needs (up to one year), intermediate (one to three years), medium (three to five years) and long-term (over five years);
- Price - cost of the investment;
- Yield - return on investment; and
- Credit rating of the issuer – issuers are pre-screened by the TTC and an approved list of issuers meeting Investment Policy standards is updated quarterly.

On a monthly basis, the TTC summarizes all investment activity executed by the IO and reports it to your Board in accordance with Government Code Section 53646 and the Investment Policy. This report summarizes investments by type, issuer, date of maturity, par value, historical cost, market value and the source of the market valuation. Our current Investment Accounting System does not have the ability to track investments by business sector, and we do not have the personnel resources to track this information manually. However, the TTC is planning to issue a Request for Proposals for a new Investment Accounting System in 2021, and we intend to seek additional reporting functionality in the subsequent system.

Important Notes on Investments and Treasury Pool Earnings

1. It is important to note that the daily investment activity of the Treasury Pool is largely focused on commercial paper investing (i.e., providing funding to debt issuers for a stated rate of return). The IO does not invest in equities, or shares of ownership in corporations, as that is not permitted under the Government Code. IO investment selections are not made by industry sector, as sector does not substantially impact the safety, liquidity and yield of the portfolio.
2. Investment earnings are a critical revenue source in the budgets for all pool participants. This revenue source has become increasingly stressed with an interest environment of near 0% to 0.25%. Further pressures created by the 2019 Novel Coronavirus (COVID-19) pandemic negatively impacted the economy and the financial position of the County. The TTC's efforts to maintain returns on the Treasury Pool is and continues to be a high priority. Accordingly, we focused on ensuring that our final recommendations would not negatively impact the yield of the Treasury Pool.

CONSIDERATION OF ESG AND SRI IN INVESTMENT DECISIONS

There is growing interest among governing authorities of local agencies to incorporate ESG and SRI considerations in their investment decisions. To evaluate the potential for incorporating ESG and SRI considerations into its Investment Policy, the TTC obtained the legal opinion of Olson Remcho LLP (Counsel), a firm experienced in advising governmental agencies and public retirement systems.

As described in Counsel's opinion, "ESG refers to three key types of factors that can impact a government's credit profile." Using this approach, an investor considers the impacts of environmental, social and governance factors on an investment's financial viability and therefore its credit risk, when making an investment decision.

Although SRI is oftentimes used interchangeably with ESG, it is important to distinguish the two. Counsel noted that SRI refers to applying a "positive" or "negative" screen on potential investments dependent on the investment's environmental and social impacts at large. Using this approach, an investor considers the environmental and social impacts of an investment when making an investment decision, choosing to invest more in investments with positive environmental or social impacts and less in investments with negative environmental or social impacts.

One of the key challenges to consider in incorporating ESG and SRI factors in our investment decisions, is the wide range of definitions and lack of a unified rating system. As noted by the California Debt and Investment Advisory Commission, "currently, there are no 'official' standards defining SRI or ESG criteria." Environmental factors may range from green-house gas emissions, to waste management, to environmental impacts. Social issues range from human rights, to labor relations, to employee well-being. Governance issues range from management strategy, to governance structure, to financial transparency.

In our review of this information, ESG or SRI factors are germane primarily to the portion of the Treasury Pool invested in corporations, through debt investments like commercial paper and corporate notes, which are generally held until maturity. In our research, we noted that 36% of our approved issuers have ESG scores in Bloomberg, and in Fiscal Year 2019-20, the purchase volume of investments in these issuers totaled \$20 billion. In speaking with our Bloomberg representative, we determined that ESG ratings are focused primarily on corporate issuers of medium and long-term debt and there are no SRI ratings currently available. We anticipate ESG scoring will expand to include a larger population of our issuers as ESG continues to evolve. We will continue to monitor developments in the SRI arena to determine how to incorporate SRI considerations in the future.

FIDUCIARY OBLIGATIONS UNDER GOVERNMENT CODE

The TTC's investment activities are governed by the fiduciary duties imposed by the Government Code. Counsel's opinion noted that the Government Code holds the TTC to a prudent investor standard in its investments, whether the funds are County funds, agency funds that must be invested in the Treasury Pool, or funds that local governments choose to invest in the Treasury Pool. This standard requires the TTC to act as a prudent investor would act in similar circumstances. In addition, the Government Code requires a county treasurer to focus on the safeguard of principal, maintenance of liquidity, and achievement of investment return, in that priority order.

Counsel confirmed that the fiduciary duties set forth in the Government Code prevent the TTC from choosing an investment alternative based on ESG and SRI considerations that is financially less beneficial than an available alternative. However, ESG and SRI factors can be important considerations in the evaluation of the long-term return provided by investments, and ESG and SRI factors can be validly included in the assessment of potential investments along with other relevant economic factors, so long as the evaluation relates to the risk and return profile of the investment.

REVIEW OF OTHER GOVERNMENTAL AGENCIES ON ESG/SRI POLICIES

We reviewed the investment policies of the other 57 California counties to strengthen our understanding of our peers' approach to ESG or SRI considerations. Based on our research, we determined that nine counties reference ESG/SRI in their investment policies. Several of those nine included general statements that they will invest in companies that have a positive social impact. Other counties incorporated statements that encouraged investments in entities that supported certain behaviors such as environmentally sound practices and support of equality of rights; and discouraged investments in entities in certain industries such as manufacturers of tobacco products, firearms, or nuclear weapons.

We also found that many counties included statements that prioritized the fiduciary objectives of ensuring safety, liquidity, and yield before ESG/SRI considerations. For example, Alameda County's Investment Policy states, "Investments will be made with responsible investment goals to the extent such investments achieve substantially equivalent safety, liquidity and yield compared to other investment opportunities available at the same time." Mendocino County's Investment Policy states, "In the event all general objectives mandated by state law and set forth in Section III above are met and created equal, investments in corporate securities and depository institutions will be evaluated for social and environmental concerns." These statements make clear that the fiduciary mandates must be met first before considering the additional ESG or SRI factors.

We also reviewed the investment policy for the State of California and found no statements relating to ESG or SRI.

RECOMMENDATION TO OPERATIONALIZE ESG RATINGS

Counsel noted in their opinion, “If the TTC acts with the requisite prudence in obtaining advice on proposed (investment) policy additions and ESG scoring from an appropriate expert or experts in the ESG field, then in our view that would satisfy his fiduciary Duty of Care.” As TTC staff are not experts in the field of ESG, we looked for a service that provided a fully formed, composite ESG rating score as opposed to individual ratings on the various factors. In addition, staff were conscious of the fees and costs of additional services that would impact the Treasury Pool yield.

The TTC identified Sustainalytics, a well-known company in the ESG arena, as providing composite ESG scores for the companies it reviews. These scores are currently available without any additional fees through the TTC’s subscription to Bloomberg. Not all issuers have an ESG score, but we expect scores to become more readily available over time as the industry matures and ratings become standardized.

The TTC recommends, during the Board’s annual review of the Investment Policy, incorporating Sustainalytics ESG scores as part of our analysis of pre-approved investment issuers. Sustainalytics provides a Median ESG score by its categories of industry or major business sector. We propose that if an issuer’s composite ESG score is lower than the Median score for its industry, we will reduce the investment limits available for that issuer. The percentage reduction in the investment limit will be on a sliding scale based on the deviation from the Median score. This will be re-evaluated on a quarterly basis as part of our standard issuer list review process.

The TTC applied the proposed ESG scoring methodology to our existing holdings and determined that it would not impact our investment yields. In addition, there is no additional cost to utilize this methodology.

AFFIRMATIVE STATEMENT OF RESPONSIBILITY

In March 2021, during the Board’s annual review of the Investment Policy, the TTC intends to recommend a modification to its Investment Policy to include ESG factors to inform our decision making in the overall investment strategy. A new section “Consideration of Environmental, Social and Corporate Governance (ESG) Scores” will be added to the Investment Policy:

The Treasurer considers that environmental, social and governance (ESG) factors may financially impact the safety, liquidity and yield of investment opportunities. The Treasurer therefore may pursue pragmatic and cost-effective

means to consider such factors to fulfill the objectives set forth for the PSI Portfolio.

The Treasurer may also seek to further the County's sustainability goals and enhance the transition to a green economy, consistent with the County's Sustainability Plan, OurCounty, in its investment decisions, as long as such investments achieve substantially equivalent safety, liquidity and yield compared to other investment opportunities.

CONCLUSION

In conclusion, the TTC is recommending, as part of the Board's annual review of the Investment Policy, to add a new section titled, "Consideration of Environmental, Social and Corporate Governance (ESG) Scores," and to incorporate Sustainalytics ESG scores as part of our analysis of investment issuers. We believe this to be an impactful first step in implementing the Board's directive without adding to the cost of managing the Treasury Pool. We will evaluate the results of these efforts and provide an annual update to your Board during our Investment Policy approval process. In addition, we will monitor and report on any future considerations related to SRI.

Should your Board have any questions, please contact me directly or your staff may contact Elizabeth Buenrostro Ginsberg, Chief Deputy, at (213) 974-0703 or eginsberg@ttc.lacounty.gov.

KK:EBG:NWI:DW

c: Fesia Davenport, Acting Chief Executive Officer
Mary Wickham, County Counsel

BOARD LETTER/MEMO – FACT SHEET OPERATIONS CLUSTER

☒ Board Letter

☐ Board Memo

☐ Other

OPS CLUSTER AGENDA REVIEW DATE	10/7/2020			
BOARD MEETING	10/20/2020			
DELEGATED AUTHORITY BOARD LETTER	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
SUPERVISORIAL DISTRICT AFFECTED	All Districts			
DEPARTMENT	Los Angeles County Development Authority (LACDA)			
SUBJECT	Contract amendment for additional licenses and services from Yardi Systems, Inc.			
PROGRAM	All Programs			
SOLE SOURCE CONTRACT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please explain why: Sole source amendment to increase the scope of services and the maximum amount of the current contract.			
DEADLINES/ TIME CONSTRAINTS	N/A			
COST & FUNDING	<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Total cost: \$747,444</td> <td style="width: 50%;">Funding source: CARES Act for Fiscal Year 2020-21 and LACDA operating budget for future years.</td> </tr> </table>		Total cost: \$747,444	Funding source: CARES Act for Fiscal Year 2020-21 and LACDA operating budget for future years.
Total cost: \$747,444	Funding source: CARES Act for Fiscal Year 2020-21 and LACDA operating budget for future years.			
	TERMS (if applicable): The current Contract term is five years, currently in third year of contract.			
	Explanation: No impact on the County General Fund. Funding for the amendment will include \$211,780 of CARES Act funds for the third year of the contract, and costs for years 4 and 5 will be included in future LACDA FY budgets.			
PURPOSE OF REQUEST	The contract amendment adds Yardi's RENTCafé services. Yardi's RENTCafé PHA self-service online portals allow program participants to submit all required information online and is fully integrated with Yardi Voyager PHA software, which the LACDA currently uses. Due to the COVID-19 crisis, there is a greater need to allow program participants, landlords and staff to work together remotely.			
BACKGROUND (include internal/external issues that may exist)	Previously, the LACDA developed and maintained custom portals for program participants, but with the move to Yardi cloud, the LACDA no longer has access to Yardi software code to integrate custom applications easily with Yardi PHA software. Additionally, Yardi has the resources to develop new features and functionality that the LACDA cannot develop in-house. Yardi's software licenses are only available as direct purchase, as they do not have resellers where competition may exist.			
DEPARTMENTAL AND OTHER CONTACTS	Name, Title, Phone # & Email: Douglas Van Gelder Information Technology Manager (626) 586-1727 Douglas.VanGelder@lacda.org			

October 20, 2020

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

Dear Commissioners:

**CONTRACT AMENDMENT FOR YARDI SYSTEMS, INC
(ALL DISTRICTS) (3 VOTE)**

CIO RECOMMENDATION: (X) APPROVE

SUBJECT

This letter requests approval of a Contract Amendment for purchase of additional licenses and services from Yardi Systems, Inc. (Yardi), to provide the Yardi RENTCafé portals package for the Los Angeles County Development Authority (LACDA).

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that approval of a Contract Amendment with Yardi is not subject to the California Environmental Quality Act (CEQA) because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.
2. Authorize the Acting Executive Director, or his designee, to execute a Contract Amendment and all related documents with Yardi for the Yardi RENTCafé Affordable portals package, for the remaining three (3) years of the contract to include the purchase of software, associated implementation services, software license, and maintenance services, increasing the contract amount by \$747,444 to a total compensation of \$2,106,288.

3. Authorize the Acting Executive Director to incorporate up to \$211,780 of Coronavirus Aid, Relief, and Economic Security (CARES) Act funds into the LACDA's approved FY 2020-21 budget as needed, for the remainder of the third year of the Contract.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On July 17, 2018, the Board approved a five-year contract with Yardi for software and services for the administration of the Housing Choice Voucher (Section 8) and Public Housing programs. The recommended action would amend the existing contract to add Yardi's RENTCafé services. Yardi's RENTCafé PHA self-service online portals allow program participants to submit all required information online and is fully integrated with Yardi Voyager PHA software, which the LACDA currently uses. Due to the COVID-19 crisis, there is a greater need to allow program participants, landlords and staff to work together remotely.

Previously, the LACDA developed and maintained custom portals for program participants, but with the move to Yardi cloud, the LACDA no longer has access to Yardi software code to integrate custom applications easily with Yardi PHA software. Additionally, Yardi has the resources to develop new features and functionality that the LACDA cannot develop in-house. Yardi's software licenses are only available as direct purchase, as they do not have resellers where competition may exist.

FISCAL IMPACT/FINANCING

There is no impact on the County General Fund. The remaining three-year contract term will include an additional \$747,444, which includes \$150,000 in pool dollars for additional units, software, or services as needed. The LACDA will use up to \$211,780 in CARES Act funds to be incorporated into the LACDA's approved Fiscal Year 2020-2021 budget for the remainder of the third year of the Contract. Funds for years four and five will be included in the LACDA's annual budget approval process. The maximum contract amount increase for the remaining three years of the Contract will be \$747,444, including the pool dollars.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Chief Information Office (CIO) has reviewed this request and recommends approval. The CIO Analysis is attached (Attachment A). The Contract Amendment with Yardi has been reviewed by County Counsel and is attached.

ENVIRONMENTAL DOCUMENTATION

The proposed activities are exempt from the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.35 (b)(3), because they involve activities that will not have a physical impact on or result in any physical changes to the environment. These activities are not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378, because they are not defined as a project

Honorable Board of Commissioners

October 20, 2020

Page 3

under CEQA and do not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT SERVICES AND PROJECTS

The proposed Contract Amendment with Yardi will allow the LACDA to continue providing vital services remotely during the COVID-19 crisis. The software will continue to be instrumental in maintaining the LACDA's high-performer status and integrating with the systems used by HUD.

Respectfully submitted,

Reviewed by:

EMILIO SALAS
Acting Executive Director
Los Angeles County Development Authority

WILLIAM S. KEHOE
Chief Information Officer
County of Los Angeles

ES:KT:mr

Enclosures

**CONTRACT AMENDMENT NO. 4
TO
PUBLIC HOUSING & SECTION 8
ADMINISTRATION SOFTWARE CONTRACT**

THIS AMENDMENT NO. 3 TO CONTRACT is made and entered into this ____ day of _____, 2020, by and between the Los Angeles County Development Authority, hereinafter referred to as "LACDA" and Yardi Systems, Inc., hereinafter referred to as "Contractor". The LACDA and Contractor are collectively referred to as the "Parties."

WITNESSETH THAT:

WHEREAS, the Housing Authority of the County of Los Angeles (Housing Authority) and the Contractor entered into an original Contract on August 1, 2018, to provide Public Housing and Section 8 Administration Software (Housing System) Solution to the Housing Authority ("Contract") on an as-needed basis for a five (5) year contract and a total amount of compensation not to exceed \$1,250,000.00;

WHEREAS, on July 17, 2018, the Board of Housing Commissioners approved the Executive Director to amend the Contract as necessary;

WHEREAS, on November 19, 2018, the Parties executed Amendment No. 1 to increase the total compensation and update certain terms and conditions to the Contract;

WHEREAS, on May 16, 2019, the Housing Authority dissolved and merged with the Community Development Commission of the County of Los Angeles ("Commission") and the Commission changed its name to Los Angeles County Development Authority;

WHEREAS, on May 31, 2019, the Parties executed Amendment No. 2 to amend the total compensation increase and update certain terms and conditions to the Contract,

WHEREAS, on September 16, 2019, the Parties executed Amendment No. 3 to amend the Schedule A (Fee Schedule) of Exhibit B (Pricing Schedule) of the Contract to add extended LACDA's temporary licenses to access and use the self-hosted copy of the Voyager 6.08 software, with no additional fee during this term;

WHEREAS, the Parties wish to amend said Contract to extend in the third through fifth year the purchase of additional licenses and services for Yardi RENTCafé Affordable portals package v1, includes PHA Online Applications, Applicant Portal, Resident Portal, Online Certifications and the implementation services for additional support hours, and to increase the compensation using Board approved and CARES funds by a total of \$747,444.45, increase year three (3) by \$211,780.00, year four (4) \$189,051.20 and year five (5) \$196,613.25, and \$150,000 for additional units, software and/or services as needed ;

WHEREAS, the Parties wish to amend said Contract for Contract, Statement of Work and Fee Schedule revision; and

WHEREAS, it is the intent of the Parties hereto to amend the Contract to update certain terms and conditions to the Contract, and to provide for other changes set forth herein.

NOW, THEREFORE, in consideration of the mutual undertakings, herein, the Parties hereto agree that said Contract be amended as follows:

1. Section 4, Compensation is amended to read as follows:

The total amount of compensation under this Contract shall not exceed Two Million One Hundred Six Thousand Two Hundred Eighty-Eight and 45/100 Dollars (\$2,106,288.45), which shall include all related expenses (Contract Sum).

2. Exhibit A, Statement of Work, is amended to read as follows and attached here to as Exhibit A-1, Amendment #4:
 - Update Exhibit A, Statement of Work, as Exhibit A-1, Amendment #4 to add Yardi RENTCafé portal licensing and services requirements.
3. Exhibit B, Pricing Schedule and Schedule A - Fee Schedule, is amended to read as follows and attached here to as Exhibit B-1, Amendment #4:
 - Update the Exhibit B-1, Amendment #4 to add Yardi RENTCafé portal fees with annual fees, one-time fees, and pool dollars for additional units, software and/or services as needed;
4. Exhibit B, Pricing Schedule and Schedule C – Additional Terms, is amended to read as follows and attached here to as Exhibit B-2 Amendment #4:
 - Update to clarify that RENTCafé is included with the Voyager PHA Property Management product referenced in Schedule C, Product Terms 1a
 - Include Yardi Addendum for Contract by and between Los Angeles County Development Authority and Yardi Systems, Inc. for Public Housing & Section 8 Administration Software.
5. All other terms and conditions in the Contract shall remain the same and in full force and effect.

[Signature on the following page]

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SIGNATURES

IN WITNESS, WHEREOF, the LACDA and the Contractor, through their duly authorized officers, have executed this Amendment No. 4 as of the date first above written.

CONTRACTOR: YARDI SYSTEMS, INC.

By _____
Michael Remorenko
Director, Sales

LOS ANGELES COUNTY DEVELOPMENT
AUTHORITY

By _____
Emilio Salas
Acting Executive Director

APPROVED AS TO FORM:
MARY C. WICKHAM
County Counsel

APPROVED AS TO PROGRAM:
ADMINISTRATIVE SERVICES DIVISION

By _____
Behnaz Tashakorian
Principal Deputy County Counsel

By _____
Becky
Acting Administrative Services
Director

EXHIBIT A-1
STATEMENT OF WORK
FOR PUBLIC HOUSING & SECTION 8 ADMINISTRATION SOFTWARE
Amendment #4
(Revised MM/DD/2020)

The Contract by and between the Los Angeles County Development Authority and Yardi Systems, Inc. for Public Housing & Section 8 Administration Software is updated to amend and add to original Statement of Work, Exhibit A, and to add Section 3.9 Yardi RENTCafé, 3.10 through 3.12 as follows.

3.9 Yardi RENTCafé Portal Requirements

The Contractor shall provide the following RENTCafé Portal functionalities required by the Los Angeles County Development Authority Housing Operations and Housing Assistance Divisions:

- 3.9.1 Additional licenses and services as specified below and Exhibit 3 included as part of this Statement of Work and as part of the Exhibit B-1 Pricing Schedule;
- 3.9.2 Provide ability to configure custom LACDA layouts, program information, links and pictures;
- 3.9.3 Provide ability to manage waitlists, qualify applicants, service and electronically communicate with applicants, owners/landlords, residents and program participants;
- 3.9.4 Provide Portal functionality in a secure, mobile-friendly platform;
- 3.9.5 Provide self-service functionality for clients to sign-up and create Portal accounts to access pertinent program information and facilitate data/information exchange between LACDA and registered clients.
- 3.9.6 Provide Self-service access to Owners/Landlords, Residents, and Program Participants 24/7;
- 3.9.7 Provide ability to sign documents electronically;
- 3.9.8 Provide compliance tracking for HUD 50058 and HUD 50059 programs;
- 3.9.9 Provide ability to capture and process online applications for multiple Section 8 and Public Housing waiting lists with integration to Yardi Voyager;
- 3.9.10 Assist LACDA with data migration/data conversion from LACDA's custom online waiting list to Yardi's Applicant Portal;
- 3.9.11 Provide data capture for multiple addresses for applicants that apply on the waiting list to determine jurisdiction preferences;
- 3.9.12 Provide configuration flexibility to allow for multiple complex pre-screening criteria for applicants registering on the waiting list;

- 3.9.13 Provide functionality to stop the registration process if pre-screening criteria is not met;
- 3.9.14 Provide training on permission and forms setup, Portal configuration and functionality to designated LACDA site administrators;
- 3.9.15 Provide Portal usage analytics to assist LACA make decisions to improve service to clients on an ongoing basis;
- 3.9.16 Provide reporting capabilities so that statistical data captured can be reported on to the various different requesting parties; and
- 3.9.17 Provide post-go live support until Portal functionality is stable

3.9.18 RENTCafé PHA Portal Package

The Contractor shall provide to the LACDA the RENTCafé PHA Portals Package v1 which includes:

- RENTCafé PHA Online Applications
- RENTCafé PHA Applicant Portal
- RENTCafé PHA Resident Portal
- RENTCafé PHA Online Certifications

3.9.18.1 Online Applications:

The Online Applications tool shall allow Applicants to apply to PHA waiting lists and view the following information and functionality:

- Provide ability to guide applicants through the application/registration process via workflow configurations;
- Provide ability to review waiting list position;
- Provide ability to view family information; and
- Provide ability to down forms.

3.9.18.2 Applicant Portal

The Applicant Portal configuration shall allow Housing staff to access the following information and functionality:

- Ability to view Waiting List information;
- Ability to configure application update workflows;
- Ability to setup calendar events;
- Ability to upload and download documents;
- Provide online waiting list purging;
- Allow applicants to remove themselves from waitlists during a waiting purge; and
- Provide ability to notify Applicants electronically to save their spot or be removed from the waiting lists.

3.9.18.3 Resident Portal:

The Resident Portal should allow access to the following information and functionality:

- Ability to view/update basic Resident profile information;
- Ability to submit online maintenance requests;
- Ability to make online payments;
- Ability to view scheduled and completed inspections;
- Ability to view verifications and family details;
- Ability to view Housing Assistance Payment information;
- Ability to upload and download documents; and
- Ability to view Family Self Sufficiency (FSS) information.

3.9.18.4 Landlord Portal:

The Landlord Portal configuration should allow Landlords and Owners access to the following information and functionality:

- Ability to view/update basic owner profile information;
- Ability to view Ledgers;
- Ability to view Caseworker information;
- Ability to view scheduled and completed inspections;
- Ability to view unit information;
- Ability to setup/manage payment information;
- Ability to manage multiple owner/landlord accounts;
- Ability to upload and download documents; and
- Ability to view Newsletters and PHA messages.

3.9.18.5 RENTCafé PHA Online Certification:

The Online Certification self-service tool configuration should allow Residents access to the following information and functionality:

- Ability to complete annually required re-certifications online;
- Ability to upload required verifications and documentation; and
- Ability for residents to upload documents via smartphones, tablets, or computers and electronically.

3.9.19 Yardi RENTCafé Affordable Portal Package

The Contractor shall provide to the LACDA the RENTCafé Affordable Portals Package which includes the following Portals:

- RENTCafé Marketing Portal
- RENTCafé Prospect Portal;
- RENTCafé Resident Portal

3.9.19.1 The RENTCafé Marketing Portal configuration shall allow the following functionality:

- Ability to setup and maintain property marketing;
- Ability to customize website to LACDA agency branding; and
- Ability to upload videos and photo galleries.

3.9.19.2 The RENTCafé Prospect Portal configuration should allow the following access and functionality

- Ability to guide applicants through the leasing process
- Provide integration with Voyager
- Reporting capabilities to track statistical data and leasing trends

3.9.19.3 The RENTCafé Affordable Resident Portal configuration should allow Affordable Program Residents access to the following information and functionality

- Ability to collect Online Applicant/Resident data;
- Provide Online application and certification processing;
- Provide Configurable Workflows and Forms;
- Provide compliance tracking;
- Provide income verification management; and
- Ability to interface with Voyager to minimize data entry.

3.9.19.4 The RENTCafé Affordable Housing Site Manager tool configuration should allow staff to access the following information and functionality

- Ability to view and manage applications and documents for prospective and current tenants;
- Ability to manage pending certifications and verification documents;
- Ability to manage screening processes.

3.10 The Contractor shall be required to follow the implementation of the Yardi RENTCafé portals as outlined in the Statement of Work, Section 3.9 Tasks and Deliverables.

- The Contractor shall include an assigned RENTCafé Account Manager and Project Coordinator.

3.11 The Contractor shall be reimbursed if needed for travel expenses, as outlined in the Statement of Work, Section 4.3.

3.12 The LACDA license count is as follows:

Annual-Based Licenses		
Product/Module	Unit of Measure (UOM)	Count
Voyager SaaS Private Cloud Annual Fee	Each	1
Voyager SaaS Private Cloud PHA Property Management	Unit	29,475
Affordable	Unit	500
Inspector General	Unit	29,475
RENTCafé PHA Portals Package v1	Unit	29,475
RENTCafé PHA Landlord Portal	Unit	25,000
RENTCafé Affordable Portal Package	Unit	226
ETL InterfaceConnect (Foreign Database)	Each	1
Monthly-Based Licenses		
Product/Module	Unit of Measure (UOM)	Count
Payment Processing v2	Transaction	1,200*

* This is a monthly to be determined transaction amount, and 1,200 is the estimated monthly transactions.

**EXHIBIT B-1
PRICING SCHEDULE
FOR PUBLIC HOUSING & SECTION 8 ADMINISTRATION SOFTWARE
Amendment #4
(Revised MM/DD/2020)**

Update the original contract for additional RENTCafé Affordable portals package v1, which includes PHA Online Applications, Applicant Portal, Resident Portal, Online Certifications the implementation services for additional support hours, and additional units as needed, as referenced in Section 4 of this Pricing Schedule.

Section 1: Original Contract Fee Schedule

The Contractor shall provide Public Housing & Section 8 Administration Software services as stated in Exhibit A, Statement of Work. The Contractor shall be paid in accordance with the below table fee schedule. The following is the Contractor's provided yearly maintenance, technical support and software license fee cost, referenced in Exhibit A

Original Contracted Units	26,299	Year 1	Year 2	Year 3	Year 4	Year 5
Software License		\$131,774.00	\$150,749.00	\$170,483.00	\$177,302.00	\$184,395.00
Yardi Cloud		\$30,000.00	\$31,200.00	\$32,448.00	\$33,746.00	\$35,096.00
ACH		\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00
Professional Services		\$153,600.00				
Training		\$20,400.00				
Travel/Related Expenses		\$24,121.00				
Total Contract		\$371,895.00	\$193,949.00	\$214,931.00	\$223,048.00	\$231,491.00

Section 2: Amendment #2 for Additional Units

Update the original 26,299 units to 29,475 units. Yardi is grandfathering 724 units and adding 925 units both at no cost to Housing Authority, the Housing Authority will pay for 1,527 units, at \$16 per unit, using \$123,093.73 of Board approved contingency funds, \$18,324.00 for the first year (prorated from 11/1/2018 through 8/31/19), \$25,042.80 second year, \$25,794.08 third year, \$26,567.91 fourth year and \$27,364.94 fifth year;

Additional Units	3,176	9-Months Year 1	Year 2 - *2.5%	Year 3 - *3%	Year 4 - *3%	Year 5 - *3%
Yardi Additional Units Grandfathered	724	\$0	\$0	\$0	\$0	\$0

Yardi Split Units	925	\$0	\$0	\$0	\$0	\$0
Total LACDA (HACoLA) Split & Buffer Additional Units**	1527	\$18,324.00	\$25,042.80	\$25,794.08	\$26,567.91	\$27,364.94
Total Contracted Units after Amendment	29,475	\$390,219.00	\$218,991.80	\$240,725.08	\$249,615.91	\$258,855.94
Total Contract Compensation (Amendment #2)						\$1,358,407.73

Section 3: Amendment #3 for No Additional Fee

Amendment #3 amended the Schedule A (Fee Schedule) of Exhibit B (Pricing Schedule) of the Contract to add extended LACDA's temporary licenses to access and use the self-hosted copy of the Voyager 6.08 software, with no additional fee during this term;

Section 4: Amendment #4 for Additional RENTCafé Affordable Portals Package

Additional Portal	RENTCafé	Year 1	Year 2	Year 3	Year 4* + 4% CPI	Year 5* + 4% CPI
RENTCafé Affordable Portal Package	226 Units @ \$30 each			\$6,780.00	\$7,051.20	\$7,333.25
RENTCafé PHA Portals Package v1 (Includes online applications, applicant and resident/participant portal, an online certifications)	15,000 Units @ \$10 each			\$150,000.00	\$156,000.00	\$162,240.00
RENTCafé PHA Portals Package v1 (no-cost units)	14,475 units @ \$0 each			\$0	\$0	\$0
RENTCafé PHA Landlord Portal	25,000 units @ \$1 each			\$25,000.00	\$26,000.00	\$27,040.00
Total Annual Portals Fee				\$181,780.00	\$189,051.20	\$196,613.25
Implementation Estimate	250 hours @ \$120/hour			\$30,000.00	\$0	\$0
Sub totals of Portals Years 3-5				\$211,780.00	\$189,051.20	\$196,613.25
Additional Units/Software/Services ***	As Needed					\$150,000.00
Total Contract Compensation Increase (Amendment #4)						\$747,444.45
Original Board Approval						\$1,358,844.00
Revised Contract Total						\$2,106,288.45

*Assuming CPI for years 2 through 5 is based on 2.5%-4%.

**Cost is \$16.00 per unit, and LACDA will purchase "Split" Units of quantity 925 and "Buffer" Units of quantity 602, for total additional purchase of 1,527 units.

***The LACDA includes additional units as needed and is available under this Agreement Exhibit B-1, Pricing Schedule, for the purchase of additional consulting services for ongoing support, upgrades, unrelated to the scope of services of \$747,444.45, at the discretion of the LACDA, using the LACDA Contract Amendment under Paragraph 8.1 (Amendments). The LACDA may purchase additional units, software and services from the total amount of "Additional Units/Software/Services" available and shall be decreased by each Amendment under Paragraph 8.1 (Amendments) and may only be increased by executing an Amendment in accordance with Paragraph 8.1 (Change Notices and Amendments), for the Maximum Amount of this Contract shall be \$2,106,288.45 ("Maximum Amount") for the term of this Contract, including Additional Units and all applicable taxes.

This Exhibit B-1a, Addendum to SAAS Subscription Agreement includes the following schedules:

A – Subscription Agreement

B – Exhibit 1 – Current License Count

Exhibit B-1a



**ADDENDUM TO SAAS SUBSCRIPTION AGREEMENT
BETWEEN
YARDI SYSTEMS, INC. ("YARDI") AND LOS ANGELES COUNTY DEVELOPMENT AUTHORITY ("CLIENT")
(this "Addendum")**

Addendum Effective Date: August 15, 2020

Yardi Client Pin Number: 100041742

Yardi Order Number: 237929

Client and Yardi revise their Voyager SaaS Subscription Agreement, dated August 13, 2018 (the "Agreement"), as follows:

1. Yardi agrees to add the additional licenses/services specified below as part of Schedule A (Fee Schedule) under the terms of the Agreement.

SaaS Private Cloud Annual Fees							
License	Unit of Measure (UOM)	Count	\$/UOM	\$/UOM Concession	Net \$/UOM	Annual Fee Increase/ Decrease	Prorated Annual Fee Increase
RENTCafé Affordable Portal Package	Unit	226	\$30.00	\$0.00	\$30.00	\$6,780.00	n/a
RENTCafé PHA Landlord Portal	Unit	25,000	\$5.00	(\$4.00)	\$1.00	\$25,000.00	n/a
RENTCafé PHA Portals Package v1	Unit	14,475	\$18.00	(\$18.00)	\$0.00	\$0.00	n/a
RENTCafé PHA Portals Package v1	Unit	15,000	\$18.00	(\$8.00)	\$10.00	\$150,000.00	n/a
Total Fees						\$181,780.00	n/a

One-Time Fees					Total Price
Service	UOM	Count	\$/UOM		
Additional Support Hours	hour	250	\$120.00		\$30,000.00
Total One-Time Fee					\$30,000.00

Total Fees Due		
Annual Fee Increase through August 31, 2021		\$181,780.00
One-Time Fees		\$30,000.00
Sub-Total		\$211,780.00
Sales Tax		as applicable
Total Due		\$211,780.00

- Additional Terms**
2. **PAYMENT TERMS (excluding applicable taxes):** 100% due 15 days from the execution date of this Addendum.
 3. Property Worksheet: to be added at a later.
 4. **RENTCafé Affordable Portal Package** includes leading Workflows and Forms.
 - a. Yardi RENTCafé Affordable Portal Package includes RENTCafé Marketing, RENTCafé Prospect Portal, and RENTCafé Resident Portal. Both parties acknowledge that data entered into the RCAH database is not considered Client Data; provided, however, nothing herein is intended to limit Client's rights with respect to Client Data located in Client's Voyager database.
 5. **RENTCafé PHA Portals Package** includes RENTCafé PHA Online Applications, RENTCafé PHA Applicant and Resident Portals, and RENTCafé PHA Online Certifications.
 6. Additional terms are set forth in the following exhibits to this Addendum:
 - 1 – Current License Count

ALL OTHER TERMS AND CONDITIONS OF THE AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT.

Please indicate your approval by signing this document and returning it to your salesperson or to Sales Support via fax at 805.699.2041 or via email at SalesAdmin@yardi.com.

APPROVAL

Having read and agreed to its terms, the parties executed this Addendum effective as of the Addendum Effective Date.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY
("Client")

YARDI SYSTEMS, INC. ("Yardi")

By: _____

By: _____

Date: _____

Date: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

EXHIBIT 1

Current License Count

Annual-Based Licenses		
Product/Module	Unit of Measure (UOM)	Count
Voyager SaaS Private Cloud Annual Fee	each	1
Voyager SaaS Private Cloud PHA Property Management	Unit	29,475
Affordable	Unit	500
Inspector General	Unit	29,475
RENTCafé PHA Portals Package v1	Unit	29,475
RENTCafé PHA Landlord Portal	Unit	25,000
RENTCafé Affordable Portal Package	Unit	226
ETL InterfaceConnect (Foreign Database)	each	1
Monthly-Based Licenses		
Product/Module	UOM	Count
Payment Processing v2	transaction	TBD



William S. Kehoe
CHIEF INFORMATION OFFICER

DRAFT

Attachment A

CIO ANALYSIS

BOARD AGENDA DATE:

SUBJECT:

CONTRACT AMENDMENT FOR YARDI SYSTEMS, INC

CONTRACT TYPE:

☐ New Contract ☐ Sole Source ☒ Amendment to Contract

SUMMARY:

The Los Angeles County Development Authority (LACDA) is requesting authorization to execute Amendment No. 4 to its Contract with Yardi Systems, Inc. (Yardi), which was originally authorized by the Board on July 17, 2018. The Amendment will increase the maximum Contract Sum to: fund Yardi RENTCafé Public Housing Authority (PHA) and Affordable Housing Portals Software as a Service (SaaS) annual subscription licensing fees for the remaining three years of the Contract; acquire one-time consulting services to configure and implement the software; and add Contract pool dollars for as needed additional software subscription fees and services during the Contract term.

The Yardi RENTCafé software suites are fully integrated to LACDA's Yardi Voyager PHA SaaS System, hosted in Yardi's private cloud. The PHA portal suite provides an online application tool to register/apply for PHA waiting lists; role specific web portals (applicant, resident, landlord) to manage communications and services; and an online PHA certification tool to complete annual recertifications. The Affordable Housing suite provides a portal module for LACDA's Housing Assistance multi-family program participants, which have different program participation requirements than other LACDA programs.

The benefits of these solutions include: improving efficiencies by allowing staff and participants to makes requests and complete tasks remotely; making services more accessible by providing 24x7 access through mobile devices; and enabling compliance with COVID 19 guidelines by reducing need for face-to-face meetings between program participants and LACDA staff.

LACDA migrated from its unsupported legacy, on-premise PHA system to Yardi's Voyager PHS SaaS system in August 2019. Prior to the migration, LACDA represents that its Information Technology (IT) Division internally developed and maintained custom portals for program participants, however due to issues with access to the system software code and integration with Yardi's PHA SaaS system, utilization of these internally developed portals are no longer feasible. Therefore, LACDA now needs acquire Yardi portal subscriptions to offer these self-service capabilities to program participants.

The LACDA is also recommending Board authorization to incorporate \$211,780 in Coronavirus Aid, Relief, and Economic Security (CARES) Act funding into its Fiscal Year (FY) 2020- 2021 budget for

Amendment's Year 3 costs. Finally, the LACDA is recommending the Board find the Amendment exempt from the California Environmental Quality Act.

Contract Amendment Amount: \$747,444

FINANCIAL ANALYSIS:

LACDA Executed Contract with Yardi on August 1, 2018

Base Contact Sum	\$	1,250,000 ¹
Amendments No. 1-2	\$	108,408 ²
Subtotal – Historical Contract Costs	\$	1,358,408

Amendment No. 4 Costs

One-Time Software Implementation	\$	30,000 ³
Annual SaaS Subscription Fees (Year 3-5)	\$	567,444 ⁴
Contract Pool Dollars	\$	150,000 ⁵
Subtotal – Amendment 4 Costs	\$	747,444

Total – Maximum Contract Sum \$ 2,106,288

Notes:

¹ Maximum Contract sum for the base Contract executed by LACDA on 8/1/2018 under Board delegated authority. The amount includes \$14,687 in contingency funds used to purchase additional SaaS subscription license fees for LACDA PHA programs.

² Purchase of additional SaaS subscription license fees by LACDA from Contract contingency funds.

³ Reflects time and materials cost for software implementation services estimate of 20 hours @ \$120/hour.

⁴ Reflects Yardi RENTCafé (PHA) and Affordable Housing Portals annual SaaS subscription licensing fees for Years 3-5. It includes negotiated 4.0% Consumer Price Index (CPI) increases for Years 4 and 5.

⁵ Contract pool dollars for as-needed purchase of additional SaaS subscription license fees and services approved by LACDA in accordance with the terms of the Contract.

RISKS:

1. **CARES Act Funding** – LACDA estimates that the project will take approximately two months to complete. Factoring the upcoming holidays, there is a risk that current year-end deadline for state and local federal CARES Act assistance may be in jeopardy if the Yardi software was not implemented by end of Calendar Year 2020. LACDA represents that CARES Act funding requested for the Yardi project is coming from Department of Housing and Urban Development and is specifically for PHAs and will be available until 6/30/2021. LACDA will identify it as a potential risk in project risk management plan and will be monitored closely to ensure the funding is secured.
2. **Project Management and Governance** – Strong project governance and a dedicated project manager are needed to ensure adherence to schedule and budget, to manage scope changes, and to manage contract performance. The Office of CIO has reviewed the proposed project governance and has determined it is appropriate. The project executive sponsors are LACDA's Directors of the Housing Assistance and Housing Operations Divisions and the project will be managed by a project manager within LACDA's IT Division who managed the Yardi cloud migration.
3. **End User Communication and Training Plans** – Outreach and training plans are important components to ensure user adoption of portal services. LACDA represents that these plans will be developed as a part of the project management plan. LACDA Housing programs have dedicated trainers to provide training and onboarding of users. In addition, Yardi has online training resources that can supplement LACDA training.
4. **Quality of Service** – The risk of vendor failing to meet agreed upon service targets and performance levels is addressed in the Base Contract's Service Level Agreement (SLA) and includes uptime levels and remedies to address identified deficiencies. The SLA covers both the Yardi Voyager and Yardi RENTCafé software suites.
5. **Information Security** – The County's Chief Information Security Officer (CISO) has reviewed the agreement with LACDA's Department Information Security Officer and has no concerns.
 - a. The CISO determined that Personally Identifiable Information (PII) is transmitted and stored in the Yardi Voyager application, which is hosted in Yardi's private cloud. LACDA estimates that 28,000 records that may contain PII. As part of their due diligence, the CISO reviewed the following documentation: 1) most recent third party assessment to ensure adherence to National Institute of Standards and Technology (NIST) 800-53 standard, which identifies security and privacy controls to safeguard the system PII; 2) the vendor's Payment Credit Industry Data Security Standard (PCI DSS) Attestation of Compliance, a self assessment of compliance with PCI security standards for protection of credit card data; and 3) a vendor completed County's SaaS Vendor Security and Privacy Questionnaire that supplemented the other documents.
 - b. LACDA's Yardi Base Contract includes Cyber Liability and Errors & Omissions insurance coverage, starting at \$10 million, which the CISO determined was sufficient given the estimated records that may contain PII in the Yardi solution.
6. **Contract Risks** – No Contract risks have been identified. County Counsel participated in its negotiation and approved the Contract as to form.

DRAFT

CPREPARED BY:

(NAME) DEPUTY CHIEF INFORMATION OFFICER

DATE

APPROVED:

WILLIAM S. KEHOE, COUNTY CHIEF INFORMATION OFFICER

DATE