



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

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Hilda L. Solis  
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Commissioners

January 30, 2018

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

Dear Commissioners:

**APPROVE COMMUNITY DEVELOPMENT BLOCK GRANT ADVANCE CONTRACT WITH LOS ANGELES NEIGHBORHOOD LAND TRUST FOR THE 95TH AND NORMANDIE POCKET PARK PROJECT (DISTRICT 2) (3 VOTES)**

**SUBJECT**

This letter recommends approval of a Community Development Block Grant (CDBG) Advance Contract between the County of Los Angeles and Los Angeles Neighborhood Land Trust (LANLT), in the amount of \$650,000, for its 95th and Normandie Pocket Park project.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the approval of a CDBG Advance Contract between the County of Los Angeles and Los Angeles Neighborhood Land Trust, for its 95th and Normandie Pocket Park project (Project), is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the action will not have the potential for causing a significant effect on the environment.
2. Approve and authorize the Executive Director, or designee, to execute a CDBG Advance Contract with LANLT, presented in substantially final form, using CDBG funds allocated to the Second Supervisorial District, to be effective following approval as to form by County Counsel and execution by all parties, through June 30, 2019.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

This action provides funding to the Project, which will be used to develop a park on a currently vacant 0.16 acre of land located at 9501 S. Normandie Ave., in the unincorporated Westmont area.

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

2-D January 30, 2018

LORI GLASGOW  
EXECUTIVE OFFICER

The park will include fitness and physical activity elements, drought-tolerant landscaping, low perimeter fencing, and lighting. LANLT is located at 315 W. 9th Street, Los Angeles.

### **FISCAL IMPACT/FINANCING**

There is no impact on the County general fund. The proposed CDBG Advance Contract will be funded with \$650,000 in CDBG funds allocated to the Second Supervisorial District. There are sufficient CDBG funds included in the Community Development Commission's approved Fiscal Year 2017-2018 budget for the expenses related to this Project.

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

On June 21, 2016, the Board of Supervisors approved a motion to acquire a 0.16 acre vacant property located at 9501 S. Normandie Ave., to develop into a park. The park is owned by the County, which will operate the facility once LANLT completes construction. Park amenities will include fitness and physical activity elements, California-friendly plants, perimeter fencing, site lighting, and irrigation. Construction will comply with Department of Parks and Recreation design guidelines and County Building and Safety low-impact development codes. CDBG funds are to be used for personnel, non-personnel, and capital costs.

On May 23, 2017, your Board approved the 2017-2018 One-Year Action Plan (Action Plan) to receive CDBG funds from the U.S. Department of Housing and Urban Development (HUD). The Action Plan contains the County's One-Year plan to carry out housing and community development activities funded by the CDBG Program. The proposed CDBG Advance Contract is consistent with the purposes set forth in the Action Plan.

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

### **ENVIRONMENTAL DOCUMENTATION**

Pursuant to 24 Code of Federal Regulation, Part 58, Section 58.35 (a) (6), this Project is excluded from the National Environmental Policy Act (NEPA) because it involves activities that will not cause a significant effect on the environment.

This action to approve an Advance Contract with LANLT is not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378 because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment. CEQA review for the park development must be completed in conjunction with the County's permit approval process.

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

The Project meets the HUD national objective of serving low- and moderate-income persons.

The Honorable Board of Commissioners

1/30/2018

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Monique King-Viehlund". The signature is written in a cursive, flowing style.

MONIQUE KING-VIEHLAND

Acting Executive Director

MKV:SS:rw

Enclosures

**ATTACHMENT A  
LANLT**

**WOMEN/MINORITY COMPOSITION**

<b>Board of Directors</b>		<b>Employees</b>	
Total	12	Total	15
Minorities	5	Minorities	11
Women	3	Women	10
Minority %	42	Minority %	73
Women %	25	Women %	67

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

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

**COUNTY OF LOS ANGELES  
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  
ADVANCE CONTRACT  
WITH A  
COMMUNITY BASED-ORGANIZATION**

PROJECT TITLE: 95th and Normandie Pocket Park

PROJECT NUMBER: 601952-17

CONTRACT NUMBER: «Contract\_No»

THIS CONTRACT is made and entered into this «Date» day of, «Month», «Year», by and between the County of Los Angeles, hereinafter called the "County," acting by and through the Community Development Commission of the County of Los Angeles (Commission), and Los Angeles Neighborhood Land Trust, hereinafter called the "Operating Agency."

WITNESSETH THAT:

WHEREAS, the County has entered into a Contract with the United States of America, through its Department of Housing and Urban Development (HUD), to execute the County's Community Development Block Grant (CDBG) Program, which includes the project described herein, under the Housing and Community Development Act of 1974 (Act), as amended; and

WHEREAS, the Operating Agency desires to participate in said CDBG program and is qualified by reason of experience, preparation, organization, staffing, and facilities to provide the services and implement the project described herein.

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

1. CONTRACT. This Contract consists of this document and attachments: Exhibit A, Project Description and Activity Budget, Exhibit B, Insurance Requirements, and Exhibit C, Charitable Contributions Certification.
2. CONTRACT ADMINISTRATION. The Commission, through its Executive Director, or his designee, shall have full authority to act for the County in the administration of this Contract consistent with the provisions contained herein.
3. SCOPE OF SERVICES. The Operating Agency is to perform all the services set forth in the Exhibit A, Project Description and Activity Budget.
4. TIME OF PERFORMANCE. The Operating Agency shall commence the services described herein on the date first above written and shall complete same by no later than «Month» «Date», «Year». Construction projects shall be limited to a three-year duration and must be successfully completed within this period, unless the Operating Agency has received prior written approval from the Commission, through its Executive Director, or his designee.

5. COMPENSATION AND METHOD OF PAYMENT. For satisfactory performance of services under this contract, the County will pay the Operating Agency an amount of money not exceeding the sum of «spell out dollar amount», dollars «FY Budget amount», which payment shall constitute full and complete compensation for the Operating Agency's services under this Contract. Said compensation shall be paid by the County out of funds received from the Federal government under the Act or from program income, as described in 2 CFR 200 Section 200.307 and 24 CFR Section 570.504, accumulated under said program, for allowable costs for the express purposes specified. The parties understand and agree that such payment, if any, shall be conditioned upon receipt of said funds by the County from the Federal government, or accumulation of program income from said program for purposes of this Contract and, should said funds be inadequate, shall not be a charge on any other funds of the County or the Commission. Funds shall be paid only after submittal of the electronic payment request form. This payment request form must be submitted on a minimum of a monthly basis as specified and provided by the County. Said payment request shall give the total of said cash expenses paid and shall also itemize the same in detail conforming to the budget required by Section 6 of this Contract. After timely submittal and approval of each payment request form, the County will disburse funds in favor of the Operating Agency in the approved amount. In the event the Operating Agency requests an advance for the prospective month, it must be submitted by the established deadline and supported by the required documentation. The payment of advances to the Operating Agency will be in compliance with the County's procedures and 2 CFR Part 200, Subpart D Section 200.305 Payment. If the Operating Agency received an advance for the prior month and does not expend all of the funds received pursuant to these requirements, the Commission shall deduct the excess funds from the current month's advance and may discontinue the payment of advances.

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

6. BUDGET SECTION. No more than the amounts and expenditure items specified in the Exhibit A, Project Description and Activity Budget, to this Contract, which is attached hereto and incorporated herein by this reference in Section 3, may be spent for the separate cost categories specified in the Exhibit A without written approval of the County.
7. SOURCE AND APPROPRIATION OF FUNDS. The County's obligation is payable only and solely from funds appropriated through HUD, and for the purpose of this Contract. All funds are appropriated every fiscal year beginning July 1. In

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

8. COMPLIANCE WITH LAWS. All parties agree to be bound by all applicable Federal, State, and local laws, ordinances, regulations, and directives as they pertain to the performance of this Contract. This Contract is subject to and incorporates the terms of the Act; 24 CFR Part 570; 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Executive Order 12372; the County Auditor-Controller Contract Accounting and Administration Handbook; and all amendments or successor laws, regulations, or guidelines thereto (hereinafter called the "Laws, Regulations and Guidelines"). The Operating Agency has, and shall maintain, copies of the Laws, Regulations and Guidelines. Furthermore, the Operating Agency acknowledges that it has read and understands the Laws, Regulations and Guidelines.

As required by 2 CFR Part 200 Section 200.414, the Operating Agency may charge an indirect cost rate to this contract that is based on:

- a. The negotiated indirect rate approved by its cognizant agency for the Fiscal Year applicable to this contract; or
- b. If the Operating Agency has never received a negotiated indirect cost rate from a Federal Agency, a de minimis rate of 10% of Modified Total Direct Costs (MTDC) as defined in 2 CFR Part 200.68.

The Catalog of Federal Domestic Assistance (CFDA) number assigned to the Community Development Block Grant Program is 14.218 and the Federal Award Identification Number (FAIN) assigned to the County for this program is B-15-UC-06-0505. The Federal Award date is effective July 1, 2015, and is authorized upon signature of the designated HUD Official.

The Operating Agency is required by the County to register and maintain an active Unique Entity Identifier (also known as the Data Universal Numbering System (DUNS) number) in order to apply for, receive, implement, and report on a Federally- funded program. Furthermore, the County certifies that it has received and maintains an active Unique Entity Identifier number for each Agency.

The Operating Agency shall comply with all applicable uniform administrative requirements. The Operating Agency shall carry out each activity in compliance with all applicable Federal laws and regulations described in 24 CFR Part 570, Subparts J and K, and 2 CFR Part 200 except that:

- a. The Operating Agency does not assume the County environmental responsibilities described in 24 CFR 570.604 and 24 CFR Part 58.1; and

- b. The Operating Agency does not assume the County's responsibility for initiating the review process under Executive Order 12372.

The Operating Agency agrees to be bound by applicable Federal, State, and local laws, regulations and directives as they pertain to the performance of the Contract, including, but not limited to, Sections a-k below. This Contract is subject to and incorporates the terms of the Housing and Community Development Act of 1974, as amended by the Cranston-Gonzales National Affordable Housing Act, 1990 and 24 CFR Part 200.

- a. The Operating Agency shall comply with the Civil Rights Act of 1964 Title VI which provides that no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.
- b. The Operating Agency shall comply with Section 109 of the Housing and Community Development Act of 1974 which states that no person in the United States shall, on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded, in whole or in part, with funds made available under this title.
- c. The Operating Agency shall comply with the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, which require that no person in the United States shall be excluded from participating in, denied the benefits of, or subject to discrimination under this Contract on the basis of age or with respect to an otherwise qualified disabled individual.
- d. The Operating Agency shall comply with 24 CFR Part 5, including non-discrimination and equal opportunity requirements at 24 CFR 5.105(a). Furthermore, the Operating Agency shall comply with 24 CFR Parts 5 and 203, which prohibit discrimination in HUD funded programs based upon sexual orientation or gender identity. The rule precludes owners and operators of HUD-assisted housing or housing who's financing is insured by HUD from inquiring about the sexual orientation or gender identity of an applicant or occupant.
- e. The Operating Agency shall ensure equal opportunity in the award and performance of any contract to all persons without regard to race, color, gender, sexual orientation, religion, national origin, ancestry, age, marital status, or disability.
- f. During the performance of this Contract, the Operating Agency agrees as follows:
  - i. The Operating Agency shall comply with Executive Order 11246 of September 24, 1965, titled, Equal Employment Opportunity, later amended



by Executive Order 11375 of October 13, 1967, and supplemented in the Department of Labor Guidelines (41 CFR Part 60), which require that during the performance of this Contract, the Operating Agency will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Operating Agency will take affirmative action to ensure that applicants are employed, and that employees are treated fairly during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: employment, promotion, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Operating Agency agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the non-discrimination clause.

- ii. The Operating Agency will, in all solicitations or advertisements for employees placed by or on behalf of the Operating Agency, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
- iii. The Operating Agency will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency of the Operating Agency's contracting officer, advising the labor union or worker's representative of the Operating Agency's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- iv. The Operating Agency will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- v. The Operating Agency will furnish all information and reports required by the Executive Orders and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the County and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
- vi. In the event that the Operating Agency fails to comply with the non-discrimination clauses of this Contract or with any of such rules, regulations, or orders, this Contract may be canceled, terminated, or suspended in whole or in part, and the Operating Agency may be declared ineligible for further Government contracts in accordance with procedures authorized in the Executive Orders and such other sanctions may be imposed and remedies invoked as provided in the Executive Orders or by

rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

- vii. The Operating Agency will include the provisions of these paragraphs in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of the Executive Order No. 11246 of September 24, 1965, that such provisions shall be binding upon each subcontractor or vendor. The Operating Agency will take such actions with respect to any subcontract or purchase order as the County may direct as a means of enforcing such provisions including sanctions for noncompliance, provided, however, in the event that the Operating Agency becomes involved in, or is threatened with litigation with a subcontractor or vendor as a result of such direction by the County, the Operating Agency may request the United States to enter into such litigation to protect the interests of the United States.
- g. The Operating Agency shall comply with Executive Order 13166, titled "Improving Access to Services by Persons with Limited English Proficiency." Executive Order 13166 requires that Federally-assisted agencies make reasonable efforts to provide language assistance to ensure meaningful access for Limited English Proficiency (LEP) persons to the agency's programs and activities. HUD guidelines on LEP were published in the Federal Register on January 22, 2007, and were effective February 21, 2007. These HUD guidelines should be applied to federally-subsidized housing, programs, and other services which may be contracted out to other contractors.
- h. Should the Operating Agency require additional or replacement personnel after the effective date of this Contract, the Operating Agency shall give consideration for any such employment openings to participants in the County's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program, or General Relief Opportunity For Work (GROW) Program who meet the Operating Agency's minimum qualifications for the open position. The Operating Agency shall contact the County's GAIN Program at (626) 927-2704 and the GROW Program at (562) 908-6858 for a list of GAIN/Grow participants by job category.
- i. The Operating Agency is prohibited by the Department of Interior and Related Agencies Appropriations Act, known as the Byrd Amendments, and HUD's 24 CFR Part 87, from using Federally- appropriated funds for the purpose of influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contracts, the making of any Federal grant, loan or cooperative contract, and any extension, continuation, renewal, amendment or. modification of said documents.

Should the Operating Agency or persons/subcontractors acting on behalf of the Contract fail to fully comply with the Federal Lobbyist Requirements, civil penalties may result.

- j The Operating Agency and each County lobbyist or County lobbyist firm, as defined in the Los Angeles County Code Chapter 2.160 (County Ordinance 93-0031), retained by the Operating Agency, shall fully comply with the requirements as set forth in said County Code Chapter.
- k. The Supervision of Trustees and Fundraisers For Charitable Purposes Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (SB1262, Chapter 919) increased the Charitable Purposes Act requirements. By requiring subrecipients to complete the "Charitable Contributions Certification" form attached hereto as Exhibit C, the County seeks to ensure that all non-profit agencies that contract with the County and receive or raise charitable contributions comply with California law in order to protect the County and its taxpayers. A subrecipient that receives or raises charitable contributions without complying with its obligation under California law commits a material breach, upon which the County may immediately terminate this Contract, and the Operating Agency shall be liable for any and all damages incurred by the County and/or any Federal agency as a result of such breach.

9. LOBBYING CERTIFICATIONS. With regards to the certification for contracts, grants, and loans, the undersigned certify, to the best of their knowledge and belief, that:

- a. The Operating Agency is familiar with the Los Angeles County Code Chapter 2.160 and assures the County that all persons acting on behalf of the Operating Agency will comply with the County Code.
- b. The Operating Agency is familiar with the Federal Lobbyist Requirements and assures the county that all persons and/or subcontractors acting on behalf of the Operating Agency will comply with the Federal Lobbyist Requirements.
- c. No Federally appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- d. If any funds other than Federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer

or employee of any agency, a Member of Congress, or any employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

- e. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-contracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

10. TERMINATION FOR FAILURE TO COMPLY WITH FEDERAL AND COUNTY LOBBYIST REQUIREMENTS. Failure on the part of the Operating Agency and/or its Lobbyist(s) to fully comply with said Federal and County Lobbyist Requirements shall constitute a material breach of the Contract upon which the County may immediately terminate this Contract, and the Operating Agency shall be liable for any and all damages incurred by the County and/or any Federal agency as a result of such breach
11. CONFIDENTIALITY OF REPORTS. The Operating Agency shall keep confidential all reports, information, and data received, prepared or assembled pursuant to performance hereunder. Such information shall not be made available to any person, firm, corporation, or entity without the prior written consent of the County.
12. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT; AND ACCIDENT PREVENTION. The Operating Agency shall comply with the Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, any contract awarded in excess of \$100,000 that involves the employment of mechanics or laborers must include a provision in compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor Regulations (29 CFR Part 5).

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

13. SEVERABILITY. In the event that any provision herein contained is held to be invalid, void, or illegal by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this Contract and shall in no way affect, impair, or invalidate any other provision contained herein. If any such provision shall be deemed invalid due to its scope of breadth, such provision shall be deemed valid to the extent of the scope of breadth permitted by law.
14. INTERPRETATION. No provision of this Contract shall be interpreted for or against either party because that party or that party's legal representative drafted such provision, but this Contract is to be construed as if both parties drafted it hereto.
15. WAIVER. No waiver by the County of any breach of any provision of this Contract shall constitute a waiver of any other breach or of such provision. Failure of the County to enforce at any time, or from time to time, any provision of this Contract shall not be construed as a waiver thereof. The rights and remedies set forth in this section 15 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.
16. PROGRAM EVALUATIONS AND REVIEW. The County will monitor, evaluate, and provide guidance to the Operating Agency in the performance of the CDBG Program. Reviews will focus on the extent to which the planned CDBG Program has been implemented and the measurable goals achieved; effectiveness of program management, and impact of the program.

The Operating Agency shall make available for inspection to authorized County and HUD personnel and their agents, for five years (5) after the termination or expiration of this Contract, all records, including financial, pertaining to its performance under this Contract and allow said County and HUD personnel and agents to inspect and monitor the Operating Agency's facilities and program operations, and interview the Operating Agency's staff and program participants, as required by the County and/or HUD.

The Operating Agency agrees to submit all data that are necessary to complete the Consolidated Annual Performance and Evaluation Report (CAPER) and monitor program accountability and progress in accordance with HUD requirements in the format, and at the time designated by the Executive Director or his designee.

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

17. REVERSION OF ASSETS. Upon expiration or termination of this Contract, the Operating Agency shall immediately transfer to the County any remaining CDBG funds on hand at the time of expiration or termination and any accounts receivable attributable to the use of CDBG funds. Any real property under the Operating

Agency's ownership or possession that was acquired or improved in whole or in part with CDBG funds, in excess of \$25,000, shall be either:

- a. Used to meet one of the national objectives in 24 CFR Section 570.208 for five (5) years following the close-out of the CDBG project from which assistance to the property was provided after expiration of this Contract (24 CFR Section 570.503 ), or such longer period of time as may be specified in the Exhibit A; or
- b. Disposed of in a manner, that results in the County being reimbursed in the amount of the current market value of the property less any portion thereof attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Such reimbursement is not required after the period of time and under the conditions specified in subparagraph a above.

The Operating Agency shall maintain the use of the real property and documentation verifying compliance with the national objective for a period of five (5) years after closeout of this project. The Operating Agency must submit to the County a completed certification form verifying that the property is used exclusively for the eligible use and purpose as provided in the Exhibit A. This form shall be submitted on an annual basis, when requested, beginning in year two (2) and for a period of five (5) years after closeout of the project. In case of a change of use or disposition, the County must be reimbursed for the current market value of the property at the time of disposition, or proceeds from the sale, less the pro rata share of expenditures made with non-CDBG funds to acquire or improve the property.

18. PROGRAM INCOME. Program income shall be returned monthly during the duration of this Contract. Upon termination of this Contract, the County reserves the right to determine the final disposition of any program income, as described in 2 CFR Part 200, Subpart D 200.307 and 24 CFR Section 570.504 accumulated under the project(s) set forth in Exhibit A. Said disposition may include the County taking possession of said program income.
19. NONEXPENDABLE PROPERTY. Nonexpendable property means leased or purchased tangible personal property, included, but not limited to, a vehicle, office equipment, etc. having a useful life of more than one (1) year and an acquisition cost of \$5,000 or more per unit. Nonexpendable property shall also include, but not be limited to, real property, any interest in real property (including any mortgage or other encumbrance of real property), and funds derived from the sale or disposition of nonexpendable property.

Any utilization of funds derived from the sale or disposition of nonexpendable property must have prior approval of the County and otherwise comply with all applicable laws and regulations. In the event that the Contract is terminated or expires, the County reserves the right to determine the final disposition of said nonexpendable property acquired for this project with CDBG funds, including

funds derived there from. Said disposition may include taking possession of said nonexpendable property.

The Operating Agency shall maintain up-to-date property records, listing all non-expendable property purchased with an acquisition cost of \$5,000 or more that it has leased or purchased during the term of this Contract. The following items should be included in the list: description of property, serial or ID number, source of funds that purchased the item, including the Federal Award Identification Number (FAIN), which is B-15-UC-06-0505, owner of the property, date of purchase, cost, percentage of cost paid with Federal monies, location, condition and use of property, date of disposal, and sale price or method used to determine the current market value. The Operating Agency shall conduct a physical inventory of the nonexpendable property at least once a year, reconcile the inventory with its property records, and maintain these records for five years (5) after the termination or expiration of this Contract.

In the event there is a change of use or disposition of the property during the term of the contract, except in the case of real property in excess of \$25,000, if the market value of the property is over \$5,000, the Operating Agency shall immediately pay to the County a pro-rata share of the current market value of the property, or proceeds from the sale. The pro-rata share shall be calculated by multiplying the current market value by the percentage of the purchase price paid with CDBG funds or program income.

If there is a residual inventory of unused supplies, upon termination or completion of the project or termination or expiration of this Contract, with a current aggregate market value exceeding \$5,000, and if the supplies are not needed for any other Federally-sponsored program(s) or project(s), the Operating Agency shall immediately pay the County for its pro rata share of the current aggregate market value or proceeds from the sale calculated at the percentage of the purchase price paid with CDBG funds. The Operating Agency shall obtain prior approval of the County and otherwise comply with all applicable laws and regulations prior to utilizing the supplies for any other Federally-sponsored program(s) or project(s).

20. PURCHASE OR LEASE OF NONEXPENDABLE PROPERTY. The Operating Agency may use its own documented procurement procedures which reflect applicable State and local laws and regulations, provided that the procurement procedures conform to applicable Federal law and the standards identified in 2 CFR Part 200, Subpart D 200.318-200.326.

All procurement transactions must be conducted in a manner providing for full and open competition consistent with the standards of 2 CFR Part 200 Section 200.319 and Section 200.320, Methods of Procurement to be followed. The Operating Agency must purchase or lease from the lowest, responsive and responsible bidder. Whenever possible, the Operating Agency must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used.

21. ACCOUNTING. The Operating Agency must establish and maintain on a current basis an adequate accounting system in accordance with generally accepted accounting principles and standards, and the County Auditor-Controller Contract Accounting and Administration Handbook. Regardless of the Operating Agency's method of accounting, expenses must be reported in accordance with Sections 5 and 46 of this Contract.
22. CHANGES. The County may, from time to time, request changes hereunder, including the scope of services of the Operating Agency. Such changes, including any increase or decrease in the amount of the Operating Agency's compensation, which are agreed upon by and between the County and the Operating Agency, shall be incorporated into this Contract by written amendments. Any changes by HUD to the regulations or requirements governing the Operating Agency's performance hereunder need not be incorporated by written amendment and will be binding for the Operating Agency upon notification by the County.
23. CHANGES IN GRANT ALLOCATION. The County reserves the right to reduce the grant allocation when the County's fiscal monitoring indicates that the Operating Agency's rate of expenditure will result in unspent funds at the end of the program year. Changes in the grant allocation will be made after consultation with the Operating Agency. Such changes shall be incorporated into this Contract by written amendments.
24. CITIZEN PARTICIPATION. All program data necessary to provide reports to citizens will be made available by the Operating Agency. Discussions will be held often enough so that the Operating Agency will be adequately apprised of citizen recommendations during the course of the program. The Operating Agency representatives shall be available to respond to questions and receive recommendations at local meetings when so requested by the Executive Director, or his designee.
25. REVENUE DISCLOSURE REQUIREMENT. Upon request, the Operating Agency shall file with the County a written statement listing all revenue received, or expected to be received, by the Operating Agency from all funding sources applied for, or expected to be applied for, to offset, in whole or in part, any of the costs incurred by the Operating Agency in conducting current or prospective projects or business activities, including, but not necessarily limited to, the project or business activity which is the subject of this Contract. Such statement shall reflect the name and a description of such business activity, the dollar amount of funding provided, or to be provided, by each and every funding source for each such project or business activity, and the full name and address of each funding source. The Operating Agency shall make available for inspection and audit to the County's representatives, upon request, at any time during the duration of this Contract, and for a period of five (5) years thereafter, all of its books and records relating to the operation of each project or business activity which is funded in whole or in part with all funding sources including the project(s) funded under this Contract, whether or not such monies are received through the County. All such



books and records shall be maintained by the Operating Agency at a location in Los Angeles County.

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

26. JOINT FUNDING. For projects in which there are sources of funds in addition to CDBG funds, the Operating Agency may be required to provide proof of such other funding. The County shall not pay for any costs incurred by the Operating Agency, which are paid with other funds. All restrictions and/or requirements provided for in this Contract, relative to accounting, budgeting, and reporting, apply to the total project regardless of funding sources. Separate financial records shall be kept for each funding source and program.
27. ASSURANCES. The Operating Agency hereby assures and certifies that it has complied with the Act, applicable regulations, policies, guidelines and requirements, 2 CFR Part 200, and that it will comply with all applicable Federal, State, and local laws and regulations as they relate to acceptance and use of Federal funds for this program. Also, the Operating Agency gives assurance and certifies with respect to the project specified in Exhibit A, that it will comply with all of the provisions of 24 CFR Section 570.303 and all other laws and regulations which pertain to assurances of program applicants. Furthermore, the Operating Agency gives assurance and certifies that it will comply with provisions of 41 CFR Part 60-1.4 and 24 CFR Part 135, each of which is incorporated herein by this reference. Operating Agency further assures and certifies that it will comply with any further amendments or changes to said required assurances and certifications and that, during the term of this Contract, it will maintain current copies of said assurances and certifications at the address specified below.
28. NOTICES. All notices shall be served in writing. The notices to the Operating Agency shall be sent to the following address:

Mark Glassock  
Director of Special Projects  
Los Angeles Neighborhood Land Trust  
1541 Wilshire Blvd., Suite 400  
Los Angeles, CA 90017

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

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

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

29. ASSIGNMENT. The Operating Agency may not assign any portion of this Contract without the express written consent of the County. Any attempt by the Operating Agency to assign any performance of the terms of this Contract shall be null and void and shall constitute a material breach of this Contract, upon which the County may immediately terminate this Contract through the Executive Director, or his designee.
30. SUBCONTRACTING. The requirements of this Contract may not be subcontracted by the Operating Agency without compliance of procurement standards and methods as outlined in 2 CFR Par 200, Subpart D Sections 200.318-200.326. Any attempt by the Operating Agency to subcontract without adherence to Federal regulations as required by the County may be deemed a material breach of this Contract.

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

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

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

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

The Operating Agency shall address administrative, contractual, or legal remedies for all contracts in instances where subcontractors violate or breach contract terms. The Operating Agency must provide sanctions and penalties as appropriate.

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

The Commission's Executive Director, or his designee, is authorized to act for and on behalf of the County with respect to approval of any subcontract and subcontractor employees. After approval of the subcontract by the Commission, the Operating Agency shall forward a fully executed subcontract to the County for their files.

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

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

31. NOTICE OF FEDERAL EARNED INCOME CREDIT. The Operating Agency shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.
32. FISCAL LIMITATIONS. The United States of America, through HUD, may in the future place programmatic or fiscal limitation(s) on CDBG funding. Accordingly, the County reserves the right, in its sole discretion, to revise this Contract in order to take into account actions and events affecting CDBG program funding. In the event of a CDBG funding reduction by HUD, the County may, in its sole discretion, reduce the compensation amount of this Contract in whole or in part, or may limit the rate of the Operating Agency's use of both its uncommitted and its unspent funds. The Commission, through its Executive Director, or his designee, may act for the County in implementing and effecting such a reduction in the compensation amount of this Contract.

Where the Commission, through its Executive Director, or his designee, has reasonable grounds to question the fiscal accountability, financial soundness, or compliance with this Contract of the Operating Agency, the Commission, through the Executive Director, or his designee, may suspend this Contract for up to 60 days, upon three (3) days-notice to the Operating Agency, pending an audit or other resolution of such questions. In no event, however, shall a revision made by the County affect expenditures and legally binding commitments made by the Operating Agency before it received notice of such revision, provided that such amounts have been committed in good faith and are otherwise allowable, that such commitments are consistent with HUD cash withdrawal guidelines, and that CDBG funds are available to the County to satisfy such expenditures or legally binding commitments.

33. USE OF FUNDS FOR ENTERTAINMENT, MEALS, OR GIFTS. The Operating Agency certifies and agrees that it will not use funds provided through this Contract to pay for entertainment, meals, or gifts.
34. CONFLICT OF INTEREST. The Operating Agency, its agents and employees shall comply with all applicable Federal, State, and County laws and regulations

governing conflict of interest including, but not limited to, 2 CFR Part 200. Section 200.112 and 24 CFR Section 570.611. The Operating Agency agrees to incorporate the language found in this Section 34, CONFLICT OF INTEREST, in contracts using CDBG funds and subject to compliance with conflict of interest Federal, State, and County laws.

The general rule shall be that no person described in the *Persons covered* section below of this Section 34, CONFLICT OF INTEREST, who exercises, or has exercised any function or responsibilities with respect to CDBG activities, or who is in a position to participate in a decision making process or gain inside information with regards to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one (1) year thereafter.

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

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

35. **BUDGET MODIFICATIONS.** The Executive Director, or his designee, who shall be a Division Director or higher, may grant budget modifications to this Contract for the movement of funds between the budget categories identified in Exhibit A, when such modifications:
- a. Are specifically requested by the Operating Agency;
  - b. Will not change the project goals or scope of services;
  - c. Are in the best interest of the County and the Operating Agency in performing the scope of services under this Contract;
  - d. Do not alter the total amount of compensation under this Contract; and
  - e. Are in writing prior to expenditures being made.

36. TIME OF PERFORMANCE MODIFICATIONS. The Executive Director, or his designee, who shall be a Division Director or higher, may grant time of performance modifications to this contract when such modifications:
- a. Are specifically requested by the Operating Agency;
  - b. Will not change the project goals or scope of services;
  - c. Are in the best interest of the County and the Operating Agency in performing the scope of services under this Contract;
  - d. Do not alter the total amount of compensation under this Contract; and
  - e. Are in writing prior to expenditures being made.
37. AUDIT EXCEPTIONS. The Operating Agency agrees that in the event the program established hereunder is subject to audit exceptions by appropriate audit agencies, it shall be responsible for complying with such exceptions and paying the County the full amount of County's liability to the funding agency resulting from such audit exceptions.
38. AUDITS. The Operating Agency's program will be audited in accordance with the County's policy and funding source guidelines. Audits may also be conducted by Federal, State, or local funding source agencies. The County or its authorized representatives shall, at all times during the term of this Contract, and for a period of five (5) years thereafter, have access, for the purpose of audit or inspection, to any and all books, documents, papers, records, property, and premises of the Operating Agency. The Operating Agency's staff will cooperate fully with authorized auditors when they conduct audits and examinations of the Operating Agency's program. A financial audit of the Operating Agency's performance under this Contract shall be conducted at the County's discretion. If indications of misappropriation or misapplication of the funds of this Contract cause the County to require a special audit, the cost of the audit will be encumbered and deducted from this Contract's budget.
- Failure of Operating Agency to comply with the requirements of this Section shall constitute a material breach of contract upon which the Commission, through its Executive Director, or his designee may cancel, terminate, or suspend this Contract.
39. INDEPENDENT CONTRACTOR. Both parties hereto in the performance of this Contract will be acting in an independent capacity and not as agents, employees, partners, joint ventures or associates of one another. The employees or agents of one party shall not be deemed or construed to be the agents or employees of the other party for any purpose whatsoever, including workers' compensation liability. The Operating Agency shall bear the sole responsibility and liability for furnishing workers' compensation benefits to any person for injuries arising from or connected with services performed on behalf of the Operating Agency pursuant to this Contract.
40. AMENDMENTS/VARIATIONS. This writing, with attachments, embodies the whole of the agreement of the parties hereto. No oral agreement shall be binding upon the parties unless expressly stated herein. Except as provided herein, any

addition to or variation of the terms of this Contract shall not be valid unless made in the form of a written amendment of this Contract formally approved and executed by both parties. All Amendments must be received by the County no less than 60 calendar days from the expiration date of this Contract.

41. ACQUISITION OF SUPPLIES AND EQUIPMENT. Following approval by the County for necessary supplies and equipment for Contract performance, the Operating Agency may purchase from a related agency/organization only if: (a) prior authorization is obtained in writing from the County, (b) no more than maximum prices or charges are made and no more than minimum specifications are met, as provided in writing by the County, (c) a community-related benefit is derived from such Operating Agency-related acquisition, and (d) no conflict of interest for private gain accrues to the Operating Agency or its employees, agents or officers.

42. MONITORING AND EVALUATION. The County will monitor, evaluate and provide guidance to the Operating Agency in the performance of this Contract. Authorized representatives of the County and HUD shall have the right of access to all activities and facilities operated by the Operating Agency under this Contract. Facilities include all files, records, and other documents related to the performance of this Contract. Activities include attendance at staff, board of directors, advisory committee, and advisory board meetings, and observation of ongoing program functions. The Operating Agency will ensure the cooperation of its staff and board members in such efforts. The Executive Director, or his designee, may conduct program progress reviews. These reviews will focus on the extent to which the planned program has been implemented and measurable goals achieved, effectiveness of program management, and impact of the program.

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

43. INSURANCE. The Executive Director hereby authorizes the Commission's Risk Manager to determine the requirements of the insurance policy to be procured and maintained by the Operating Agency with respect to its activities and obligations hereunder. Without limiting the Operating Agency's indemnification requirements as set forth in Section 45 below, the Operating Agency shall provide and maintain at its own expense during the term of this Contract, a program of insurance satisfactory to the Commission's Risk Manager covering its operations hereunder, as specifically defined in Exhibit B to this Contract, a copy of which is attached hereto and incorporated herein by this reference.

44. FAILURE TO PROCURE INSURANCE. Failure on the part of the Operating Agency to procure or maintain required insurance (pursuant to Exhibit B) shall constitute a material breach of contract under which County may immediately suspend or terminate this Contract or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith. All monies so paid by the County shall be repaid by the Operating Agency to the County upon

demand or the County may offset the cost of the premiums against any monies due to the Operating Agency from the County.

45. INDEMNIFICATION. Except as otherwise set forth below, the Operating Agency agrees to indemnify, defend, and hold harmless the County, the Commission, the Housing Authority of the County of Los Angeles (“Housing Authority”), and each of their elected and appointed officers, officials, representatives, employees, and agents (hereinafter collectively referred to as “Public Agencies”) from and against any and all liability, demands, damages, claims, causes of action, fees, (including reasonable attorneys’ fees, expert witness’ fees, and defense costs), and expenses, including, but not limited to, claims for bodily injury, property damage, and death (hereinafter collectively referred to as “Liabilities”), arising from, related to, or connected with the Operating Agency’s acts, errors, or omissions. The Operating Agency shall not be required to indemnify, defend, and hold harmless the Public Agencies from any Liabilities that arise from the sole negligence or willful misconduct of the Public Agencies.

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

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

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

In the event that the Operating Agency contracts with another entity (hereinafter “Design Professional Entity”) for design professional services to be provided in relation to a project related in any way to this Contract (hereinafter “Operating Agency-Design Professional Contract”), the Operating Agency agrees that language substantially equivalent to the following shall be incorporated in the Operating Agency-Design Professional Contract in favor of the Public Agencies, if such contract is entered into subsequent to the execution date of this Contract: The Design Professional Entity agrees to indemnify, defend, and hold harmless the Public Agencies from and against any and all liability, demands, damages, claims, causes of action, fees (including reasonable attorney’s fees and costs and expert witness fees), and expenses, including, but not limited to, claims for bodily injury, property damage, and death (hereinafter collectively referred to as “Liabilities”), that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Design Professional Entity, its employees, representatives, consultants, subcontractors, agents, or any other entity for which the Design Professional Entity is responsible. This indemnification clause shall remain in full force and effect following the expiration and/or termination of the Operating Agency-Design Professional Contract.

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

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

46. FINANCIAL CLOSE OUT PERIOD. The Operating Agency agrees to complete all necessary financial close-out procedures required by the County, within a period of not more than 60 calendar days from the expiration date of this Contract. This time period will be referred to as the financial close out period. The County is not liable to provide reimbursement for any expenses or costs associated with this Contract after the expiration of the financial close out period. After the expiration of the financial close out period, those funds not paid to the Operating Agency under this Contract, if any, may be immediately reprogrammed by the County into



other eligible activities in the County. The County may request a final financial audit for activities performed under this Contract at the expiration of the financial close out period.

47. NEPOTISM. The Operating Agency shall not hire nor permit the hiring of any person to fill a position funded through this Contract if a member of that person's immediate family is employed in an administrative capacity by the Operating Agency, unless this action is approved by the Operating Agency's governing body and waived by the County. For the purpose of this section, the term "immediate family" means spouse, child, mother, father, brother, sister, brother-in-law, sister-in-law, father-in-law, mother-in-law, son-in-law, daughter-in-law, aunt, uncle, niece, nephew, stepparent, and stepchild. The term "administrative capacity" means having selection, hiring, supervisory, or management responsibilities, including serving on the governing body of Operating Agency.
48. RELIGIOUS AND POLITICAL ACTIVITIES. The Operating Agency agrees that funds under this Contract will be used exclusively for performance of the work required under this Contract, and that no funds made available under this Contract shall be used to promote religious or political activities. Further, the Operating Agency agrees that it will not perform, nor permit to be performed, any religious or political activities in connection with the performance of this Contract.
49. USE OF FUNDS. All funds approved under this Contract shall be used solely for costs approved in the program budget for this Contract. Contract funds shall not be used as a cash advancement between contracts, as security to guarantee payments for any non-program obligations, or as loans for non-program activities. Separate financial records shall be kept for each funding source and program.
50. REPORTS AND RECORDS. The Operating Agency agrees to prepare and submit financial, program progress, monitoring, evaluation and other reports as required by the County. Program progress reports shall be submitted as required, in the form specified by the Commission, through its Executive Director, or his designee. The Operating Agency shall maintain, and permit on-site inspections of such property, personnel, financial and other records and accounts as are considered necessary by the County to assure proper accounting for all Contract funds during the term of this Contract and for a period of five (5) years thereafter. The Operating Agency will ensure that its employees and board members furnish such information, which, in the judgment of County representatives, may be relevant to a question of compliance with contractual conditions, with County or granting agency directives, or with the effectiveness, legality, and achievements of the program.
51. EXPENDITURES. Expenditures made by the Operating Agency in the operation of this Contract shall be in strict compliance and conformity with the Budget set forth in Exhibit A, unless prior written approval for an exception is obtained from the Commission, through its Executive Director, or his designee.

52. CERTIFICATION PROHIBITING USE OF EXCESSIVE FORCE. In accordance with Section 519 of Public Law 101-144, the undersigned certifies, to the best of his or her knowledge and belief that it has adopted and is enforcing:
- a. A policy prohibiting the use of excessive force in violation of applicable Federal, State, or local laws by anyone acting under the authority or supervision of Operating Agency against any individuals engaged in non-violent civil rights demonstrations; and
  - b. A policy of compliance with applicable Federal, State, and local laws against individuals physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction.
53. DRUG-FREE WORKPLACE. Operating Agency agrees to provide a drug-free workplace by:
- a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Operating Agency's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
  - b. Establishing an ongoing drug-free awareness program to inform employees about:
    - i. The dangers of drug abuse in the workplace;
    - ii. The Operating Agency's policy of maintaining a drug-free workplace;
    - iii. Any available drug counseling, rehabilitation, and employee assistance programs; and
    - iv. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
  - c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by subparagraph a. of this Section 53;
  - d. Notifying the employee in the statement required by paragraph a. of this Section 53 that, as a condition of employment under the grant, the employee will:
    - i. Abide by the terms of the statement; and
    - ii. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five (5) calendar days after such conviction;

- e. Notifying the County in writing, within ten (10) calendar days after receiving notice under subparagraph (d)(ii) from an employee or otherwise receiving actual notice of such a conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(ii), with respect to any employee who is so convicted -
  - i. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
  - ii. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
- g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of subparagraphs a, b, c, d, e and f.

54. RESIDENTIAL ANTIDISPLACEMENT AND RELOCATION ASSISTANCE PLAN. Section 104(d) of the Housing and Community Development Act of 1974, also known as the Barney Frank Amendment, requires relocation assistance for displaced low-income families and requires one-for-one replacement of low/moderate income dwelling units that are demolished or converted to other use. When CDBG funds are used in a project, including financing for rehabilitation, or project delivery costs, Section 104(d) is triggered. CDBG Regulations further describe the requirements under 24 CFR Section 570.606 Displacement, Relocation, Acquisition, and Replacement of Housing.

The Operating Agency must adopt and make public a Residential Antidisplacement and Relocation Assistance Plan as part of its administrative requirements to HUD. Before the Operating Agency enters into a Contract committing it to provide funds for any activity that will directly result in the demolition, or conversion to another use, of low/moderate-income dwelling units, it must make public and submit to HUD the information as described in Sections 24 CFR Sections 570.457; 570.496 (a); 570.606 (c); and 570.702 (f).

55. PROPERTY MAINTENANCE STANDARDS. The Operating Agency providing services under Contract to the County must ensure that sufficient property maintenance ("property maintenance standards") shall be provided to the facility where services are being provided. Property maintenance includes removal of trash and debris, graffiti abatement, landscaping, and physical appearance acceptable to the County.

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

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

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

As required by the County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting the Operating Agency's duty under this Contract to comply with all applicable provisions of the law, the Operating Agency warrants that it is now in compliance and shall during the term of this Contract maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or District Attorney Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

58. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM. Failure of the Operating Agency to maintain compliance with the requirements set forth in Section 57, OPERATING AGENCY'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM shall constitute a default by the Operating Agency under this Contract. Without limiting the rights and remedies available to the County under any other provision of this Contract, failure to cure such default within 90 days of notice by the Los Angeles County Child Support Services Department (CSSD) shall be grounds upon which the Executive Director, or his designee may terminate this Contract pursuant to Section 62, Termination for Cause.

59. POST MOST WANTED DELINQUENT PARENTS LIST. The Operating Agency acknowledges that the County places a high priority on the enforcement of child support laws and the apprehension of child support evaders. The Operating Agency understands that it is the County's policy to voluntarily post a list entitled "L.A.'s Most Wanted: Delinquent Parents" poster in a prominent position at the Operating Agency's place of business. The CSSD will supply the Operating Agency with the poster to be used.
60. COUNTY'S QUALITY ASSURANCE PLAN. The County will evaluate the Operating Agency's performance under this Contract on not less than an annual basis. Such evaluation will include assessing the Operating Agency's compliance with all Contract terms and performance standards. The Operating Agency's deficiencies, which the County determines are severe or continuing and that may place performance of the Contract in jeopardy, if not corrected will be reported to the Board of Supervisors. The report will include improvement/corrective action measures taken by the County and the Operating Agency. If improvement does not occur consistent with the corrective measure, the County may terminate this Contract, pursuant to Sections 61 or 62, or impose other penalties as specified in this Contract.
61. TERMINATION FOR CONVENIENCE. The County reserves the right to cancel this Contract for any reason at all upon 30 days' prior written notice to the Operating Agency. In the event of such termination, the Operating Agency shall be entitled to a prorated portion paid for all satisfactory work unless such termination is made for cause, in which event, compensation if any, shall be adjusted in such termination.

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

62. TERMINATION FOR CAUSE. This Contract may be terminated by the County upon written notice to the Operating Agency for just cause (failure to perform satisfactorily) with no penalties incurred by the County upon termination or upon the occurrence of any of the following events in a, b, c, d, or e:
- a. Should the Operating Agency fail to perform all or any portion of the work required to be performed hereunder in a timely and good workmanlike manner or properly carry out the provisions of the Contract in their true intent and meaning, then in such case, notice thereof in writing will be served upon the Operating Agency, and should the Operating Agency neglect or refuse to provide a means for satisfactory compliance with this Contract and with the direction of the County within the time specified in such notice, the County shall have the power to suspend or terminate the operations of the Operating Agency in whole or in part;
  - b. Should the Operating Agency fail within five (5) days to perform in a satisfactory manner, in accordance with the provisions of the Contract, or if the

work to be done under said Contract is abandoned for more than three (3) days by the Operating Agency, then notice of deficiency thereof in writing will be served upon the Operating Agency by the County;

- c. Should the Operating Agency fail to comply with the terms of said Contract within five (5) days, upon receipt of said written notice of deficiency, the Commission, through its Executive Director, or his designee, shall have the power to suspend or terminate the operations of the Operating Agency in whole or in part;
- d. In the event that a petition of bankruptcy shall be filed by or against the Operating Agency; or
- e. If, through any cause, the Operating Agency shall fail to fulfill in timely and proper manner the obligations under this Contract, or if the Operating Agency shall violate any of the covenants, Contracts, or stipulations of this Contract, the County shall thereupon have the right to terminate this Contract by giving written notice to the Operating Agency of such termination and specifying the effective date thereof, at least five (5) days before the effective date of such termination. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by the Operating Agency or under this Contract shall, at the option of the County, become its property and the Operating Agency shall be entitled to receive just and equitable compensation for any work satisfactorily completed.

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

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

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

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

66. CONTRACTOR RESPONSIBILITY AND DEBARMENT. A responsible contractor is a contractor, consultant, vendor, or operating agency who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the Contract. It is the policy of the Commission, Housing Authority, and County to conduct business only with responsible contractors.

a. The Operating Agency is hereby notified that if the County acquires information concerning the performance of a contractor on this or other contracts which indicates that the contractor is not responsible, the County may, in addition to other remedies provided in the Contract, debar the contractor from bidding or proposing on, or being awarded, and/or performing work on County, Commission, and/or Housing Authority contracts for a specified period of time, which generally will not exceed five (5) years but may exceed five (5) years or be permanent if warranted by circumstances, and terminate any or all existing contracts the contractor may have with the County, Commission, and/or Housing Authority.

b. The County may debar a contractor, consultant, vendor or operating agency if the Board of Commissioners finds, in its discretion, that the contractor, consultant, vendor, or operating agency has done any of the following: (1) violated any term of a contract with the Commission, Housing Authority, or County, or a nonprofit corporation created by the Commission, Housing Authority, or County; (2) committed any act or omission which negatively

reflects on the its quality, fitness or capacity to perform a contract with the Commission, Housing Authority, or County or any other public entity, or a nonprofit corporation created by the Commission, Housing Authority, or County, or engaged in a pattern or practice which negatively reflects on same; (3) committed an act or offense which indicates a lack of business integrity or business honesty; or (4) made or submitted a false claim against the Commission, Housing Authority, County, or any other public entity.

- c. If there is evidence that the contractor may be subject to debarment, the County will notify the contractor in writing of the evidence, which is the basis for the proposed debarment and will advise the contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
- d. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The contractor and/or the contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the contractor should be debarred, and, if so, the appropriate length of time of the debarment. The contractor and the County shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Commissioners.
- e. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Commissioners. The Board of Commissioners shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.
- f. If a contractor has been debarred for a period longer than five (5) years, that contractor may, after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The County may, at its discretion, reduce the period of debarment or terminate the debarment if it finds that the contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after the debarment was imposed; or (4) any other reason that is in the best interests of the County.
- g. The Contractor Hearing Board will consider a request for review of the debarment determination only where (1) the contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing



where evidence on the proposed reduction of the debarment period or termination of the debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

- h. The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Commissioners. The Board of Commissioners shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.
  - i. These terms shall also apply to subcontractors and consultants of County, Commission, or Housing Authority contractors, consultants, vendors, and operating agencies.
67. COPELAND "ANTI-KICKBACK" ACT. The Operating Agency shall comply with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented by Department of Labor regulations (29 CFR part3). These terms shall apply to construction contracts in excess of \$2,000 awarded to the Operating Agency, as well as contracts awarded to subcontractors and consultants
68. DAVIS-BACON ACT. The Operating Agency shall comply with the prevailing wage requirements of the Davis-Bacon Act (40 U.S.C. 276a to 276a-7) as supplemented by the Department of Labor regulations (29 CFR part 5). These terms shall apply to construction contracts in excess of \$2,000 awarded to the Operating Agency, as well as contracts awarded to subcontractors and consultants. The prevailing wage requirements also apply to CDBG funded activities for the rehabilitation of residential property when the project contains eight (8) or more housing units at the construction site.
69. SECTION 3. In order to comply with the Housing and Urban Development Act of 1968, the Operating Agency and, where applicable, its contractor(s) and subcontractor(s) shall comply with Section 3 regulations as described in 24 CFR Part 135. Section 3 compliance activities of the Operating Agency and its contractor(s) and subcontractor(s) shall be guided by the Commission's CDBG Compliance Instructions, as amended, which can be made available to the Operating Agency for inspection and copying upon request, if the Operating Agency does not already possess a copy
- a. The work to be performed under this Contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low-and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

Section 3 covered assistance and thresholds apply to the following HUD assistance:

- i. Housing and Community Development assistance – Section 3 applies to training, employment, contracting, and other economic opportunities arising in connection with the expenditure of housing assistance (including Section 8 assistance, including other housing assistance not administered by the U.S. Assistant Secretary of housing); community development assistance that is used for housing rehabilitation (including abatement of lead based paint hazards, but excluding routine maintenance, repair and replacement; and other public construction); housing construction; and other public construction.

*The threshold for Section 3 covered housing and community development assistance is \$200,000 or more. This threshold applies to recipients of housing and community development program assistance for Section 3 covered programs. The requirements of this section also apply to contractors and subcontractors performing work on Section 3 covered project(s) for which the amount of the assistance exceeds \$200,000, and the contract or subcontract exceeds \$100,000. If a recipient receives Section 3 covered housing or community development assistance in excess of \$200,000, but no contract exceeds \$100,000, then the Section 3 preference requirements apply only to the recipient.*

*Applicability of Section 3 to an entire project or activity funded with Section 3 assistance. The requirements of this section apply to an entire project or activity that is funded with Section 3 covered assistance, regardless of whether the activity is fully or partially funded with Section 3 covered assistance.*

- b. The parties to this Contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this Contract, the parties to this Contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.
- c. The Operating Agency agrees to send to each labor organization or representative of workers with which the Contractor has a collective bargaining Contract or other understanding, if any, a notice advising the labor organization or workers' representative of the Operating Agency's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking

applications for each of the positions; and the anticipated date the work shall begin.

- d. The Operating Agency agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The Operating Agency will not subcontract with any subcontractor where the Operating Agency has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.
  - e. The Operating Agency will certify that any vacant employment positions, including training positions, that are filled (1) after the Operating Agency is selected but before the Contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the Operating Agency's obligations under 24 CFR Part 135.
  - f. Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this Contract for default, and debarment or suspension from future HUD assisted contracts.
  - g. With respect to work performed in connection with Section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this Contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this Contract that are subject to the provisions of Section 3 and section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).
70. CONSTRUCTION/REHABILITATION PROJECTS. The Operating Agency shall submit a request to the County, to conduct a Contract and Labor Compliance File Review at least 30 calendar days prior to the anticipated completion of construction/rehabilitation activities, but in no event later than April 1<sup>st</sup> of the current fiscal year.
71. PATENT RIGHTS. The Operating Agency must adhere to Federal requirements and regulations relating to patent rights with respect to any discovery or invention which arises or is developed in the course of or under this contract.
72. DISALLOWED COSTS. If Operating Agency has failed to return unexpended funds or funds spent for disallowed costs related to any CDBG Contract it has with the County, County may withhold and offset payments to be made to Operating Agency under this Contract.

73. PHOTOGRAPHS, FOOTAGE, AND OTHER MEDIA MATERIALS. Operating Agency represents and warrants that all photographs, videos, DVD's, footage, magazines, and other media materials provided to the County are either public record or have been legally procured without invading the copyright, ownership, or privacy rights of any individual. Operating Agency further agrees to defend, hold harmless, and indemnify the County from any and all liability, as described in Section 45, Indemnification, arising from or related to County's use of said photographs, videos, DVD's, footage, magazines, and other media materials.
74. OPERATING AGENCY'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW. The Operating Agency acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Operating Agency understands that it is the County's policy to encourage all County Contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the Operating Agency's place of business. The Operating Agency will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. This poster is available at [www.babysafela.org/docs/poster\\_e.pdf](http://www.babysafela.org/docs/poster_e.pdf).
75. NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW. The Operating Agency shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is available at [www.babysafela.org](http://www.babysafela.org) for printing purposes.
76. OPERATING AGENCY'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM. The Operating Agency acknowledges that the County has established a goal of ensuring that all individuals and businesses that benefit financially from the County through contract are current in paying their personal and real property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers. Unless the Operating Agency qualifies for an exemption or exclusion, the Operating Agency warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this Contract will maintain compliance, with the County's Defaulted Tax Program, found at Los Angeles County Ordinance No. 2009-0026 and codified at Los Angeles County Code, Chapter 2.206.
77. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM. Failure of the Operating Agency to maintain compliance with the requirements set forth in Section 76, "OPERATING AGENCY'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM" shall constitute default under this Contract. Without limiting the rights and remedies available to the County under

any other provision of this Contract, failure of the Operating Agency to cure such default within 10 days of notice shall be grounds upon which County may suspend or terminate this contract pursuant to the County's Defaulted Property Tax Reduction Program found at Los Angeles County Ordinance No. 2009-0026 and codified at Los Angeles County Code, Chapter 2.206.

78. COMPLIANCE WITH COUNTY'S ZERO TOLERANCE HUMAN TRAFFICKING. Operating Agency acknowledges that the County has established a Zero Tolerance Trafficking Policy prohibiting the Operating Agency, or subcontractors approved under this contract from engaging in human trafficking.

If the Operating Agency, or a member (s) on the Operating Agency's staff is convicted of a human trafficking offense, the County shall require that the Operating Agency, or member of the Operating Agency's staff be removed immediately from performing services under this contract. The County will not be under any obligation to disclose confidential information regarding the offenses other than those required by law.

Disqualification of any member of the Operating Agency's staff pursuant to this section shall not relieve the Operating Agency of its obligation to complete all work in accordance with the terms and conditions of this Contract.

79. CLEAN AIR ACT. The Operating Agency must comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15). These terms shall apply to construction contracts in excess of \$100,000 awarded to the Operating Agency, as well as contracts awarded to subcontractors and subconsultants.
80. ENERGY POLICY AND CONSERVATION ACT. The Operating Agency must comply with mandatory standards and policies related to energy efficiency which are contained in the State Energy Conservation Plan issued in compliance with the Energy Policy and Conservation Act (Pub.L.94A 163, Stat.871).
81. WARRANTY OF AUTHORITY. The undersigned signatory for the Operating Agency covenants, warrants and guarantees that he/she is empowered and authorized to sign this Contract on behalf of Operating Agency in accordance with the terms and conditions stated herein.
82. ENTIRE CONTRACT. This Contract with attachments and any and all CDBG Bulletins, which the County may issue from time to time following the date of execution, constitute the entire understanding and agreement of the parties.

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

COUNTY OF LOS ANGELES

LOS ANGELES NEIGHBORHOOD  
LAND TRUST  
Operating Agency

By: \_\_\_\_\_  
MONIQUE KING-VIEHLAND  
Acting Executive Director  
Community Development Commission  
of the County of Los Angeles

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

APPROVED AS TO FORM:

APPROVED AS TO PROGRAM:

MARY C. WICKHAM  
County Counsel

MONIQUE KING-VIEHLAND  
Acting Executive Director  
Community Development Commission  
of the County of Los Angeles

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

By: \_\_\_\_\_  
Director, Community Development Division

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

Contract No. 0                      Version 0

PROJECT	OPERATING AGENCY
Project No: 601952-17 Title: 95th and Normandie Pocket Park  Funding Period:                      To: 6/30/2018 Jurisdiction: 2nd District	<b>Organization</b> Name: Los Angeles Neighborhood Land Trust  Type: CBO CDC Program Mgr: Jeffrey Badre

**Project Administration**

Mark Glassock  
 Director of Special Projects  
 Los Angeles Neighborhood Land Trust  
 1541 Wilshire Blvd., Suite 400  
 Los Angeles, CA 90017  
 Phone: (213) 337-2702  
 Email: mglassock@lanlt.org

**Eligibility Summary**

Funding Source: CDBG  
 HUD Code: 03F                      Parks, Recreational Facilities  
 Eligibility Citation: 570.201(c)  
 National Objective: LMA  
 Nat. Objective Citation: 570.208(a)(1)                      (i)  
 Est. Accomplishments: 1                      Performance Indicator: Public Facilities

**Activity Summary**

This new project will construct a pocket park at 95th Street and Normandie Avenue in the unincorporated community of Athens-Westmont. Park amenities will include fitness and physical activity elements, California-friendly plants, perimeter fencing, site lighting, and irrigation. Construction will be in compliance with Department of Parks and Recreation design guidelines, and Department of Building and Safety low-impact development codes.

CDBG funds are used for personnel, non-personnel and capital costs.

**Special Conditions**

Project No: 601952-17                      Version: 0

**CONSTRUCTION CONTRACT AND PREVAILING WAGE LABOR COMPLIANCE:** Failure to perform the following minimum requirements will result in findings that may create a monetary liability to the Operating Agency that includes, but is not limited to, disallowance of costs, suspension of funds, and termination of this contract. Read the following carefully before starting the procurement process. Contact your CDC Program Manager with questions and refer to the online Construction Compliance Guidelines for detailed guidance to help your Operating Agency to successfully meet the contract and labor compliance requirements on this project.

**CONSTRUCTION CONTRACT:** The Operating Agency shall:

- Submit Bid Specifications for CDC review and acceptance prior to advertising the Notice Inviting Bids;
- Verify bidder's eligibility to receive federal funds through the Federal online system prior to awarding a contract; and
- Send a Notice of Contract Award letter to the U.S. Department of Labor (DOL) Office of Federal Contract Compliance Programs (OFCCP) within 10 workdays of the contract award date.

**PREVAILING WAGE LABOR COMPLIANCE:** Federal Prevailing Wage requirements of the Davis-Bacon and Related Acts (DBRA) and the Federal Labor Standards Provisions (FLSP) apply to all public works construction funded with federal dollars. In the event of a labor dispute between Federal and State prevailing wage, the higher of the two will prevail. The Operating Agency shall proactively administer, monitor and enforce these provisions and make maintain a Labor Standards Enforcement File for each contractor, sub-contractor, and lower-tier contractor working at the project site. This File must clearly document that the Operating Agency monitored the project site on a continuous basis, conducted Employee Field Interviews with workers, reconciled the Interview forms with the applicable weekly Certified Payroll Report, notified the contractor of any labor deficiencies, and resolved any violations in a timely manner.

The Operating Agency shall:

- Notify the CDC Program Manager within 10 calendar days of the date of the discovery of any underpayment; and
- Request a Contract and Labor Compliance File Review by CDC Program Manager within 10 workdays of the completion of construction.

**SECTION 3:**

In accordance with its Section 3 Plan, the Operating Agency must offer contracting, training, and employment opportunities that become available during the course of this construction project to income qualified residents within the project area. Contact your CDC Program Manager with questions and refer to the online Construction Compliance Guidelines for detailed guidance to help you successfully meet the Section 3 requirements on this project.

The Operating Agency shall:

- Conduct a Pre-Bid Meeting for all interested bidders and present the contracting, employment and training goal requirements to the prospective bidders.
- Evaluate each proposal for responsive and reasonableness, and apply a bid preference, if



applicable.

- Obtain a Section 3 Economic Opportunity Plan from each appropriate contractor before the start of construction.
- Collect completed Section 3 Compliance Report(s) with each applicable contractor’s final payroll report.

**CDC 5-PERCENT RETENTION:** To allow for the availability of funds to remedy monetary liabilities resulting from the Operating Agency’s construction contractor’s violation(s) of the Davis-Bacon and Related Acts (DBRA) and/or the Federal Labor Standards Provisions (FLSP), the Operating Agency must withhold 5% of the funding request cost reimbursements. This will be documented on the CDBG Funding Requests by reporting 100% of the costs and including a line item credit identified as “Retention” for 5% of the requested costs for reimbursement. This will result in the CDC reimbursing 95% of the costs paid by the Operating Agency reported on each funding request. Upon the completion of a CDC review of the Labor Standards Enforcement Files and issuance of the final clearance letter, the Operating Agency may request the withheld retention. To initiate the file review, the Operating Agency must submit a completed Request for File Review Form (and attachments) to the assigned CDC Program Manager within 10 workdays of the completion of construction.

**PROCUREMENT:** The Operating Agency will comply with procurement standards for the purchase of all goods and contracted services as prescribed in 2 CFR Part 200.318.

**SUBRECIPIENT AGREEMENT/CONSULTANT SERVICES:** The Operating Agency shall execute a professional services agreement with each consultant/contractor prior to incurring any costs or distributing any CDBG or ESG funds in compliance with federal contractual requirements.

**Program Management Mitigation Conditions**

None.

**Environmental Mitigation Conditions**

None.

**Contracted Services/Subrecipients**

Procurement for labor compliance and inspection services and construction contractor.

**Funding Summary**

<u>Cost Category</u>	<u>Amount</u>
Uncategorized	\$650,000.00
<b>Total</b>	<b>\$650,000.00</b>

**Implementation Schedule**

<b>Phase</b>	<b>Scheduled</b>
Bid Document Submission	2/23/2018
Bid Document Acceptance	3/2/2018

**Los Angeles County Community Development Commission**

**Exhibit A**

Bid Opening	3/12/2018
Contract Award	3/26/2018
Construction Completed	4/11/2019

**Location**

**Name:** 95th & Normandie Pocket Park

**Address:**9501 S. Normandie Ave.

**City:** Los Angeles

**Service Area**

<u>Region</u>	<u>Population</u>	<u>Low/Mod Pop</u>
6002.01 BG 1 Unincorporated - Athens-Westmont	2,220	1,760
<b>Grand Total:</b>	<b>2,220</b>	<b>1,760 79.28% Low/Mod</b>

## EXHIBIT B

### INSURANCE REQUIREMENTS FOR OPERATING AGENCY

AGENCY NAME: Los Angeles Neighborhood Land Trust

PROJECT NUMBER: 601952-17

PROJECT NAME: 95th and Normandie Pocket Park

ADDRESS: 1541 Wilshire Blvd., Suite 400  
Los Angeles, CA 90017

In order for the Operating Agency to meet its obligations to the community and insure its continuance, the Community Development Commission of the County of Los Angeles ("CDC"), the Housing Authority of the County of Los Angeles ("HA"), and the County of Los Angeles ("County") require that prior to the execution of this contract, the Operating Agency must provide evidence that all insurance requirements have been met. Without limiting the Operating Agency's indemnifications as set in the attached contract, the Operating Agency shall procure and maintain, at the Operating Agency's sole expense, the insurance policies described herein. Such insurance shall be secured from carriers admitted in California, or authorized to do business in California. Carriers shall be in good standing with the California Secretary of State's Office and the California Department of Insurance. Such carriers must be admitted and approved by the California Department of Insurance or must be included on the California Department of Insurance List of Approved Surplus Line Insurers (hereinafter "LASLI"). Carriers must have a minimum rating of or equivalent to A: VIII in Best's Insurance Guide. The Operating Agency shall, prior to the execution of this contract, deliver to the CDC **Certificates of Insurance** with original endorsements evidencing the insurance coverage required by this contract. The certificates and endorsements shall be signed by a person authorized by the insurers to bind coverage on its behalf. The Operating Agency shall provide the CDC with certificates of insurance and applicable endorsements each year during the term of this contract to evidence its annual compliance with the insurance requirements set forth herein. The CDC reserves the right to require complete certified copies of all policies at any time. Said insurance shall be in a form acceptable to the CDC and may provide for such deductibles as may be acceptable to the CDC.

Any self-insurance program and self-insured retention must be separately approved by the CDC. In the event such insurance does provide for deductibles or self-insurance, the Operating Agency agrees that it will defend, indemnify and hold harmless the CDC, County, and HA, and each of their elected and appointed officers, officials, representatives, employees, and agents in the same manner as they would have been defended, indemnified and held harmless if full coverage under any applicable policy had been in effect. Each policy shall be endorsed to stipulate that the CDC be given at least thirty (30) days written notice in advance of any cancellation or any reduction in limit(s) for any policy of insurance required herein. The Operating Agency shall give the CDC immediate notice of any insurance claim or loss which may be covered by the insurance policy.

The Operating Agency represents and warrants that the insurance coverage required herein will also be provided by any entities with which the Operating Agency contracts, as detailed below. All **Certificates of Insurance** and additional insured endorsements shall carry the following information: *Agency Name, Address, and Project Name and Number.*

The insurance policies set forth herein shall be the primary and non-contributory insurance with respect to the CDC. The insurance policies shall contain a waiver of subrogation for the benefit of the CDC. Failure on the part of the Operating Agency, and/or any entities with which the Operating Agency contracts, to procure or maintain the insurance coverage required herein may, upon the CDC's sole discretion, constitute a material breach of this contract pursuant to which the CDC may immediately terminate this contract and exercise all other rights and remedies set forth herein, at its sole and absolute discretion, and without waiving such default or limiting the rights or remedies of the CDC, procure or renew such insurance and pay any and all premiums in connection therewith and all monies so paid by the CDC shall be immediately repaid by the Operating Agency to the CDC upon demand including interest thereon at the default rate. In the event of such a breach, the CDC shall have the right, at its sole election, to participate in and control any insurance claim, adjustment, or dispute with the insurance carrier. The Operating Agency's failure to assert or delay in asserting any claim shall not diminish or impair the CDC's rights against the Operating Agency or the insurance carrier.

When the Operating Agency, or any entity with which the Operating Agency contracts, is naming the CDC, HA, and/or the County as an additional insured on any of the insurance policies set forth herein, then the additional insured endorsement shall contain language similar to the language contained in ISO form CG 20 10 11 85. In the alternative and in the CDC's sole and absolute discretion, it may accept both CG 20 10 10 01 and CG 20 37 10 01 in place of CG 20 10 11 85.

Any failure to maintain the insurance required herein, may be deemed, at the sole discretion of the CDC, a material breach of this contract. No funds will be advanced, reimbursed, or disbursed until all of the above mentioned insurance requirements have been met. There absolutely will be no reimbursement of costs for the default and cure periods.

*Exceptions to the insurance requirements as set forth herein, will be granted only on a case by case basis. Prior to the Operating Agency receiving funds, the CDC or the HA will review the activities of the Operating Agency. Those Operating Agencies whose activities present no meaningful exposure to the CDC, the HA and/or the County (as determined solely by the CDC Risk Management Administrator) may have certain insurance coverages waived by the CDC Risk Management Administrator upon the written request of the Operating Agency and CDC Risk Management Administrator's approval of such.*

The following insurance policies shall be obtained and maintained by the Operating Agency, and any entity with which the Operating Agency contracts, for the duration of this contact, unless set forth otherwise herein:

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

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

The CDC, HA, and County, and each of their elected and appointed officers, officials, representatives, employees, and agents (hereinafter collectively referred to as the “Covered Entities”), shall be covered as additional insureds on such policy.

**A.1 Additional Insured Endorsement Form:** In addition, the Operating Agency must provide evidence of or a separate Additional Insured Endorsement form, identifying the Covered Entities as additional insureds for the General Liability insurance policy.

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

**B. WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY:** Insurance providing workers' compensation benefits, as required by the Labor Code of the State of California. In all cases, the above insurance shall include Employer's Liability coverage with limits of not less than the following:

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

Commencing upon Operating Agency's annual renewal of its workers' compensation and employer's liability coverage, and annually thereafter, Operating Agency must include a waiver of subrogation in favor of the Covered Entities with regard to the workers' compensation and employer's liability coverage.

**C. CRIME COVERAGE FOR EMPLOYEE THEFT; FIDELITY BOND:** If the aggregate budgeted amount for the current fiscal year allotted for the Operating Agency is less than Fifty Thousand Dollars (\$50,000), the Operating Agency shall not be required to comply with this section C. If the aggregate budgeted amount for the current fiscal year allotted for the Operating Agency is greater than or equal to Fifty Thousand Dollars (\$50,000), then the Operating Agency shall be required to comply with the following requirements in this section C:

The Operating Agency shall procure and maintain, at its sole cost and expense, a fidelity bond covering each employee of the Operating Agency, whether or not they are compensated. The fidelity bond may be either a primary commercial blanket bond or a blanket position bond written by an insurer licensed by the California Insurance Commissioner. The Operating Agency shall provide thirty (30) days notice to the CDC prior to cancellation of the fidelity bond. The fidelity bond shall provide a minimum coverage equivalent to 50% of the cumulative Exhibit A project budget approved for the current fiscal year, not to exceed One Million Dollars (\$1,000,000). If the Operating Agency experiences an increase in funding during the fiscal year, the crime coverage requirement will be reassessed and additional coverage may be required in

the sole and absolute discretion of the CDC. The Operating Agency shall maintain the fidelity bond for the duration of this contract. The fidelity bond may contain a provision for a deductible amount from any loss which, except for such deductible provision, would be recoverable from the insurer. A deductible provision shall not be in excess of ten percent (10%) of the required minimum bond coverage. Any deviation from this fidelity bond section shall require specific written approval by the CDC. The CDC reserves the right, at its sole and absolute discretion, to amend at anytime the requirements contained in this section C.

WAIVED Date waiver approved: \_\_\_\_\_

**D. AUTOMOBILE LIABILITY INSURANCE:** (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than One Million Dollars (\$1,000,000) for each incident. Such insurance shall include coverage of all “owned,” “hired,” and “non-owned” vehicles, or coverage for “any auto.”

WAIVED Date waiver approved: \_\_\_\_\_

**E. PROFESSIONAL LIABILITY INSURANCE:** Including coverage for personal injury, death, property damage, and contractual liability in an amount not less than One Million Dollars (\$1,000,000) for each occurrence (Two Million Dollars (\$2,000,000) general aggregate). The said insurance shall be maintained for the statutory period during which the professional may be exposed to liability. The purpose of this insurance is to cover all claims for professional services being provided by the Operating Agency, which includes, but is not limited to, services provided by the following professionals: physicians, physician’s assistants, nurses, psychiatrists, psychologists, pharmacists, social workers, architects, engineers, and financial counselors. If the Operating Agency is not providing professional services, then it is the responsibility of the Operating Agency to obtain separate written approval from the CDC to eliminate this professional liability insurance requirement. The Operating Agency shall require that the aforementioned professional liability insurance coverage language be incorporated into its contract with any other entity with which it contracts for professional services.

WAIVED Date waiver approved: \_\_\_\_\_

**F. PROPERTY INSURANCE:** If the Operating Agency will have possession of, rent, lease, or be loaned CDC-owned real or nonexpendable personal property, the Operating Agency shall be required to insure the property for replacement cost under the Special Form Coverage. The Covered Entities shall be named on a Lenders Payable Endorsement. Evidence of this endorsement shall be provided to the CDC, prior to execution of this contract, and a copy shall also be retained in the Operating Agency file. Coverage shall be maintained for the duration of this contract.

WAIVED Date waiver approved: \_\_\_\_\_

The Operating Agency agrees that it will require, at a minimum, all of the above mentioned insurance requirements, with the exception of the Crime Coverage, are incorporated in its contract with any entity with which it contracts in relation to this contract, or in relation to the property or project that is the subject of this contract.

If the circumstances or activities change during the fiscal year for any of the projects and the Operating Agency received a waiver for any insurance coverage set forth herein, then, in the sole and absolute discretion of the CDC, the granting of the waiver for any insurance coverage above may be revoked and the insurance coverage requirements may be reinstated. Operating Agency shall immediately notify CDC of any circumstances or activity changes that may affect the insurance requirements, or any waivers of such, set forth herein. If any such requirements are revoked and/or reinstated, then Operating Agency must immediately (but in any event within thirty (30) days) provide evidence that it is in compliance with all insurance requirements, whether set forth herein or otherwise reinstated. Operating Agency's failure to comply with the CDC's election to revoke and/or reinstate any insurance requirements shall be deemed a material breach of the contract.

**The CDC reserves the right, at its sole and absolute discretion, to amend at anytime the provisions of this Exhibit B.**



# CHARITABLE CONTRIBUTIONS CERTIFICATION FORM

**EXHIBIT C**

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

\_\_\_\_\_  
Address

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

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

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

### CERTIFICATION

**YES NO**

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

**OR**

**YES NO**

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

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



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

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

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

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

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

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

### **RESOURCES**

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

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

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

The "Supervision of Trustees and Fundraisers for Charitable Purposes Act" is found at California Government Code §§ 12580 through 12599.7. Implementing regulations are found at Title 11, California Code of Regulations, §§ 300 through 312. In California, charitable solicitations ("advertising") are governed by Business & Professions Code §§ 17510 through 17510.95. Regulation of nonprofit corporations is found at Title 11, California Code of Regulations, §§ 999.1 through 999.5. (Amended regulations are pending.) Links to all of these rules are at: <http://caag.state.ca.us/charities/statutes.htm>.

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

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

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