

DRAFT

MEMORANDUM OF UNDERSTANDING BY AND BETWEEN THE COUNTY OF LOS ANGELES

AND

THE LOS ANGELES COUNTY AFFORDABLE HOUSING SOLUTIONS AGENCY FOR PROVISION OF FISCAL AGENT, ACCOUNTING, AND TREASURER SERVICES

This Memorandum of Understanding (“MOU”) is entered into by and between the County of Los Angeles (“COUNTY”), a political subdivision of the State of California, and the Los Angeles County Affordable Housing Solutions Agency (“LACAHSAs”), a California local agency formed pursuant to Government Code section 64700 et seq. LACAHSAs and the COUNTY are each a “Party” and collectively the “Parties” to this MOU.

RECITALS

WHEREAS, LACAHSAs’s purpose is to increase the supply of affordable housing in the County by providing for significantly enhanced funding and technical assistance at a regional level for renter protections, affordable housing preservation, and new affordable housing production;

WHEREAS, the COUNTY desires to support the efforts of LACAHSAs as a public benefit service to residents and businesses of the County;

WHEREAS, under Government Code sections 64720(h), (i) and (k), LACAHSAs may engage counsel and other professional services; may enter into and perform all necessary contracts; and, may hire staff, define their qualifications and duties, and provide a schedule of compensation for the performance of their duties;

WHEREAS, the COUNTY Board of Supervisors has approved and delegated authority to the COUNTY Auditor-Controller, the COUNTY Treasurer and COUNTY Tax Collector to provide services under this MOU pursuant to Section 56 3/4 of the County Charter and Government Code section 54981;

WHEREAS, this MOU has been considered and approved by the LACAHSAs Board of Directors;

WHEREAS, LACAHSAs requests that the COUNTY, through certain COUNTY departments, provide LACAHSAs certain services as specified in this MOU;

WHEREAS, the COUNTY is willing and able to provide said services to LACAHSAs and LACAHSAs agrees to pay the COUNTY for said services;

WHEREAS, the services which the COUNTY will provide to LACAHSAs will be at a rate that shall not exceed the costs of providing same or similar services to other public agencies; and,

WHEREAS, the COUNTY and LACAHSAs desire to set forth certain policies, procedures, and provisions of such COUNTY services.

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions set forth herein above and below, the Parties hereto agree to the foregoing and as follows:

I. PURPOSE

This MOU, including Attachments A and B, outlines the understanding between the COUNTY and LACAHSAs related to the provision of certain services by the COUNTY to LACAHSAs.

II. TERM

The **“Term”** of this MOU is as follows: This MOU is effective and will commence on the last date signed by all Parties below (the **“Effective Date”**), and shall remain in full force and effect until terminated by its terms as provided below.

III. SERVICES PROVIDED BY THE COUNTY

The COUNTY shall perform the services ("Services") listed below for LACAHSAs in a manner consistent with provision of comparable services for COUNTY departments, unless otherwise provided by this MOU or an amendment to this MOU pursuant to Section VII:

- A. Auditor-Controller Attachment A
- B. Treasurer and Tax Collector.....Attachment B

IV. RECORDS

All records generated by or as a result of this MOU shall become and remain the property of both the COUNTY and LACAHSAs.

V. COMPENSATION FOR SERVICES

The Services provided during the Term of this MOU shall not exceed \$ [redacted] per fiscal year, unless increased by an amendment to this MOU pursuant to Section VII. Where applicable, the COUNTY will provide LACAHSAs the estimated annual fiscal year cost of providing the Services described in Attachments A and B. The COUNTY will provide

this information to LACAHSAs on or before March 31 of each year for the next fiscal year. The rates charged to LACAHSAs for such Services provided shall be the same rates as those charged to other public agencies for the same or similar Services.

LACAHSAs agrees to compensate the COUNTY at such rates in consideration for the Services provided by the COUNTY.

In the event the COUNTY makes adjustments to its rates, such rate adjustments will be effective on July 1 for the subsequent fiscal year and the adjusted rates shall be the same as those charged to other public agencies for the same or similar Services. If LACAHSAs does not approve of a rate adjustment, it may terminate the MOU by providing notice to the COUNTY within thirty (30) days of a rate adjustment taking effect that it wishes to terminate this MOU due to the rate adjustment. The COUNTY will have sixty (60) days from receipt of the LACAHSAs's termination notice to wind down Services for LACAHSAs and bill LACAHSAs for completed Services. The termination provision in this Section applies only to rate increases subsequent to the start of the LACAHSAs fiscal year.

VI. PAYMENT

The COUNTY will bill LACAHSAs for Services provided by the COUNTY by issuing an invoice to LACAHSAs. Once the invoice is approved by an authorized representative of LACAHSAs within 10 business days after the 15th day following the month of Services rendered to record payment, the COUNTY will collect payment via **Journal Voucher**. The COUNTY's failure to follow the deadlines specified above shall not constitute a waiver of the COUNTY's right to issue an invoice and receive payment from LACAHSAs for Services rendered under this MOU. All **journal vouchers** for Services provided as part of this MOU shall be posted to a LACAHSAs Fund Number to be established by the COUNTY.

The Parties agree to act in good faith and to use their best efforts to resolve all questions regarding invoices within thirty (30) days following either Party's notification to the other Party that there is a dispute regarding an invoice and identifying the invoice and the basis of the dispute.

Disputes shall be resolved using the dispute resolution process set forth in this MOU. Enhanced routine backup documentation beyond that customarily submitted to other public agencies in connection with provision of the same or similar Services as provided to LACAHSAs will be provided by mutual consent of the COUNTY and LACAHSAs, at a reasonable cost to LACAHSAs. However, nothing in the above shall limit LACAHSAs's right to request and receive from the COUNTY, additional supporting information from a

Service department for billings which contain unexplained or unclear anomalies that are inconsistent with the annual usage and expected cost plan for that given Service. Any such additional information reasonably requested shall be provided at no additional cost to LACAHSA.

LACAHSA will receive an invoice for any Service not included in this MOU at the same rate that other public agencies are charged for the same Service.

VII. CHANGES, EXTRA WORK, AMENDMENTS

Except as otherwise provided in this MOU, changes to this MOU must only be made with the mutual written consent of both Parties. Such changes shall be incorporated into the MOU by an amendment to be signed by both Parties before becoming effective. Such an amendment may be executed by the COUNTY's Authorized Representative(s) and LACAHSA's designee(s) if the changes are merely ministerial, but will be subject to approval by the COUNTY Board of Supervisors and LACAHSA Board of Directors if material changes are involved.

VIII. AUDITS

In the event an audit is required to be performed of LACAHSA's accounts including, but not limited to, Government Code section 26909 or any other law, regulation or agreement, the COUNTY shall procure the services of a qualified auditing firm under the COUNTY Auditor-Controller's master agreement of auditing firms to perform the audit. It shall be the responsibility of LACAHSA to comply with any such audit and pay any costs of audit. The COUNTY shall assist and comply with the audit as needed and directed by LACAHSA's Authorized Representatives.

IX. TERMINATION

Except as provided herein or as may otherwise be provided by law, either Party may terminate this MOU or the provision of all or any of the Services under it by giving written notice to the other Party in the manner specified in this Section. Written notice shall be given at least ninety (90) days in advance of the termination date of Services. After receipt of a Notice of Termination, and except as otherwise agreed:

- A. The COUNTY shall no longer be obligated to perform the Services required of it under this MOU on the termination date specified in the Notice of Termination unless said Notice is rescinded by the Party issuing the Notice.
- B. Upon termination, LACAHSA agrees to pay the COUNTY in accordance with this MOU for all Services performed up to the termination date, as well as

Services rendered during any transition to a new Service provider where such transition Services have been requested by LACAHSAs.

- C. It is understood and agreed that change in membership of LACAHSAs's Board of Directors or a change in membership of the COUNTY's Board of Supervisors during the Term of this MOU shall not affect the enforceability or cause the termination of this MOU. The above termination provision does not apply to those Services in which the COUNTY is otherwise required to provide under applicable law.

X. DELEGATION, ASSIGNMENT AND SUBCONTRACTING

Except for the procurement of auditing services as provided in Section VIII, Audits, neither Party may delegate performance of its obligations hereunder, either in whole or in part, without the prior written consent of the other Party; however, obligations undertaken by the COUNTY pursuant to this MOU may be carried out by means of subcontracts that meet the requirements of this MOU as they relate to the Service or activity under subcontract subject to the written consent of LACAHSAs which shall not be unreasonably withheld or delayed.

No subcontract shall terminate or alter the responsibilities of either Party pursuant to this MOU. Neither Party may assign its/their rights hereunder, either in whole or in part, without prior written consent of the other Party.

XI. INDEMNIFICATION

In contemplation of the provisions of Government Code section 895.2 imposing certain tort liability jointly upon public entities solely by reason of such entities being parties to an MOU as defined by section 895 of the Government Code, the Parties hereto, as between themselves, pursuant to the authorization contained in sections 895.4 and 895.6 of the Government Code, will each assume the full liability that would be imposed upon it, or any of its officers, agents or employees by law for injury caused by negligent or wrongful act or omission occurring in the performance of this MOU to the same extent that such a liability would be imposed in the absence of section 895.2 of the Government Code. To achieve the above-stated purpose, each Party indemnifies and holds harmless the other Party for any loss, cost, or expense that may be imposed upon such other Party solely by virtue of section 895.2. The COUNTY and LACAHSAs agree to indemnify, defend and hold harmless each other against any and all liability, expense and claims arising from their respective acts or omissions. The provisions of section 2778 of the Civil Code are made hereof as if fully set forth.

XII. INDEPENDENT CONTRACTOR

The COUNTY shall perform this MOU as an independent contractor, exercising due care and shall provide the Services with such skill as is customarily employed by providers of such Services. The COUNTY and the officers, agents and employees of the COUNTY are not, and shall not be deemed LACAHSAs employees for any purpose, including workers' compensation and shall not be entitled to any of the benefits accorded to LACAHSAs employees, if any. The COUNTY shall determine, at its own risk and expense, the method and manner by which the duties imposed on COUNTY in general by this MOU shall be performed. LACAHSAs shall not deduct or withhold any amounts whatsoever from the reimbursement paid to the COUNTY, including, but not limited to amounts required to be withheld for state and federal taxes or employee benefits. The COUNTY alone shall be responsible for all such payments.

XIII. NOTICES AND AUTHORIZED REPRESENTATIVES

The following named individuals and their successors are each designated as the "Authorized Representatives" of his/her respective Party identified below. Where required to be given under this MOU, notice shall be in writing and deemed given (and received) when sent by email (with receipt confirmed by email), or alternatively when delivered personally or alternatively when deposited in the United States mail, postage prepaid, certified, addressed as follows:

COUNTY Authorized Representatives:

As to Auditor-Controller: INSERT

As to Treasurer and Tax Collector: INSERT

LACAHSAs Authorized Representatives:

Chair

Los Angeles County Affordable Housing Solutions Agency

c/o Commission Services Department

Kenneth Hahn Hall of Administration

500 West Temple Street, Room B50-b

Los Angeles, CA 90012

Office: (213) 974-1431

Email Address: commserv@bos.lacounty.gov

and

Chief Executive Officer

Los Angeles County Affordable Housing Solutions Agency

c/o Commission Services Department
Kenneth Hahn Hall of Administration
500 West Temple Street, Room B50-b
Los Angeles, CA 90012
Email Address: commserv@bos.lacounty.gov

XIV. ENTIRE AGREEMENT

This MOU contains the entire and complete understanding of the Parties with respect to the provision of Services as specified and defined in Attachments A and B of this MOU.

XV. COMPLIANCE WITH LAW

Notwithstanding anything to the contrary contained in this MOU, the Parties agree that no provision of this MOU shall require any Party to violate any applicable statute, rule of law or regulation.

XVI. DISPUTE RESOLUTION

Whenever the COUNTY and LACAHSAs disagree as to any matter governed by this MOU, the dispute resolution process set forth in this Section shall govern. Until the dispute is resolved or unless this MOU is terminated by its terms, the COUNTY shall continue to provide the Services and LACAHSAs shall continue to make payment for the non-disputed portion of each invoice.

If after thirty (30) days, LACAHSAs and the COUNTY cannot resolve any dispute, either Party may give the other Party a written request for a meeting between LACAHSAs's Authorized Representatives and the COUNTY's Authorized Representatives for the purpose of resolving a disagreement between the Parties. If such meeting is requested, the meeting shall be held within ten (10) business days of the receipt of such request. If after the meeting between the LACAHSAs and the COUNTY Authorized Representatives the dispute between the Parties is not resolved, the dispute may be submitted to the LACAHSAs Board of Directors and separately to the COUNTY Board of Supervisors, subject to compliance with applicable Ralph M. Brown Act requirements.

XVII. CONFIDENTIAL INFORMATION

Each Party may share the other Party's confidential information on a "need to know" basis to its own employees that are working on a project, or its own employees who are involved in the Services under this MOU. Information is confidential if it is appropriately disclosed as such when it is provided to the other Party. Such internal use of confidential information shall not be a disclosure for purposes of the California Public Records Act or other similar laws. Additionally, each Party may disclose the confidential

information as permitted by law, to the extent necessary to (i) comply with any applicable law, rule, regulation, or ruling; (ii) respond to any enforceable summons, subpoena, or request for public records; or (iii) enforce its rights under this MOU, provided that Party shall give reasonable advance written notification (at least five (5) business days) to the other Party that such disclosure is being made.

XVIII. NEGOTIATED INSTRUMENT

This MOU was negotiated at arms-length between LACAHSAs and the COUNTY, and neither Party "prepared" this MOU for purposes of Civil Code section 1654. Any ambiguity will not be construed against the drafter, but rather the terms and provisions will be given a reasonable interpretation.

XIX. APPROPRIATION/CONTINGENCY OF FUNDS

All obligations of the COUNTY under this MOU are subject to and contingent upon applicable budgetary appropriations being approved by the COUNTY Board of Supervisors for each fiscal year during the Term of this MOU. All obligations of LACAHSAs under this MOU are subject to and contingent upon applicable budgetary appropriations being approved by the LACAHSAs Board of Directors for each fiscal year during the Term of this MOU.

XX. RESERVATION OF RIGHTS

Each Party reserves all rights and remedies arising under other contracts, if any, and/or under the law, including, without limitation, obligations imposed by statute, and/or obligations arising by reason of the application of principles of equitable and/or promissory estoppel. Nothing in this MOU releases or relieves either Party from any obligation otherwise imposed by contract and/or law.

XXI. SEVERABILITY

If any provision of this MOU, or the application thereof, is held to be invalid or unenforceable, then that invalidity or unenforceability shall not affect other provisions or applications of the MOU that can be given effect without the invalid or unenforceable provision or application, and to this end the provisions of this MOU are severable.

XXII. AUTHORIZED SIGNATURES

Both Parties to this MOU represent that the signatories executing this document are fully authorized to enter into this MOU and bind the respective Parties.

XXIII. COUNTERPARTS

This MOU may be executed in one or more counterparts, each of which when taken together shall constitute one in the same MOU. This MOU may be signed in original, facsimile, or other electronic signatures.

IN WITNESS WHEREOF, LACAHSAs has executed this MOU, or caused it to be duly executed by its Board Chair, on its behalf on the date and year written below, and the County of Los Angeles by order of its Board of Supervisors, has delegated to its Treasurer and Tax Collector or their designee and Auditor-Controller or their designee, the authority to execute this MOU on the COUNTY's behalf on the date and year written below.

INSERT SIGNATURE NAMES/TITLES/DATES

DRAFT

ATTACHMENT A

AUDITOR-CONTROLLER

I. SCOPE OF SERVICES

The fiscal agent and accounting services described below to be provided to LACAHSAs by the COUNTY's Auditor-Controller are intended to be the same type of services as provided to other public agencies and agencies as of July 1, 2024.

A. General Accounting Services

The COUNTY Auditor-Controller will provide accounting services, including but not limited to establishment of funds in the COUNTY's financial system, establishing chart of account elements, maintenance of accounting records for LACAHSAs's expenditures, revenues, and balance sheet accounts through the COUNTY Auditor-Controller accounting system, approve and/or input of transactions affecting LACAHSAs's financial records to the accounting system, reconciliation of all funds established for LACAHSAs purposes, and provision of standard reports and on-line reports as normally provided to other COUNTY departments and agencies through the eCAPS System. The COUNTY Auditor-Controller will timely issue 1099 Forms and report 1099 information to the IRS and Franchise Tax Board for reportable payments. Any additional reports or system modifications required by LACAHSAs will be charged at incremental cost, including system and labor costs in accordance with Sections V and VI.

B. Claims and Disbursing Services

The COUNTY Auditor-Controller shall serve as the Auditor-Controller for LACAHSAs with respect to reviewing and payment of approved invoices. Normal vendor invoices and other payments will be paid for LACAHSAs by the COUNTY Auditor-Controller in accordance with its normal procedures for reviewing and processing invoices, and all payments will be in accordance with an annual budget approved by LACAHSAs's Board of Directors. The COUNTY Auditor-Controller will provide quarterly reports of activities showing all deposits and payments.

C. Check Writing Services

The COUNTY Auditor-Controller will process payments and release/mail checks for payment of accounts payable and other payments for LACAHSAs, including follow-up and processing of checks returned due to bad addresses or other reasons.

D. Financial Reporting

If and when required, the COUNTY Auditor-Controller will prepare and file LACAHSAs's Annual Financial Statements and Single Audit Reports, in accordance with the requirements of the Governmental Accounting Standards Board, and will hire an independent audit firm to review and provide an opinion on the Financial Statements and Single Audit. They will also prepare the annual Financial Transactions Reports ("State Report") on a timely basis, in accordance with the requirements of the State Controller's Office. The COUNTY Auditor-Controller will also assist with responding to any inquiries or requests for information related to any of these reports. Reimbursable costs include the cost of Auditor-Controller staff time and of the contracted independent audit firm.

LACAHSAs agrees that it will respond fully and timely to all requests from the COUNTY Auditor-Controller or audit firm in connection with any of these reports, and further agrees that Auditor-Controller's obligations for preparing and filing the reports are expressly conditioned upon LACAHSAs's fulsome compliance with the COUNTY Auditor-Controller's and independent audit firm's requests related to the reports.

II. COST OF SERVICES

The estimated annual cost of Services to be provided by the COUNTY Auditor-Controller shall not exceed \$ [REDACTED] per fiscal year, and is detailed as follows:

INSERT

III. PAYMENT PROCESS

The COUNTY Auditor-Controller will invoice LACAHSAs quarterly for all services provided using the same rates that other public agencies would be charged for similar services. Once approved by LACAHSAs staff, the invoice will be paid via a journal voucher prepared by the COUNTY Auditor-Controller. The total amount billed annually shall not exceed the amount specified in Section II, unless LACAHSAs has been notified in advance that the cost of services will exceed the amount projected.

IV. ADDITIONAL ACCOUNTING ASSISTANCE

- A. If LACAHSAs requests additional professional accounting assistance from the COUNTY Auditor-Controller over and above the standard accounting systems and procedures support provided to the COUNTY departments and public agencies, LACAHSAs shall pay for the total additional time at an hourly rate calculated based on actual staff hours.
- B. If LACAHSAs requests additional accounting or budgetary reports from the COUNTY Auditor-Controller in addition to the standard reports provided to other public agencies, the costs of such additional reports will be charged to LACAHSAs at the actual cost of designing, programming, preparing, producing, and distributing such additional reports, including all related systems costs. Prior to providing any additional accounting or budgetary reports, LACAHSAs and Auditor-Controller shall confer to determine if such reporting is feasible.

ATTACHMENT B
TREASURER-TAX COLLECTOR

I. SCOPE OF SERVICES

The Services described below will be provided to LACAHSAs in accordance with this MOU.

Banking Services:

The COUNTY Treasurer-Tax Collector ("TTC") shall establish and manage the banking services in accordance with contractual agreements and the County' Fiscal Manul and ensure that bank provide services as described in the Bank's Terms and Conditions.

Treasury Management Services:



The TTC shall invest all monies on deposit with the County Treasury in accordance with the TTC Investment Policy.

Fund accounting and bank reconciliation Services:

The Services to LACAHSAs will continue to automatically renew on its anniversary date until the Parties agree to any modification or changes to this MOU or until the termination date as provided in accordance with this MOU.

II. COST OF SERVICES

The Treasury Management Services cost consists of the administrative expense for maintaining the Treasury, as authorized by Government Code section 27013. This cost shall be deducted from LACAHSAs's proportionate share of the County Treasury's monthly earnings received and the net amount will be deposited in LACAHSAs's trust fund/account monthly.

The TTC will charge LACAHSAs for bank fees at the contractor's actual costs listed in the current Bank of America's Pricing Schedule, as all fees are pass-through.

Cost of Services shall not to exceed \$_____ per fiscal year.