LOCATION:
El Monte City Hall – East
City Council Chambers
11333 Valley Boulevard
El Monte, CA 91731

DATE AND TIME:
Tuesday,
June 23, 2020
6:00 p.m.

ADJOURNED REGULAR MEETING AGENDA
OF THE
CITY COUNCIL OF THE CITY OF EL MONTE

MEETING JOINTLY AND REGULARLY WITH THE EL MONTE HOUSING AUTHORITY; EL MONTE PUBLIC FINANCING AUTHORITY; EL MONTE WATER AUTHORITY; EL MONTE PARKING AUTHORITY; SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY; HOUSING SUCCESSOR AGENCY; AND, FROM TIME TO TIME, SUCH OTHER BODIES OF THE CITY WHOSE MEMBERSHIP IS COMPOSED EXCLUSIVELY OF THE MEMBERSHIP OF THE CITY COUNCIL

COUNCILMEMBERS/AUTHORITY MEMBERS:
Andre Quintero, Mayor
♦ Maria Morales, Mayor Pro Tem ♦ Jessica Ancona, Councilmember
♦ Victoria Martinez Muela, Councilmember ♦ Jerry Velasco, Councilmember

Members of the public wishing to observe the meeting may do so in one of the following ways:
(1) Turn your TV to Channel 3;
(2) City’s website at http://www.elmonteca.gov/378/Council-Meeting-Videos; or
(3) Call-in Conference (888) 204-5987; Code 8167975.

Members of the public wishing to make public comment may do so via the following ways:
(1) Call-in Conference Line – comments/questions can be submitted per the instructions at the beginning of the meeting; and
(2) Email – All interested parties can submit questions/comments in advance to the City Clerk’s general email address: cityclerk@elmonteca.gov.

Instruction regarding accommodation under the Americans with Disabilities Act can be found on the last page of this Agenda.
1. CALL TO ORDER:

2. ROLL CALL FOR CITY COUNCIL AND AUTHORITY BODIES:

Andre Quintero, Mayor/Chair
Maria Morales, Mayor Pro Tem/Authority Member
Jessica Ancona, Councilmember/Authority Member
Victoria Martinez Muela, Councilmember/Authority Member
Jerry Velasco, Councilmember/Authority Member

3. APPROVAL OF AGENDA:

4. CLOSED SESSION (6:00 p.m. – 7:00 p.m.):

The City Council and the various Authority Bodies whose membership is composed exclusively of the membership of the City Council (collectively, the “Council”) will attempt to address and complete all Closed Session business between 6:00 p.m. and 7:00 p.m. If the Council completes all Closed Session business prior to 7:00 p.m., the Council will take a short recess and commence all Open Session proceedings promptly at 7:00 p.m. In the event the City Council is unable to address or complete all agendized Closed Session items by 7:00 p.m., the Council will hear all such remaining items toward the end of the meeting, immediately following Council Communications. Should any member of the public wish to address the Council on any agendized Closed Session matter, the Council shall allow such person to address the Council on such matter prior to going into Closed Session, provided that all persons wishing to address the Council on an agendized Closed Session matter shall fill out a speaker card and be subject to a speaker’s time limit of 3 minutes per speaker and further provided that the Council shall be under no obligation to respond to or deliberate upon any specific questions or comments posed by a speaker or take action on any issue raised by a speaker beyond such action as the City Council may be lawfully authorized to take on an agendized Closed Session matter pursuant to the Brown Act (Govt. Code Section 54950 et seq.).

4.1 Closed Session Pursuant to Government Code Section 54956.9(d)(1) – Conference with Legal Counsel – Existing Litigation Regarding the Following Matter: El Rovia vs. City of El Monte, Court Appeal, Second Appellate District Case No. B288134, El Rovia vs. City of El Monte, District Court Central District Case No. 2:19-CV-7506 CAS AFMx, and El Rovia vs. City of El Monte, Los Angeles Superior Court Case No. 19STCP05151.
4.2 Closed Session Pursuant to Government Code Section 54956.8 – Conference with Real Property Negotiator

Property Location:
Lands located to the north of the Interstate 10 Freeway lying East of Peck Road and abutting Federal Drive in the City of El Monte.

Name of Party City is Negotiating with:
Outfront Media.

City’s Designated Negotiators:
Alma K. Martinez, City Manager; Betty Donavanik, Community and Economic Development Director; and Dave Gondek, Senior Deputy City Attorney.

Under Discussion:
Discussion of modifications of sublease payment terms.

4.3 Closed Session Pursuant to Government Code Section 54956.8 – Conference with Real Property Negotiator

Property Location:
3637 and 3649 Tyler Avenue.

Name of Party City is Negotiating with:
George Lopez, Cesar Chavez Foundation.

City’s Designated Negotiators:
Alma K. Martinez, City Manager; Betty Donavanik, Community and Economic Development Director; and Dave Gondek, Senior Deputy City Attorney.

Under Discussion:
Discussion of both terms cost.

OPEN SESSION PROCEEDINGS

(Commencing at 6:00 p.m. or as soon thereafter as the City Council reconvene from Closed Session/Short Recess)

5. INVOCATION:

6. FLAG SALUTE: Chief of Police, David Reynoso.
7. PUBLIC COMMENT REGARDING NON-AGENDIZED MATTERS:

This time has been set aside for persons in the audience to make comments or inquiries on matters within the general subject matter jurisdiction of the City Council, the Housing Authority, the Financing Authority and/or the Water Authority (collectively, the “Council”) that are not listed on this agenda. Although no person is required to provide their name and address as a condition to attending a Council meeting, persons who wish to address the Council are asked to state their name and address. Each speaker will be limited to three (3) continuous minutes. Speakers may not lend any portion of their speaking time to other persons or borrow additional time from other persons.

Except as otherwise provided under the Brown Act (Gov. Code Section 54950 et seq.), the Council may not deliberate or take action upon any matter not listed on this posted agenda but may order that any such matter be placed on the agenda for a subsequent meeting. The Council may also direct staff to investigate certain matters for consideration at a future meeting.

All comments or queries presented by a speaker shall be addressed to the Council as a body and not to any specific member thereof. No questions shall be posed to any member of the Council except through the presiding official of the meeting, the Mayor and/or Chair. Members of the Council are under no obligation to respond to questions posed by speakers but may provide brief clarifying responses to any comment made or questions posed. The Council may not engage in any sort of prolonged discussion or deliberation with any speaker or group of speakers on matters that are not listed on this agenda.

Enforcement of Decorum: The Chief of Police, or such member, or members of the Police Department as the Chief of Police may designate, shall serve as the Sergeant-at-Arms of any Council meeting. The Sergeant-at-Arms shall carry out all orders and instructions given by the presiding official for the purpose of maintaining order and decorum at the meeting. While members of the public are free to level criticism of City policies and the action(s) or proposed action(s) of the Council or its members, members of the public may not engage in behavior that is disruptive to the orderly conduct of the proceedings, including, but not limited to, conduct that prevents other members of the public from being heard when it is their opportunity to speak or which prevents members of the audience from hearing or seeing the proceedings. Members of the public may not threaten any person with physical harm or act in a manner that may reasonably be interpreted as an imminent threat of physical harm. All persons attending the meeting must adhere to the City’s policy barring harassment based upon a person’s race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, gender, sexual orientation or age.

8. CONSENT CALENDAR:

All matters listed under the Consent Calendar are considered to be routine in nature and may be enacted by one motion approving the recommendation listed on the Agenda. One or more items may be removed from the Consent Calendar so that they may be discussed, considered and voted upon individually by the Council. A matter may be removed from the Consent Calendar and taken up separately by way of a seconded motion of any member of the Council with the approval of a majority of the Council quorum.
8.1 **Waiver of Full Reading of Ordinance(s).**

RECOMMENDATION OF BUSINESS ITEM UNDER CONSIDERATION:

It is recommended that the City Council:

1. Approval to waive full reading (except title) of all ordinances appearing on the City Council agenda as authorized under Government Code Section 36934, unless otherwise directed by the City Council.

Total Cost: N/A    Account No:   N/A

Is the cost of this item budgeted? N/A

8.2 **Second Reading of an Ordinance of the City Council of the City of El Monte, California Amending Chapter 8.10 (Retail Sales of Tobacco Products) of Title 8 (Health and Safety) of the El Monte Municipal Code to Prohibit the Sale of Flavored Tobacco Products, Effective as of January 1, 2021.**

RECOMMENDATION OF BUSINESS ITEM UNDER CONSIDERATION:

It is recommended that the City Council:

1. Ratify the proposed Ordinance for second reading by no less than three votes.

Total Cost: N/A    Account No:   N/A

Is the cost of this item budgeted? N/A

Ordinance No. 2980

8.3 **Consideration and Authorization to Accept Funding from the Los Angeles County Area Agency on Aging Community and Senior Services for the Elderly Nutrition Program for Contract Years 2020-2024.**

RECOMMENDATION OF BUSINESS ITEM UNDER CONSIDERATION:

It is recommended that the City Council:

1. Authorize the City of El Monte Parks, Recreation and Community Services Department to accept funding from the Los Angeles County Area Agency on Aging Community and Senior Services for the Elderly Nutrition Program for Contract Years 2020-2024 in the amount of $115,000; and

2. Authorize the City Manager to designate the Parks, Recreation and Community Services Director and/or Deputy Director for Community Services to sign all necessary documents to execute grant documentation.

Total Cost: N/A    Account No:   N/A

Is the cost of this item budgeted? N/A
8.4 Consider and Authorize a Contract Extension with Trio Community Meals to Provide Meals for the Elderly Nutrition Program for Fiscal Year 2020-2021.

RECOMMENDATION OF BUSINESS ITEM UNDER CONSIDERATION:

It is recommended that the City Council:

1. Consider and approve a one (1) year contract extension with Trio Community Meals, to continue to provide meals for the Elderly Nutrition Program. The value of the contract is approximately $103,000 and is dependent on the number of actual meals served; and
2. Authorize the City Manager, or her designee to execute the Food Service Agreement extension.

Total Cost: $103,000    Account No:  256-55-551-6111
Is the cost of this item budgeted? Yes

9. PUBLIC HEARINGS:

9.1 A Public Hearing for Consideration and Approval of 53 Dwelling Unit Affordable Rental Housing Development Project to be Constructed and Developed by the Cesar Chavez Foundation or its Affiliate(s) at the Corner of Valley Boulevard and Tyler Avenue Pursuant to a Disposition, Development and Affordable Rental Housing Loan Agreement Between the City and the Developer.

RECOMMENDATION OF BUSINESS ITEM UNDER CONSIDERATION:

It is recommended that the City Council:

1. Open the public hearing on the approval of the sale of City land and certain City financial assistance for 53 dwelling unit affordable rental housing development to be developed by the Cesar Chavez Foundation (“CCF”) and the affiliates of CCF;
2. Receive brief presentation by City staff and pose questions to City staff;
3. Receive public comment, if any;
4. Move to close the public hearing; and
5. Adopt the proposed Resolution approving the Disposition, Development and Affordable Rental Housing Loan Agreement and associated documents.

Total Cost: N/A    Account No:   N/A
Is the cost of this item budgeted? N/A

Resolution No. 10149
10. REGULAR AGENDA:

10.1 Consideration and Adoption of a Resolution to Approve a Memorandum of Agreement Between the City of El Monte and the San Gabriel Valley Council of Governments (SGVCOG) Authorizing the Submittal of an Application for a Rapid Re-Housing Program for Homeless Programs Implementation Funding from the SGVCOG.

RECOMMENDATION OF BUSINESS ITEM UNDER CONSIDERATION:

1. Adopt the proposed Resolution approving a Memorandum of Agreement between the City of El Monte and the San Gabriel Valley Council of Governments (SGVCOG) authorizing the submittal of an application for Homeless Programs Implementation funding from the SGVCOG;
2. Approve a Rapid Re-housing Program;
3. Authorize the allocation of $265,000 from the General Fund to implement the Programs;
4. Authorize the SGVCOG to reimburse $265,000 to the General Fund for the Programs; and
5. Authorize the City Manager, or her designee, to execute the Memorandum of Agreement.

Total Cost: $265,000 (Reimbursable) Account No: 299-65-667-6352
Is the cost of this item budgeted? No

Resolution No. 10150

10.2 Consideration and Approval of a City Council Resolution: (1) Calling for and Giving Notice of a General Municipal Election to be held on Tuesday, November 3, 2020; (2) Requesting Consolidation of such Election with the County of Los Angeles Elections Held on Such Date; (3) Requesting the County of Los Angeles to Provide Specific Election Administration Services; (4) Adopting Regulations for Candidates for Elective Office Regarding Candidate Statements; and (5) Providing for the Conduct of a Special Election in the Event of a Tie Vote for Candidates for Office.

RECOMMENDATION OF BUSINESS ITEM UNDER CONSIDERATION:

It is recommended that the City Council:

1. Approve the attached Resolution.

Total Cost: N/A Account No: N/A
Is the cost of this item budgeted? N/A

Resolution No. 10151
10.3 Consideration and Approval of a Housing Authority Resolution and a Corresponding City Council Resolution Acknowledging Approval of an Amended and Restated Housing Authority Loan Subordination Agreement in Favor of the New Permanent Lender for the Mercy Housing Baldwin Rose Project.

This staff report has been prepared for the joint consideration and action of the City Council and the El Monte Housing Authority.

IT IS RECOMMENDED THAT THE EL MONTE HOUSING AUTHORITY:

1. Consider and adopt an El Monte Housing Authority resolution approving the execution of the “Amended and Restated Subordination Agreement” for the Baldwin Rose Project in favor of the California County Reinvestment Cooperation.

IT IS ALSO RECOMMENDED THAT THE CITY OF EL MONTE CITY COUNCIL:

1. Consider and adopt a City Council resolution which ratifies the action by the El Monte Housing Authority with respect to the execution and delivery of the Amended and Restated Subordination Agreement.

Total Cost: N/A    Account No:   N/A
Is the cost of this item budgeted? N/A

Housing Authority Resolution No. 22
City Council Resolution No. 10152

10.4 Consideration and Adoption of a Resolution Approving Year-End Budget Adjustments for the General Fund and Other Funds for Fiscal Year 2019/20.

RECOMMENDATION OF BUSINESS ITEM UNDER CONSIDERATION:

1. Consider and adopt a Resolution amending the City of El Monte’s Operating and Capital Budget for Fiscal Year 2019/20 by increasing appropriations in the General Fund by $5.3 million; Special Revenue Funds by $656,868; Enterprise Fund by $46,200 and the Internal Service Fund by $636,800.

Total Cost: N/A    Account No:   N/A
Is the cost of this item budgeted? N/A

Resolution No. 10153

11. CITY ATTORNEY’S AGENDA:

12. CITY MANAGER’S AGENDA:

12.1 COVID-19 UPDATE

12.2 Update Regarding the Sale of Pension Obligation Bonds: PERS and PARS.
14. COUNCIL COMMUNICATIONS/REPORTS:

14A. Mayor Quintero

14A.1 Discussion and Action Regarding Deferral of Council Car Allowance.

14A.2 Discussion Regarding Campaign Financing.

14A.3 Request to Submit Question to the Fair Political Practices Commission (FPPC) and the State Attorney General Regarding the Campaign Finance Practices of the City Council.

14A.4 Discussion and Direction Regarding Charter City Initiative.

14A.5 Discussion Regarding Renaming the Historical Museum.

14A.6 Discussion and Action to Support SB1399.

14B. Mayor Pro Tem Morales

14B.1 Discussion and Action Regarding the El Monte Union High School District Graduation Flag Program.

14C. Councilwoman Ancona

14C.1 Discussion Regarding Covid-19 Testing for El Monte Residents.

14C.2 Discussion Regarding Altamed Services to the Community of El Monte.

14D. Councilwoman Martinez Muela

14E. Councilman Velasco

14E.1 Update Regarding all the Resources Available to the Community During the COVID-19 Pandemic.

14E.2 Update Regarding Census 2020.

14E.3 Update Regarding Al Fresco Outside Dinning.
19. **ADJOURNMENT:**

The next Regular Meeting of the City Council will be held on **July 7, 2020** at 6:00 p.m. This Agenda will be posted on the City’s website, [www.ci.el-monte.ca.us](http://www.ci.el-monte.ca.us), and physically posted no less than 72 hours prior to the start of the subject regular meeting. Although it is the City’s practice and desire to electronically post a copy of this Agenda along with supporting material as part of its website posting, the size or formatting of certain supporting materials may render their website posting infeasible. Nevertheless, all supporting materials related to any item on this Agenda, that is made available to the members of the council may be inspected by members of the public at the City Clerk’s Office located at 11333 Valley Boulevard, El Monte, Monday through Thursday, 7:00 am – 5:30 pm. For more information, please call the City Clerk’s Office at 626-580-2016.

All public meetings and events sponsored or conducted by the City of El Monte are held in sites accessible to persons with disabilities. Requests for accommodations may be made by calling the office of the City Clerk at (626) 580-2016 at least three (3) working days prior to the event, if possible. This Agenda and copies of documents distributed at the meeting are available in alternative formats upon request.

*Posted: June 20, 2020 at 11:00 a.m.*
ORDINANCE NO. 2980  
(CODE AMENDMENT NO. 772)  

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EL MONTE AMENDING CHAPTER 8.10 (RETAIL SALES OF TOBACCO PRODUCTS) OF TITLE 8 (HEALTH AND SAFETY) OF THE EL MONTE MUNICIPAL CODE TO PROHIBIT THE SALE OF FLAVORED TOBACCO PRODUCTS, EFFECTIVE AS OF JANUARY 1, 2021

WHEREAS, the potential failure of tobacco retailers to comply with tobacco control laws, particularly laws prohibiting the sale of tobacco products to minors, presents a threat to the public health, safety, and welfare of the residents of the City of El Monte (the “City”);

WHEREAS, the federal Family Smoking Prevention and Tobacco Control Act (Tobacco Control Act), enacted in 2009, prohibited candy- and fruit-flavored cigarettes, largely because these flavored products were marketed to youth and young adults, and younger smokers were more likely than older smokers to have tried these products;

WHEREAS, although the manufacture and distribution of flavored cigarettes (excluding menthol) are banned by federal law, neither federal law nor California law restricts the sale of menthol cigarettes or flavored non-cigarette tobacco products, such as cigars, cigarillos, smokeless tobacco, hookah tobacco, electronic smoking devices, and the solutions used in these devices;

WHEREAS, flavored tobacco products are very common in California tobacco retailers as evidenced by the following:

- 97.4% of stores that sell cigarettes sell menthol cigarettes;
- 94.5% of stores that sell little cigars sell them in flavored varieties;
- 84.2% of stores that sell electronic smoking devices sell flavored varieties; and
- 83.8% of stores that sell chew or snus sell flavored varieties;

WHEREAS, more than 1 in 4 stores located within 1,000 feet of California schools sell tobacco, and more than 3 out of 4 of these tobacco retailers sell flavored tobacco products (not including mentholated cigarettes);

WHEREAS, mentholated and flavored products have been shown to be “starter” products for youth who begin using tobacco and that these products help establish tobacco habits that can lead to long-term addiction;

WHEREAS, at least one study has found that the majority of smokeless tobacco
users reported that the first smokeless product they used was mint-flavored (such as ice, mint, spearmint, or wintergreen flavors), and almost two-thirds who transitioned to daily use of smokeless tobacco products first used a mint-flavored product;\textsuperscript{xli}

WHEREAS, young people are much more likely than adults to use menthol-, candy-, and fruit-flavored tobacco products, including cigarettes, cigars, cigarillos, and hookah tobacco;\textsuperscript{xlii}

WHEREAS, 70\% of middle school and high school students who currently use tobacco, report using flavored products that taste like menthol, alcohol, candy, fruit, chocolate, or other sweets;\textsuperscript{xlv}

WHEREAS, data from the National Youth Tobacco Survey indicate that more than two-fifths of US middle school and high school smokers report using flavored little cigars or flavored cigarettes;\textsuperscript{xv}

WHEREAS, much of the growing popularity of small cigars and smokeless tobacco is among young adults and appears to be linked to use of flavored products;\textsuperscript{xvi}

WHEREAS, the Centers for Disease Control and Prevention has reported a more than 800\% increase in electronic cigarette use among middle school and high school students between 2011 and 2015;\textsuperscript{xvii}

WHEREAS, nicotine solutions, which are consumed via electronic smoking devices such as electronic cigarettes, are sold in dozens of flavors that appeal to youth, such as cotton candy and bubble gum;\textsuperscript{xviii}

WHEREAS, the California Attorney General has stated that electronic cigarette companies have targeted minors with fruit-flavored products;\textsuperscript{xix}

WHEREAS, between 2004 and 2014 use of non-menthol cigarettes decreased among all populations, but overall use of menthol cigarettes increased among young adults (ages 18 to 25) and adults (ages 26+);\textsuperscript{xx}

WHEREAS, people ages 12 and older from communities of color are more likely to smoke mentholated cigarettes, as evidenced by the following percentages of people who smoke cigarettes reported smoking mentholated cigarettes in the last month:\textsuperscript{xxi}

\begin{itemize}
  \item 82.6\% of Black or African American individuals;
  \item 53.2\% of Native Hawaiians or Other Pacific Islanders;
  \item 36.9\% of individuals with multiracial backgrounds;
  \item 32.3\% of Hispanic or Latino individuals;
  \item 31.2\% of Asian individuals;
\end{itemize}
• 24.8% of American Indians or Alaska Natives; and
• 23.8% of White or Caucasian individuals;

WHEREAS, adding menthol and other flavorings to tobacco products, such as cigarettes, little cigars, cigarillos, and smokeless tobacco, can mask the natural harshness and taste of tobacco, making these products easier to use and increasing their appeal among youth;\textsuperscript{xix}

WHEREAS, the tobacco industry has been manipulating the dose of menthol in cigarettes to ensure the uptake and continued use of tobacco, especially by young people and vulnerable populations for many years;\textsuperscript{xx}

WHEREAS, smoking mentholated cigarettes reduces the likelihood of successfully quitting smoking;\textsuperscript{xxi}

WHEREAS, the tobacco industry has a well-documented history of developing and marketing mentholated brands to communities of color and youth;\textsuperscript{xxii}

WHEREAS, a review of advertising, promotions, and pack prices near California high schools found that “for each 10 percentage point increase in the proportion of Black students, the proportion of menthol advertising increased by 5.9% ... the odds of a Newport [a leading brand of mentholated cigarettes] promotion were 50% higher ... and the cost of Newport was 12 cents lower.” There was no such association found for non-mentholated cigarettes;\textsuperscript{xxiii}

WHEREAS, a study found that price reduction promotions for menthol cigarettes are disproportionately targeted to youth markets;\textsuperscript{xxiv}

WHEREAS, scientific reviews by the Tobacco Products Scientific Advisory Committee and the United States Federal Drug Administration found marketing of menthol cigarettes likely increases the prevalence of smoking among the entire population, and especially among youth, African Americans,\textsuperscript{xxv} and possibly Hispanic and Latino individuals;\textsuperscript{xxvi}

WHEREAS, scientific studies on the impact of a national ban on menthol in cigarettes found 36.5% of menthol cigarette users would try to quit smoking if menthol was banned\textsuperscript{xxvii} and between 300,000 and 600,000 lives would be saved by 2050;\textsuperscript{xxviii}

WHEREAS, an evaluation of New York City’s law, which prohibits the sale of all flavored tobacco, excluding menthol, found that as a result of the law, youth had 37% lower odds of ever trying flavored tobacco products and 28% lower odds of ever using any type of tobacco;\textsuperscript{xxix}

WHEREAS, the flavored tobacco ordinance of the City and County of San Francisco (“San Francisco”) was implemented in the fall of 2018. To date, no holder of a San
Francisco tobacco retailer license is known to have gone out of business because of the flavored tobacco ordinance; and

WHEREAS, the prohibitions set forth herein would still provide for the sale of tobacco-flavored tobacco products.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EL MONTE, CALIFORNIA DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The recitals above are true and correct and incorporated herein by reference.

SECTION 2. Section 8.10.010 (Definitions) of Chapter 8.10 (Retail Sales of Tobacco Products) of Title 8 (Health and Safety) of the El Monte Municipal Code is hereby amended by the following new definitions and such Section 8.10.010 shall be reorganized upon the inclusion of such additional definitions to ensure that all definitions therein are set forth in alphabetical order:

"Characterizing flavor" means a taste or aroma, other than the taste or aroma of tobacco, imparted either prior to or during consumption of a tobacco product or any byproduct produced by the tobacco product, including, but not limited to, tastes or aromas relating to menthol, mint, wintergreen, fruit, chocolate, vanilla, honey, candy, cocoa, dessert, alcoholic beverage, herb, or spice. Characterizing flavor includes flavor in any form, mixed with, or otherwise added to, any tobacco product or nicotine delivery device, including electronic smoking devices.

"Electronic smoking device" means any device that may be used to deliver any aerosolized or vaporized substance to the person inhaling from the device, including, but not limited to, an e-cigarette, e-cigar, e-pipe, vape pen, or e-hookah. Electronic smoking device includes any component, part, or accessory of the devise, and also includes any substance that may be aerosolized or vaporized by such device, whether or not the substance contains nicotine. Electronic smoking device does not include any product that has been approved by the United States Food and Drug Administration for sale as a tobacco cessation product or for other therapeutic purposes where such product is marketed and sold solely for such an approved purpose.

"Flavored tobacco product" means any tobacco product, as defined in this Chapter 8.10, which imparts a characterizing flavor. There shall be a rebuttable presumption that a tobacco product is a flavored tobacco product if a tobacco retailer, manufacturer, or any employee or agent of a tobacco retailer or manufacturer has: (i) made a public statement or claim that the tobacco product imparts a characterizing flavor; (ii) used text and/or images on the tobacco product’s labeling or packaging to explicitly or implicitly indicate that the tobacco product imparts a characterizing flavor; or (iii) taken action directed to consumers that would be reasonably expected to cause consumers to believe the tobacco product imparts a characterizing flavor.
"Tobacco paraphernalia" means any item designed or marketed for the consumption, use, or preparation of tobacco products.

SECTION 3. Section 8.10.010 (Definitions) of Chapter 8.10 (Retail Sales of Tobacco Products) of Title 8 (Health and Safety) of the El Monte Municipal Code is hereby amended by the amendment to the definition of "tobacco product," which shall read as follows, and such Section 8.10.010 shall be reorganized upon the inclusion of this amended definition to ensure that all definitions therein are set forth in alphabetical order:

"Tobacco product" means

1. any product containing, made, or derived from tobacco or nicotine that is intended for human consumption, whether smoked, heated, chewed, absorbed, dissolved, inhaled, snorted, sniffed, or ingested by any other means, including, but not limited to, cigarettes, cigars, little cigars, chewing tobacco, pipe tobacco, and snuff;

2. any electronic smoking device that delivers nicotine or other substances to the person inhaling from the device, including, but not limited to an electronic cigarette, electronic cigar, electronic pipe, or electronic hookah; or

3. any component, part, or accessory intended or reasonably expected to be used with a tobacco product, whether or not sold separately or any of these contains tobacco or nicotine. "Tobacco product" does not include any product that has been approved by the United States Food and Drug Administration for sale as a tobacco cessation product or for other therapeutic purposes where such product is marketed and sold solely for such an approved purpose.

SECTION 4. Section 8.10.010 (Definitions) of Chapter 8.10 (Retail Sales of Tobacco Products) of Title 8 (Health and Safety) of the El Monte Municipal Code is hereby amended by the amendment to the definition of "tobacco retailer," which shall read as follows, and such Section 8.10.010 shall be reorganized upon the inclusion of this amended definition to ensure that all definitions therein are set forth in alphabetical order:

"Tobacco retailer" means any person who sells, offers for sale, or does or offers to exchange for any form of consideration, tobacco, tobacco products, or tobacco paraphernalia. "Tobacco retailing" shall mean the doing of any of these things. This definition is without regard to the quantity of tobacco products or tobacco paraphernalia sold, offered for sale, exchanged, or offered for exchange.

SECTION 5. Section 8.10.020 (Requirements and Prohibitions) of Chapter 8.10 (Retail Sales of Tobacco Products) of Title 8 (Health and Safety) of the El Monte Municipal Code is hereby amended by the addition of a new Subsection, which shall read as follows and be set forth in alphabetical order within Section 8.10.020:
J. No tobacco retailer shall sell or offer for sale, or possess with the intent to sell or offer for sale, any flavored tobacco product or any component, part, or accessory intended to impart or imparting a characterizing flavor in any form, to any tobacco product or nicotine delivery device, including electronic smoking devices. There shall be a rebuttable presumption that a tobacco retailer in possession of four or more flavored tobacco products, including but not limited to individual flavored tobacco products, packages of flavored tobacco products, or any combination thereof, possesses such flavored tobacco products with intent to sell or offer for sale. There shall be a rebuttable presumption that a tobacco product is a flavored tobacco product if a tobacco retailer, manufacturer, or any employee or agent of a tobacco retailer or manufacturer has:

1. made a public statement or claim that the tobacco product imparts a characterizing flavor;

2. used text and/or images on the tobacco product’s labeling or packaging to explicitly or implicitly indicate that the tobacco product imparts a characterizing flavor; or

3. taken action directed to consumers that would be reasonably expected to cause consumers to believe the tobacco product imparts a characterizing flavor.

[EDITOR’S NOTE: The provisions of new Subsection J of Section 8.10.020 shall become operative as of January 1, 2021]

SECTION 6. Inconsistent Provisions. Any provision of the El Monte Municipal Code or appendices thereto inconsistent with the provisions of this Ordinance, to the extent of such inconsistencies and no further, is hereby repealed or modified to the extent necessary to implement the provisions of this Ordinance.

SECTION 7. Severability. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or any part thereof is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsection, subdivision, paragraph, sentence, clause or phrase would be subsequently declared invalid or unconstitutional.

SECTION 8. Publication and Effective Date. The Mayor shall sign and the City Clerk shall attest to the passage of this Ordinance. The City Clerk shall cause the same to be published once in a newspaper of general circulation within fifteen (15) days after its adoption.
DATA IN SUPPORT OF FINDINGS


vi. Id.

vii. Id.

viii. Id.


xiv. Corey C, Ambrose B, Apelberg B, King B. Flavored Tobacco Product Use Among Middle and High


PASSED, APPROVED AND ADOPTED by the City Council of the City of El Monte at the regular meeting of this ___th day of ____________, 2020.

Andre Quintero, Mayor
City of El Monte

ATTEST:

Catherine A. Eredia, City Clerk
City of El Monte
I, Catherine A. Eredia, City Clerk of the City of EL Monte, hereby certify that the foregoing Ordinance No. 2980 was introduced for a first reading on the 16th day of June, 2020 and approved for a second reading and adopted by said Council at its regular meeting held on the 23rd day of June, 2020 by the following vote, to-wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

______________________________
Catherine A. Eredia, City Clerk
City of El Monte
CITY OF EL MONTE
PARKS, RECREATION AND
COMMUNITY SERVICES DEPARTMENT
CITY COUNCIL AGENDA REPORT

SPECIAL CITY COUNCIL MEETING OF JUNE 23, 2020

June 17, 2020

The Honorable Mayor and City Council
City of El Monte
11333 Valley Boulevard
El Monte, CA  91731

Dear Mayor and City Council:

CONSIDERATION AND AUTHORIZATION TO ACCEPT FUNDING FROM THE LOS ANGELES COUNTY AREA AGENCY ON AGING COMMUNITY AND SENIOR SERVICES FOR THE ELDERLY NUTRITION PROGRAM FOR CONTRACT YEARS 2020-2024

IT IS RECOMMENDED THAT THE CITY COUNCIL:

1. Authorize the City of El Monte Parks, Recreation and Community Services Department to accept funding from the Los Angeles County Area Agency on Aging Community and Senior Services for the Elderly Nutrition Program for Contract Years 2020-2024 in the amount of $115,000; and

2. Authorize the City Manager to designate the Parks, Recreation and Community Services Director and/or Deputy Director for Community Services to sign all necessary documents to execute grant documentation.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The City of El Monte (the “City”) has participated in the Elderly Nutrition Program for the last 41 years, with an average of 25,000 hot and cold meals served annually. The Elderly Nutrition Program is funded through the Los Angeles County Workforce Development Aging and Community Services - Older Americans Act.

In previous years, the Los Angeles County Workforce Development Aging and Community Services (WDACS) have requested competitive bids from qualifying agencies and would review applications and award based upon application submission. WDACS is offering a noncompetitive award to the City in the amount of $115,000 for four (4) years (2020-2024) to operate the Elderly Nutrition Program. The Los Angeles County Workforce Development Aging and Community Services will not offer additional
funding for the 2020-2021 funding cycle however, guarantees funding for the length of the contract.

DISCUSSION

The City is eligible for an award of $115,000 to provide meals to those 60 years of age and older, effective July 1, 2020 through June 30, 2021, renewable each year through Fiscal Year 2024.

The Los Angeles County Area Agency on Aging administers the Older Americans Act Title III monies that fund the Elderly Nutrition Program. The County reimburses the City based on number of meals served it is estimated at $6.24 per meal. Due to an increase in participation and increase of $.14 per meal this year, the cost of each meal is $4.12. With the aforementioned, the Parks, Recreation and Community Services Department anticipate the need for additional General Fund monies to sustain the program.

CONTRACTING PROCESS

The Los Angeles County Area Agency on Aging will forward a contract to the City for execution with a return deadline. It is recommended that the City Council authorize the City Manager to designate the Parks, Recreation and Community Services Director and/or Deputy Director for Community Services to sign all necessary documents to execute grant documentation. The City Council approval may be subject to change by the County and some limited authority will need to be delegated to staff to accept certain later changes made by the County provided they do not increase the economic cost or obligation to the City beyond City Council's approval.

FISCAL IMPACT

There is an impact to the program funding by approving this item. However, approval will result in the grant funding of the Elderly Nutrition Program in an amount of $115,000 for the next four (4) years.

CONCLUSION

It is recommended that the City Council Authorize the City of El Monte Parks, Recreation and Community Services Department to accept funding from the Los Angeles County Area Agency on Aging Community and Senior Services for the Elderly Nutrition Program for Contract Year 2020-2024 in the amount of $115,000 and
authorize the City Manager to designate the Parks, Recreation and Community Services Director and/or Deputy Director for Community Services to sign all necessary documents to execute grant documentation.
Respectfully submitted,

ALMA K. MARTINEZ  
City Manager

SALVADOR MENDEZ  
Acting Parks, Recreation and Community Services Director

ATTACHMENTS
Attachment 1 – City of El Monte WDACS Grant Award  
Attachment 2 – City of El Monte WDACS ENP Contract

DATE: June 23, 2020

PRESENTED TO EL MONTE CITY COUNCIL
☐ APPROVED  
☐ DENIED  
☐ PULLED  
☐ RECEIVE AND FILE  
☐ CONTINUED

☐ REFERRED TO

CHIEF DEPUTY CITY CLERK
June 10, 2020

City of El Monte
Attention: Mr. Salvador Mendez
3120 North Tyler Avenue
El Monte, CA 91731

FISCAL YEAR 2020-21 BASELINE FUNDING ALLOCATION FOR ELDERLY NUTRITION PROGRAM SERVICES

Dear Mr. Mendez:

The Board of Supervisors has approved County of Los Angeles Workforce Development, Aging and Community Services (County) to enter into an Elderly Nutrition Program (ENP) Subaward with City of El Monte (Subrecipient). The Subaward information is outlined below:

- Purpose: Subrecipient shall utilize Baseline Funding to provide defined and contracted ENP Title III C-1 Services during Fiscal Year (FY) 2020-21.
- Subaward Number: ENP202104
- Amendment Number: N/A
- Subaward Term: July 1, 2020 through June 30, 2021
- Baseline Funding Allocation: $115,000
- Period Funds Available for Use (subject to execution of Subaward): July 1, 2020 through June 30, 2021
- Supervisory District: 1
- Funding Source(s), Service Category(ies) and Unit Rate(s) are as follows:
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If you have any questions, please contact Irma Panosian of my staff by phone or e-mail as follows: (323) 336-5426 or ipanosian@wdacs.lacounty.gov.

Thank you.

**Carol Domingo**

Carol Domingo, Program Manager
Contracts Management Division
SUBAWARD
BY AND BETWEEN
COUNTY OF LOS ANGELES
WORKFORCE DEVELOPMENT, AGING AND COMMUNITY SERVICES
AND

FOR
ELDERLY NUTRITION PROGRAM
SUBAWARD NUMBER __________

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Exhibit K (Intentionally Omitted)

Exhibit L (Intentionally Omitted)

Exhibit M1 (Intentionally Omitted)

Exhibit M2 (Intentionally Omitted)

Exhibit M3 (Intentionally Omitted)

Exhibit N (Business Associate Agreement Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA))

Exhibit O (Charitable Contributions Certification)

Exhibit P (Definitions)

Exhibit Q (Accounting, Administration and Reporting Requirements)

Exhibit R (Joint Funding Revenue Disclosure)
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RECITALS

This agreement for services ("Subaward" or "Contract") is made and entered into this [@Contract_Date@] by and between the parties identified below:

County of Los Angeles through its Department of
Workforce Development, Aging and Community Services
("County")

County's Business Address:
3175 West Sixth Street
Los Angeles, CA  90020

and

[@Supplier Name@]
("Subrecipient" or "Contractor")

Subrecipient's Business Address:
[@Supplier Address Line1@]
[@Supplier City@], CA  [@Supplier Zip Code@]

WHEREAS, pursuant to the provisions of the Older Americans Act Title 42 United States Code Section 3001 et seq. ("OAA") and the Mello-Granlund Older Californians Act California Welfare and Institutions Code Section 9000 et seq."OCA"), the California Department of Aging ("CDA" or "State") is authorized to administer elements of the OAA and OCA as it relates to the provision of nutrition services; and

WHEREAS, County may operate programs which are determined to serve public purposes and County may contract with agencies for the provision of such services; and

WHEREAS, County has established its Elderly Nutrition Program ("ENP" or "Program"), and County and Subrecipient agree to engage contractually whereby Subrecipient shall provide ENP Services as specified in Exhibit A (Statement of Work) and elsewhere herein in exchange for County's reimbursement to Subrecipient for those Services;

WHEREAS, Subrecipient warrants that it possesses and shall maintain the competence, expertise and personnel necessary to provide such ENP Services within County's jurisdictional boundaries for Supervisorial District [@SupDistrict@] throughout the term of this Subaward; and

WHEREAS, Subrecipient further warrants that throughout the entirety of this Subaward, Subrecipient shall establish and implement written administrative, management and personnel policies and procedures to govern the management and administration of ENP in order to ensure that all goals and objectives are achieved as contracted; and

WHEREAS, County and Subrecipient recognize and agree that specific terms (including, but not limited to, Subrecipient, Contractor, Subaward, Contract, etc.) which are used throughout this agreement for Services are required to be used interchangeably in order to comply with Federal, State and County regulations as stated in Subparagraph 2.2.

NOW therefore, in consideration of the mutual promises, covenants and conditions set forth herein, the
parties County and Subrecipient hereto agree as follows:

1.0 APPLICABLE DOCUMENTS

1.1 Exhibits A, D, E, F, G1, H, I, N, O, P, Q, R, S, U, V, W1, W2, W3, X1, X2, X3, Y, AA, BB, and CC are attached to and form a part of this Subaward. This Subaward constitutes the complete and exclusive statement of understanding between the parties, which supersedes all previous agreements, written or oral, and all other communications between the parties relating to the subject matter of this Subaward. No change to this Subaward shall be valid unless prepared pursuant to Subparagraph 8.1 (Amendments) and signed by both parties.

1.2 Intentionally Omitted

1.3 The headings, page numbers, Paragraph and Subparagraph numbers contained in this Subaward are for convenience and reference only and are not intended to define the scope of any provision herein.

1.4 References in this Subaward to Federal, State, County and/or other governmental laws, rules, regulations, ordinances, guidelines, directives and Program memoranda shall mean such laws, rules, regulations, ordinances, guidelines, directives and Program memoranda as amended, revised and/or modified from time to time. To access current County directives, contact your assigned Contract Analyst or visit County's website at: http://wdacs.lacounty.gov/programs/program-directives/.

1.5 Unless expressly stated otherwise, all approvals, consents and determinations made by or on behalf of County, under this Subaward, shall be in writing, and shall be given or made in the sole discretion of the person or County agent authorized to provide such approval or consent.

1.6 In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, Service, or other work, or otherwise between the base Subaward and the Exhibits, or between Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the terms and conditions of the Subaward and then to the Exhibits according to the following priority:

1.6.1 Exhibit A (Statement of Work)

1.6.2 Exhibit D (Subrecipient's Equal Employment Opportunity Certification)

1.6.3 Exhibit E (County's Administration)

1.6.4 Exhibit F (Subrecipient's Administration)

1.6.5 Exhibit G1 (Subrecipient Acknowledgement and Confidentiality Agreement)

1.6.6 Exhibit H (Jury Service Ordinance)

1.6.7 Exhibit I (Safely Surrendered Baby Law)
1.6.8 Exhibit N (Business Associate Agreement Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA))

1.6.9 Exhibit O (Charitable Contributions Certification)

1.6.10 Exhibit P (Definitions)

1.6.11 Exhibit Q (Accounting, Administration and Reporting Requirements)

1.6.12 Exhibit R (Joint Funding Revenue Disclosure)

1.6.13 Exhibit S (Purchase, Inventory and Disposal Requirements for Fixed Assets, Non-Fixed Assets and Supplies)

1.6.14 Exhibit U (Certification of Compliance with County's Defaulted Property Tax Reduction Program)

1.6.15 Exhibit V (Contract Management System - Contractor's Gateway Terms and Conditions of Use)

1.6.16 Exhibit W1 (Budget)

1.6.17 Exhibit W2 (Budget)

1.6.18 Exhibit W3 (Budget)

1.6.19 Exhibit X1 (Mandated Program Services)

1.6.20 Exhibit X2 (Mandated Program Services)

1.6.21 Exhibit X3 (Mandated Program Services)

1.6.22 Exhibit Y (List of Lower Tier Subawards)

1.6.23 Exhibit AA (Subrecipient's Compliance with Encryption Requirements)

1.6.24 Exhibit BB (Criteria and Standards for Letters of Credit and Certificates of Deposit)

1.6.25 Exhibit CC (FEMA Provisions)

1.7 In addition to the terms and conditions listed herein, Subrecipient shall comply with the State's terms and conditions and shall obtain the most current version of the CDA contract and any amendments thereto which are available online as follows: https://wdacs.lacounty.gov/doing-business-with-wdacs/.

1.8 All forms of written communications (including but not limited to letters (i.e., allocation letters, etc.), notices, directives, e-mails, etc.) provided to Subrecipient pertaining to Program Services, operations, funding, budgeting, and the like are hereby incorporated by reference and shall form a part of this Subaward. Subrecipient shall comply with all directions and instructions issued by County through these forms of communication.
2.0 DEFINITIONS AND HEADINGS

2.1 The headings herein contained are for convenience and reference only and are not intended to define the scope of any provision thereof. Exhibit P (Definitions) provides the meaning of key words used herein. These definitions shall be construed to have the meaning provided, unless otherwise apparent from the context in which they are used, or specifically noted herein.

2.2 In order to comply with the requirements of Title 45 Code of Federal Regulations Part 75 et seq. and Title 2 Code of Federal Regulations Part 200 et seq., throughout the entirety of this Subaward, specific terms are used to refer to this agreement which is identified as “Subaward By and Between County of Los Angeles Workforce Development, Aging and Community Services and [@ Supplier Name @] for [@ Program Name @] Services Subaward Number [@ PO Document Number @] Subaward Period [@ Subaward Period @]” (“Subaward”), the party to this agreement who is identified as [@ Supplier Name @] (“Subrecipient”), a third-party agreement (“Lower Tier Subaward”) and a third-party (“Lower Tier Subrecipient”). In order to comply with County of Los Angeles statutes and Board mandates, in some instances, other similar terms are also used to refer to this agreement which is identified as "Subaward By and Between County of Los Angeles Workforce Development, Aging and Community Services and [@ Supplier Name @] for [@ Program Name @] Services Subaward Number [@ PO Document Number @] Subaward Period [@ Subaward Period @]" (“Contract”), the party to this agreement who is identified as [@ Supplier Name @] (“Contractor”), a third-party agreement (“Subcontract”) and/or a third-party (“Subcontractor”). In all cases, when the terms Subaward, Subrecipient, Lower Tier Subaward and Lower Tier Subrecipient are used then these shall have the meaning provided herein and as noted in Exhibit P (Definitions).

3.0 WORK

3.1 Pursuant to the provisions of this Subaward, Subrecipient shall fully perform, complete and deliver on time, all tasks, deliverables, Services and other work as set forth herein.

3.2 If Subrecipient provides any tasks, deliverables, goods, Services, or other work, other than as specified in this Subaward, the same shall be deemed to be a gratuitous effort on the part of Subrecipient, and Subrecipient shall have no claim whatsoever against County.

3.3 In the performance of this Subaward, Subrecipient shall comply with the following (which may be amended, modified or revised from time to time by County and/or other funding authorities): all terms and conditions of this Subaward (including all terms contained in the Exhibits hereto) as well as those imposed and required by County and/or other funding authorities; all Program memoranda; implementing regulations; grant requirements; and, all relevant rules and policies.

3.4 Subrecipient acknowledges that time is of the essence in the provision and completion of the Work provided to County as stipulated in this Subaward, as is the timely conveyance of reporting deliverables to County, as also stipulated in this Subaward.

3.5 Subrecipient's performance under the requirements of this Subaward will be evaluated during each Fiscal Year (hereafter "Fiscal Year" or "Program Year"). Subrecipient shall provide Services and expend the Subaward Sum allocated for any Fiscal Year under this Subaward as stated in: Paragraph 5.0 (Subaward Sum); Exhibit A (Statement of Work), Attachment 1
(Performance Requirements Summary Chart); Budget exhibit(s); and, Mandated Program Services exhibit(s).

3.6 At County's request, Subrecipient shall complete a new Budget exhibit(s) and Mandated Program Services exhibit(s) and submit them to County prior to the beginning of the Fiscal Year or as directed by County. Such documents shall be completed in accordance with the requirements noted on each such document, as directed by County, and pursuant to Program guidelines.

3.7 Subrecipient acknowledges that this Subaward includes Performance Requirements and Standards which are provided in Exhibit A (Statement of Work), Attachment 1 (Performance Requirements Summary Chart). These Requirements will be used to measure Subrecipient's performance of the Subaward and the Work. Subrecipient shall adhere to the Performance Requirements, Standards and the corresponding Acceptable Quality Level identified in Exhibit A (Statement Work), Attachment 1 (Performance Requirements Summary Chart).

3.8 The Subaward Sum allocated for any Fiscal Year under this Subaward and the Services associated with those funds may be reduced from Subrecipient's allocation and reallocated to other ENP subrecipients that are performing and/or expending at a higher level and qualify for increases if Subrecipient fails to provide at least ninety-five percent (95%) of the Services and/or expend at least ninety-five percent (95%) of the Subaward Sum allocated during the Fiscal Year as provided in Paragraph 5.0 (Subaward Sum).

3.9 Subrecipient agrees that the performance of Work and Services pursuant to the requirements of this Subaward shall conform to accepted professional standards.

4.0 TERM OF SUBAWARD

4.1 The term of this Subaward shall be one (1) year commencing on July 1, 2020, upon execution by the parties, and shall continue through June 30, 2021, unless sooner terminated or extended in writing by County, in whole or in part, as provided in this Subaward. The term of this Subaward will operate on County's Fiscal Year period as defined in Exhibit P (Definitions).

4.2 Following the initial term as set forth in Subparagraph 4.1 above, County shall have the sole option to extend the Contract term for up to three (3) additional one-year periods for a maximum total Contract term of four (4) years. Each such option and extension shall be exercised at the sole discretion of County's Department Head or his/her designee as authorized by the Board of Supervisors.

4.3 Subrecipient acknowledges County maintains databases that track/monitor Subrecipient's performance history. Information entered into such databases may be used for a variety of purposes, including determining whether County will exercise a Subaward term extension option.

4.4 Subrecipient shall notify County when this Subaward is within six (6) months of the expiration of the term as provided for hereinabove. Upon occurrence of this event, Subrecipient shall send written notification to County's Contract Manager at the address herein provided in Exhibit E (County's Administration).

5.0 SUBAWARD SUM

5.1 TOTAL SUBAWARD SUM

5.1.1 Cost Reimbursement Subaward
5.1.1.1 County and Subrecipient agree that this is a cost reimbursement Subaward based on the firm-fixed unit rate(s) set forth in Budget exhibit(s) and Mandated Program Services exhibit(s) for the Fiscal Year or Program Year identified in each such document. This unit rate(s) shall remain firm and fixed throughout the entire term of such Fiscal Year or Program Year under this Subaward. County and Subrecipient further agree that the unit rate(s) represents Subrecipient's true, actual and supported costs which are incurred solely for providing Services hereunder. For purposes of this Subaward, such true/actual costs are those costs which are net of any applicable credits including, but not limited to, discounts, refunds, adjustments, rebates, allowances, etc. and are inclusive of any taxes, delivery/shipping charges, etc.

5.1.1.2 County shall reimburse Subrecipient for supplying the Services as set forth in Exhibit A (Statement of Work), Budget exhibit(s) and Mandated Program Services exhibit(s). In the event that County or any of its duly authorized representatives (including, but not limited to, Federal, State and other County agents) notes any discrepancy(ies) between Subrecipient's true/actual costs and the costs which have been reimbursed to Subrecipient then County shall remedy such discrepancy(ies) at County's sole discretion.

5.1.1.3 Subrecipient shall track Subaward Sums and contributions. Subrecipient shall provide a tracking of Subaward Sums during an audit as indicated in Subparagraph 8.38 (Record Retention, Inspection and Audit Settlement).

5.1.2 Funding Allocations

5.1.2.1 During the term of this Subaward, Subrecipient shall receive funding for providing the Services outlined in this Subaward. The funding allocation for the initial term of this Subaward is [@ Maximum Annual Contract Sum (Year 1) @] ("Subaward Sum Year 1") and the year-to-date funding allocation is [@ Maximum Contract Sum @] ("Maximum Subaward Sum"). Any additional funding that is allocated under this Subaward will increase the Maximum Subaward Sum.

5.1.2.2 In the event that County exercises its renewal options under this Subaward, the projected funding will be allocated to Subrecipient annually for each Fiscal Year that this Subaward is renewed as follows: [@ Maximum Annual Contract Sum (Year 2) @] ("Subaward Sum Year 2"); [@ Maximum Annual Contract Sum (Year 3) @] ("Subaward Sum Year 3"); and, [@ Maximum Annual Contract Sum (Year 4) @] ("Subaward Sum Year 4"). If County exercises all renewal
options under this Subaward, the Maximum Subaward Sum is projected to be $[@ Maximum Contract Sum (Alternate) @].

5.1.2.3 Pursuant to Subparagraph 8.1 (Amendments), County may amend this Subaward upon occurrence of any changes to the Subaward Sum. Future allocations of the Subaward Sums will be contingent upon Subrecipient's level of performance/expenditure and the availability and appropriation of funds from Federal, State, and/or local authorities and such funds may be subsequently adjusted to reflect available funding.

5.1.3 Subaward Sum Year 1 Funding Source(s)

5.1.3.1 The Subaward Sum Year 1 for this Subaward is comprised of monies which are identified by the funding source(s) or governing statute(s) listed below. The funding source(s) and governing statute(s) authorize County to use these monies to provide Program Services.

5.1.3.2 Older Americans Act Title III B (Supportive Services and Senior Centers) original baseline funds available for use for Supervisory District [@ SupDistrict @] for contracted ENP Title III B Services identified in the "Fiscal Year 2020-21 Original Baseline Funding Allocation for Elderly Nutrition Program Services" funding allocation letter for the term of July 1, 2020 through June 30, 2021: $[@ Year 1 Annual Sum (III B) @]

5.1.3.3 Older Americans Act Title III C-1 (Nutrition Services) original baseline funds available for use for Supervisory District [@ SupDistrict @] for contracted ENP Title III C-1 Services identified in the "Fiscal Year 2020-21 Original Baseline Funding Allocation for Elderly Nutrition Program Services" funding allocation letter for the term of July 1, 2020 through June 30, 2021: $[@ Year 1 Annual Sum (C-1) @]

5.1.3.4 Older Americans Act Title III C-2 (Nutrition Services) original baseline funds available for use for Supervisory District [@ SupDistrict @] for contracted ENP Title III C-2 Services identified in the "Fiscal Year 2020-21 Original Baseline Funding Allocation for Elderly Nutrition Program Services" funding allocation letter for the term of July 1, 2020 through June 30, 2021: $[@ Year 1 Annual Sum (C-2) @]

5.2 WRITTEN APPROVAL FOR REIMBURSEMENT

5.2.1 Subrecipient shall not be entitled to payment or reimbursement for any tasks or Services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein. Assumption
or takeover of any of Subrecipient's duties, responsibilities, or obligations, or performance of same by any person or entity other than Subrecipient, whether through assignment, Lower Tier Subaward, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever, shall not occur except with County's express prior written approval.

5.3 NOTIFICATION OF 75% OF SUBAWARD SUM
5.3.1 Subrecipient shall maintain a system of record keeping that will allow Subrecipient to determine when it has incurred seventy-five percent (75%) of the Subaward Sum allocated for any Fiscal Year under this Subaward. Upon occurrence of this event, Subrecipient shall send written notification to County's Contract Manager at the address provided in Exhibit E (County's Administration).

5.4 NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION OR TERMINATION OF SUBAWARD
5.4.1 Subrecipient shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any Service provided by Subrecipient after the expiration or other termination of this Subaward. Should Subrecipient receive any such payment, Subrecipient shall immediately notify County's Contract Manager and shall immediately repay all such funds to County. Payment by County for Services rendered after expiration or termination of this Subaward shall not constitute a waiver of County's right to recover such payment from Subrecipient. This provision shall survive the expiration or other termination of this Subaward.

5.5 INVOICES AND PAYMENTS
5.5.1 Subrecipient shall invoice County only for providing the tasks, deliverables, goods, Services, and other work specified in Exhibit A (Statement of Work), Mandated Program Services exhibit(s) and elsewhere hereunder. Subrecipient shall prepare invoices, which shall include the charges owed to Subrecipient by County under the terms of this Subaward. Each invoice shall be based on actual expenditures and Subrecipient shall not submit an invoice based on budgeted or estimated costs (i.e., Subrecipient shall not submit an invoice based on 1/12th of the Subaward Sum allocated for any Fiscal Year under this Subaward). Payments to Subrecipient shall be based on the information provided by Subrecipient as established in Budget exhibit(s) and Mandated Program Services exhibit(s) for the Fiscal Year (or Program Year) identified therein, and Subrecipient shall be paid only for the tasks, deliverables, goods, Services, budgeted items and other work approved in writing by County. If County does not approve the Work in writing, no payment shall be due to Subrecipient for that Work.

5.5.2 Subrecipient's invoices shall be priced in accordance with the information provided in Budget exhibit(s) and Mandated Program Services exhibit(s) for the Fiscal Year (or Program Year) identified therein.

5.5.3 Subrecipient's invoices shall contain the information set forth in Exhibit A (Statement of Work), Budget exhibit(s) and Mandated
Program Services exhibit(s) for the Fiscal Year (or Program Year) identified therein, describing the tasks, deliverables, goods, Services, Work hours, budgeted items and facility and/or other work for which payment is claimed.

5.5.4 Submission of Invoices

5.5.4.1 Subrecipient shall prepare monthly invoices, along with any necessary supporting documentation for each invoice, for Subrecipient's Work performed under the requirements of this Subaward. Upon direction of County, Subrecipient shall provide all support documentation required by County, including, but not limited to, vendor invoices, receipts of payment, bank statements, and/or bank registers. All supporting documentation must be able to justify the costs invoiced and be submitted to County within thirty (30) days following the date the corresponding monthly invoice is submitted. County reserves the right to require Subrecipient to upload all required support documentation using County's Information Technology Systems (ITS) which may include the Contract Management System (CMS) - Contractor's Gateway or via other ITS identified by County. Subrecipient shall submit all invoices to County in the form and manner as directed by County by the 10th calendar day of the month following the month of Service (e.g., Subrecipient shall submit an invoice for Services provided in October by November 10th for reimbursement). Subrecipient shall also submit the final, year-end invoice to County no later than the 10th calendar day of the month following the month in which final Services were provided during the Fiscal Year or Program Year. In both instances, when the 10th calendar day falls on a non-business day (Saturday, Sunday or Los Angeles County holiday), Subrecipient shall submit the invoice by the following business day. County reserves the right to modify in writing the due date(s) for the submission of invoices as needed in order to meet regulatory deadlines.

5.5.4.2 Subrecipient shall submit an invoice for each month of Service as directed above and invoices shall be submitted in chronological order (e.g., July, August, September, etc.). For example, Subrecipient shall not submit the September invoice unless the August invoice was previously submitted by the 10th calendar day following the month of August. County will not be under any obligation to pay any invoice that is submitted out of chronological order until Subrecipient takes the appropriate measures to adhere to these requirements.

5.5.4.3 When Subrecipient does not incur any expenditures for the month of Service, Subrecipient shall prepare an invoice as directed by County so
that the invoice reflects zero dollars ($0) expenditures. Subrecipient shall submit the invoice according to the procedures outlined herein and as further directed by County.

5.5.4.4 Subrecipient is responsible for the accuracy of invoices submitted to County. Subrecipient shall reconcile its invoices and correct inaccuracies or inconsistencies in the invoices it submits to County. Subrecipient and County agree as follows:

5.5.4.4.1 When County or its designee discovers that Subrecipient has been overpaid, County will send Subrecipient written notification to request return of the overpayment. Overpayment includes, but is not limited to, payment(s) made to Subrecipient that exceeds the Subaward Sum allocated for any Fiscal Year under this Subaward. Subrecipient shall return such overpayment to County's Compliance Manager within thirty (30) days of receiving County's written notification.

5.5.4.4.2 When Subrecipient receives or discovers any overpayment from County, Subrecipient shall immediately notify County's Compliance Manager in writing of such overpayment. Subrecipient shall immediately return such overpayment to County's Compliance Manager within thirty (30) days of receiving or discovering the overpayment.

5.5.4.4.3 At County's sole election, overpayment made to Subrecipient may be used to offset future payments due Subrecipient.

5.5.4.5 Subrecipient shall submit a complete, accurate, verifiable and timely invoice for each month of Service as directed above. Subrecipient shall also submit a complete, accurate, verifiable and timely final year-end invoice as also directed above. Subrecipient's failure to comply with these requirements may result in delayed processing of payment(s). Any invoice which does not adhere to County's requirements may be rejected at County's sole discretion. Subrecipient's continued non-compliance with County's invoicing policies and procedures may lend Subrecipient to remedies which County may impose at County's sole discretion.

5.5.5 County Approval of Invoices
5.5.5.1 All invoices submitted by Subrecipient for payment must have the written approval of County's Contract Manager or designee prior to any payment thereof. In no event shall County be liable or responsible for any payment prior to such written approval. Approval for payment will not be unreasonably withheld.

5.5.5.2 County will review Subrecipient's supporting documentation for its invoice and reconcile between the invoice and the supporting documentation. County will also use the supporting documentation to confirm that all of Subrecipient's costs reported on the invoice have been paid. County will communicate any discrepancies with Subrecipient to acquire additional information, if needed. This will ensure that any questioned cost(s) is addressed before the cost(s) becomes disallowed. In the event Subrecipient is not able to substantiate the cost(s), Subrecipient will have to repay County for all unsubstantiated costs. Subrecipient may be removed from eligibility for future cash advances (if cash advances are allowed under this Subaward), Subrecipient's payments may be suspended, and/or County may impose other remedies deemed appropriate by County.

5.5.6 Payments to Subrecipient

5.5.6.1 In accordance with the invoicing policies and procedures set forth in this Subaward as well as those provided by County, County agrees to pay Subrecipient for the satisfactory provision of the Services identified in Exhibit A (Statement of Work) and any amendments, addendums or modifications thereto. Such payment shall not exceed the amount(s) indicated in Subparagraph 5.1.2 (Funding Allocations). All payments to Subrecipient will be made in arrears on a monthly basis for Services performed, provided that Subrecipient is not in default under any provision of this Subaward. County has no obligation to pay for any work except those Services expressly authorized by this Subaward.

5.5.6.2 Payments to Subrecipient will be made within thirty (30) calendar days after receipt of an "undisputed invoice". For purposes of this Subparagraph 5.5.6, an undisputed invoice shall mean an invoice which does not contain errors and has been completed and submitted by Subrecipient pursuant to the requirements outlined herein and as directed by County. County has the final authority to determine whether or not an invoice is an undisputed invoice. Subrecipient shall promptly adhere to County's instructions for correcting an invoice in order to prevent any delays in processing payment(s). Until Subrecipient submits an undisputed invoice, County will not be under any obligation to pay any invoice.
that is not submitted pursuant to the requirements outlined herein and as directed by County.

5.5.6.3 All payments for Services provided under the terms of this Subaward shall be made to Subrecipient using Subrecipient’s legal name and tax payer identification number. Subrecipient shall not request payments to be made to third-party vendors or any vendor which Subrecipient may use in the performance of this Subaward (i.e., Lower Tier Subrecipients). For purposes of this Subaward, Subrecipient’s legal name is identified as the name on Subrecipient’s articles of incorporation, charter or other legal document that was used to create Subrecipient’s organization.

5.5.6.4 Past Due Invoice

5.5.6.4.1 Any invoice submitted more than thirty (30) days after the last day of the month in which the Services were rendered shall constitute a “past due invoice”. Notwithstanding any other provision of this Subaward, Subrecipient and County agree that County shall have no obligation whatsoever to pay any past due invoices. County may, in its sole discretion, pay some or all of a past due invoice which Subrecipient has submitted, provided that sufficient funds remain available under this Subaward.

5.5.6.5 Method of Compensation Adjustment

5.5.6.5.1 During any Fiscal Year period within the term of this Subaward, County, at its sole discretion, has the option of altering the monthly method of compensation/payment from full reimbursement for Services completed to an amount equal to one-twelfth (1/12) of the Subaward Sum allocated for any Fiscal Year under this Subaward. County may pursue this method of compensation if Subrecipient is providing Services to more Clients than anticipated and it appears that the Subaward Sum will be completely depleted before the end of a Fiscal Year. County will provide Subrecipient with at least two (2) weeks advance written notice of its decision to alter the method of compensation.

5.5.6.5.2 In no event shall County’s decision to alter the method of compensation affect the Term, the Subaward Sum
allocated for any Fiscal Year under this Subaward, Work, or any other provision under this Subaward unless such change is made pursuant to a validly executed Amendment to this Subaward noting any such change(s).

5.5.7 **Subaward-Related Documents**

5.5.7.1 Subrecipient shall complete all Subaward-related documents in accordance with the requirements noted on each such document, as directed by County, and pursuant to Program guidelines. Subrecipient’s failure to timely submit Subaward-related documents that are accurate and complete, as requested or required by County, may result in suspension of payments to Subrecipient or other remedies provided by law or under this Subaward. Such documents shall include, but are not limited to, the documents outlined in Subparagraph 9.22 (Subaward Document Deliverables), Subparagraph 9.23 (Fiscal Reporting Requirements) and the following: Exhibit A (Statement of Work), Attachment H (Site Summary for Title III C-1 Program Services); Exhibit A (Statement of Work), Attachment I (Route Summary for Title III C-2 Program Services); Exhibit D (Subrecipient’s Equal Employment Opportunity Certification); Exhibit F (Subrecipient’s Administration); Exhibit G1 (Subrecipient Acknowledgement and Confidentiality Agreement); Exhibit O (Charitable Contributions Certification); Exhibit R (Joint Funding Revenue Disclosure); Exhibit U (Certification of Compliance with County’s Defaulted Property Tax Reduction Program); Budget exhibit(s); Mandated Program Services exhibit(s); Exhibit Y (List of Lower Tier Subawards); Exhibit AA (Subrecipient’s Compliance with Encryption Requirements); and, Exhibit CC (FEMA Provisions) (applicable only when Subaward Sums include FEMA Funds).

5.5.8 **Local Small Business Enterprise (Local SBE) - Prompt Payment Program**

5.5.8.1 It is the intent of County that Certified Local SBEs will receive prompt payment for Services they provide to County. Prompt payment is defined as fifteen (15) calendar days after receipt of an undisputed invoice that has been properly matched against a receiving or shipping document, service deliverable or payment schedule, or any other validation of receipt document.

5.6 **UNIT RATE ADJUSTMENTS**

5.6.1 In the event that County exercises its renewal option(s), Subrecipient may request a unit rate increase for the following Fiscal Year, where such increase(s) shall only be based on the occurrence of any of the following and shall include the
information noted herein:

5.6.1.1 Increase in food costs (e.g., Caterer's costs, raw food costs, etc.): the amount (dollars/cents) of the increase and its impact on the unit rate(s); increase in the total cost of food; number of units; food cost per unit, and, any other relevant information that will facilitate County's review.

5.6.1.2 Increase in fuel costs (Home-Delivered Meal Services only): the amount (dollars/cents) of the increase and its impact on the unit rate(s); increase in the total fuel cost, number of miles; increased cost per mile; and, any other relevant information that will facilitate County's review.

5.6.1.3 Increase in wages (e.g., minimum wage): the amount (dollars/cents) of the increase and its impact on the unit rate(s); the number of staff affected by minimum wage increase(s); hourly rate increase(s); number of hours; and, any other relevant information that will facilitate County's review.

5.6.2 Subrecipient's request shall be provided in writing and shall include a detailed justification for the increase based on meeting one or more of the conditions noted in Subparagraph 5.6.1. Subrecipient shall be able to provide supporting documentation to substantiate any request for a unit rate increase. The written request shall be submitted to County's Contract Manager no later than April 1 of the Fiscal Year preceding the Fiscal Year in which the unit rate(s) adjustment is expected to take effect.

5.6.3 County has the sole discretion to approve or reject Subrecipient's request.

5.6.3.1 All such requests shall not cause or authorize exceeding the maximum annual Subaward Sum or the Maximum Subaward Sum.

5.6.4 County may negotiate with Subrecipient to decrease its unit rate(s) for the following Fiscal Year in which the unit rate(s) decrease is expected to take effect when County determines that Subrecipient's unit rate(s) exceeds the actual costs to provide Program Services. In the event that the unit rate(s) is increased or decreased for any Fiscal Year after the first Fiscal Year, County shall provide Subrecipient written confirmation of the final unit rate(s); otherwise the unit rate(s) will remain the same as that which is reflected for the first Fiscal Year of this Subaward.

5.7 LIMITATIONS ON USE OF SUBAWARD SUMS

5.7.1 Subaward Sums may only be used for the purposes set forth herein, and must be consistent with the statutory authority for the Program.

5.7.2 Expenditures made by Subrecipient in the operation of this Subaward shall be in compliance and in conformity with Title 45 Code of Federal Regulations Part 75 et seq. and Title 2 Code of Federal Regulations Part 200 et seq.
Federal Regulations Part 200 et seq. Subrecipient shall comply with the Administrative Requirements and Cost Principles which are outlined in Exhibit Q (Accounting, Administration and Reporting Requirements), and shall adhere to the strict administrative and fiscal standards described therein. Subrecipient shall be responsible for obtaining Title 45 Code of Federal Regulations Part 75 et seq. and Title 2 Code of Federal Regulations Part 200 et seq., which are available via the Internet at http://www.ecfr.gov/cgi-bin/text-idx?node=pt45.1.75 and http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl. Subrecipient shall also comply with the applicable requirements and standards referred to in Title 45 Code of Federal Regulations Part 1321.5 (Grants to State and Community Programs on Aging).

5.7.3  

**Limitations on Subaward Sums**

5.7.3.1 Subrecipient shall not be paid for any Subaward expenditures that exceed the Subaward Sum allocated for any Fiscal Year under this Subaward. County has no obligation, whatsoever, to pay for any expenditures that exceed this Subaward Sum. Any expenditures that exceed such Subaward Sum shall become the sole fiscal responsibility of Subrecipient.

5.7.3.2 Subrecipient shall only expend the Subaward Sum during the Fiscal Year for which it is allocated. Should County exercise its option to extend this Subaward and Subrecipient does not expend funding up to the Subaward Sum appropriated for the Fiscal Year, that unspent amount will not carry forward (or roll-over) to the following Fiscal Year.

5.7.4  

**Prohibitions on Subaward Sums**

5.7.4.1 Subrecipient shall comply with Public Law (PL) 101-121 (Title 31 United States Code Section 1352), its amendments or revisions, and any implementing regulations, prohibiting the use of Federal money to influence or attempt to influence a member of Congress, Congressional staff, or a Federal employee to award, make or amend any Federal subaward, grant, loan or cooperative agreement. Subrecipient shall also comply with all certification and disclosure requirements of PL 101-121, its amendments, revisions, and implementing regulations, and shall provide assurance that all Lower Tier Subrecipients under this Subaward also fully comply with such certification and disclosure requirements.

5.7.4.2 No materials, property, or Services contributed to County or Subrecipient under this Subaward shall be used in the performance of any of the following: any political activity; the election of any candidate or the defeat of any candidate for public office; and, the transportation of any voters or
prospective voters to polls or other similar assistance in connection with an election or any voter registration activity.

5.7.4.3 Subaward Sums may not be used for matching funds for any Federal, State, County or local grants/cooperative agreements, lobbying or intervention in Federal regulatory or adjudicatory proceedings.

5.7.4.4 Subaward Sums may not be used to sue the Federal government or any other government entity.

5.7.4.5 Pre-award costs are not an allowable use for Subaward Sums.

5.7.4.6 SubRecipient and its Lower Tier Subrecipient(s) shall comply with Governor's Executive Order 2-18-2011, which bans expenditures on promotional and marketing items colloquially known as "S.W.A.G." or "Stuff We All Get".

5.8 OTHER SUBAWARDS

5.8.1 Subrecipient shall immediately notify County's Contract Manager in writing of any contracts between Subrecipient and other public or private organizations which directly impact activities funded under this Subaward. A copy of any such contracts shall be kept on file at Subrecipient's offices and shall be provided to County upon request. Subrecipient shall also immediately notify County's Contract Manager in writing of any default, termination, or finding of withheld payments under such contracts between Subrecipient and other public or private organizations which directly impact activities funded under this Subaward.

5.8.2 Subrecipient warrants that no other funding source will be billed for Services that are provided to and paid for by County under this Subaward.

5.9 JOINT FUNDING REVENUES

5.9.1 Funds made available under this Subaward shall supplement and not supplant any other Federal, State or local funds expended by Subrecipient to provide Program Services. Subrecipient certifies that it has applied, or expects to apply, to offset in whole or in part, any of the costs incurred by Subrecipient 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 Subaward. To this end, Subrecipient shall complete Exhibit R (Joint Funding Revenue Disclosure) prior to the commencement of this Subaward (and annually thereafter). Subrecipient shall submit the completed Exhibit R (Joint Funding Revenue Disclosure) to County’s Contract Manager in the time and manner as designated by County.

5.10 FEDERAL AWARD INFORMATION

5.10.1 Subaward Sums, either in whole or in part, are identified as Federal monies. The Federal portion(s) of the Subaward Sums
is (are) identified by several key pieces of information including, but no limited to, the following: Federal Award Identification Number (FAIN), Catalog of Federal Domestic Assistance (CFDA) Program Number(s) (which identifies and describes the Federal assistance that is available to various entities) and a Federal Grantor office (which provides oversight and administration for these Federal monies). When Subrecipient and its Lower Tier Subrecipient(s), if any, are being audited by an independent auditor, Subrecipient shall provide the information identified in this Subparagraph 5.10 to the independent auditor. The information outlined herein is only provided for the Federal portion(s) of the Subaward Sums. In the event that the information is not listed herein for all of the monies included in the Subaward Sums then the excluded amounts are not Federal monies and therefore the information is not applicable to them.

5.10.2 Subrecipient Name: [@ Supplier Name @]

5.10.3 Subrecipient's DUNS Number: [@ Subrecipient's DUNS Number @]

5.10.4 Federal Award Identification Number (FAIN): [@ FAIN Number @]

5.10.5 Federal Award Date: [@ Federal Award Date @]

5.10.6 Subaward Period of Performance Start and End Date: [@ Subaward Period of Performance @]

5.10.7 Amount of Federal Funds Obligated by this Action: $[@ Amount of Federal Funds Obligated @]

5.10.8 Total Amount of Federal Funds Obligated to Subrecipient (Subaward Sum Year 1): $[@ Total Amount of Federal Funds Obligated to Subrecipient @]

5.10.9 Total Amount of Federal Award (Maximum Subaward Sum): $[@ Total Amount of Federal Award @]

5.10.10 Federal Award Project Description: Federal Title III B (3BSL); Federal Title III C1 (3C1L); NSIP C1 (NC1L); Federal Title III C2 (3C2L); and, NSIP C2 (NC2L).

5.10.11 Name of Federal Award Agency, Pass-Through Entity(ies), and Contact Information for Awarding Official: United States Department of Health and Human Services, Administration for Community Living; California Department of Aging; and, County. Refer to Exhibit E (County’s Administration) for County contact information

5.10.12 CFDA Number and Name: 93.044 - Special Programs for the Aging Title III Part B (Grants for Supportive Services and Senior Centers); 93.045 - Special Programs for the Aging Title III Part C (Nutrition Services); 93.053 - Nutrition Services Incentive Program.

5.10.13 Identification of whether the award is research and development (R&D): Award is not R&D.

5.10.14 Indirect Cost Rate for Federal Award: Not to exceed 10% unless
there is an accepted negotiated rate accepted by all Federal awarding agencies.

5.11 SUBRECIPIENT INDIRECT COSTS

5.11.1 The maximum amount of indirect costs that is reimbursable under this Subaward is ten percent (10%) of Subrecipient's modified total direct costs for Title III C-1 Program Services and ten percent (10%) of Subrecipient's modified total direct costs for Title III C-2 Program Services (direct costs including Subaward Sums and other cash contributions but excluding any in-kind contributions and nonexpendable equipment).

5.11.2 Subrecipient shall ensure that it has an approved indirect cost rate accepted by all Federal awarding agencies or an allocation plan approved by County, which documents the methodology used to determine the indirect costs, prior to reporting any indirect costs on Budget exhibit(s) and/or requesting reimbursement for such costs. Subrecipient shall maintain documentation of its approved indirect cost rate/allocation plan in accordance with the requirements noted under Subparagraph 8.38 (Record Retention, Inspection and Audit Settlement).

5.11.3 Subrecipient shall not charge indirect costs exceeding the ten percent (10%) maximum to this Subaward. Indirect costs in excess of the ten percent (10%) maximum may be budgeted as match in-kind for purposes of meeting matching requirements. Subrecipient must receive an approved indirect cost rate accepted by all Federal awarding agencies prior to budgeting the excess indirect costs as match in-kind.

5.11.4 For major institutes of higher education and major nonprofit organizations, indirect costs must be classified within two (2) broad categories: Facilities and Administration. "Facilities" is defined as depreciation on buildings, equipment and capital improvement, interest on debt associated with certain buildings, equipment and capital improvements, and operations and maintenance expenses. "Administration" is defined as general administration and general expenses such as the director's office, accounting, personnel, and all other types of expenditures not listed specifically under one of the subcategories of "Facilities" (including cross allocations from other pools, where applicable) [Title 2 Code of Federal Regulations Part 200.414(a)] [Title 45 Code of Federal Regulations Part 75.414(a)].

5.11.5 The requirements for indirect costs are further outlined in Exhibit Q (Accounting, Administration and Reporting Requirements) and WDACS directive CCD-18-01 (Cost Allocation and Indirect Cost Requirements for WDACS Subawards) which is available on-line at https://wdacs.lacounty.gov/doing-business-with-wdacs/program-directives/.

5.12 MATCH CONTRIBUTION

5.12.1 Subrecipient shall provide a required match contribution to offset the total cost of providing Program Services for the Fiscal Year. Subrecipient's match contribution shall be reflected in Budget exhibit(s). The match contribution is the non-Federal share of funding provided by Subrecipient to support the Subaward activities and it may take the form of a cash match contribution.
and/or an in-kind match contribution. This match is calculated as a percentage of the Subaward Sum allocated for any Fiscal Year under this Subaward as reflected in Paragraph 5.0 (Subaward Sum).

5.12.2 The required match contribution for OAA Title III C-1 is twelve percent (12%) of the Subaward Sum allocated for any Fiscal Year under this Subaward. County may in its sole discretion adjust this percentage as necessary.

5.12.3 The required match contribution for OAA Title III C-2 is twelve percent (12%) of the Subaward Sum allocated for any Fiscal Year under this Subaward. County may in its sole discretion adjust this percentage as necessary.

5.12.4 The required match contribution for OAA Title III B is twelve percent (12%) of the Subaward Sum allocated for any Fiscal Year under this Subaward. County may in its sole discretion adjust this percentage as necessary.

5.12.5 Forms of Match Contributions

5.12.5.1 Match Cash Contribution

5.12.5.1.1 A match cash contribution is a monetary donation which is provided by Subrecipient (such as general funds), non-Federal third-parties (such as partner organizations) and/or non-Federal grants and is given to Subrecipient to accomplish the goals of the Program Services.

5.12.5.2 Match In-Kind Contribution

5.12.5.2.1 A match in-kind contribution is a non-monetary donation of goods, properties or services which are provided by either Subrecipient or non-Federal entities without charge to the Program Services for which they are donated; it is the value of non-cash contributions donated to support Program Services. In-kind contributions typically take the form of the value of personnel, goods and/or services which may include donations of volunteer services, space, equipment, etc. and this value is determined by using the fair market value method. Using sales of comparable property or the cost of comparable services is a method which can be used to determine the fair market value of an in-kind match contribution.

5.12.5.3 Determination of In-Kind Volunteer Services

5.12.5.3.1 Volunteer services may be used to meet the match contribution requirement and shall be reported as
match in-kind. However, when using volunteer services to meet the match contribution requirement, this in-kind match shall not exceed more than fifty percent (50%) of the required match contribution.

**5.12.5.3.2** The monthly salary equivalent for volunteer services should be commensurate with the work/services being provided by volunteer. As such, the salary equivalent for volunteer services shall be determined by using the regular salaries paid for similar work in other activities of Subrecipient's organization. In cases where the kinds of skills involved are not found in other activities of the organization then the salary equivalent shall be determined by using the salaries paid for similar work in the labor market in which Subrecipient competes for such skills.

**5.13 DEFAULT METHOD OF PAYMENT: DIRECT DEPOSIT OR ELECTRONIC FUNDS TRANSFER**

**5.13.1** County, at its sole discretion, has determined that the most efficient and secure default form of payment for goods and/or services provided under an agreement/Subaward (that is, "Contract") with County shall be Electronic Funds Transfer ("EFT") or direct deposit, unless an alternative method of payment is deemed appropriate by the Auditor-Controller ("A-C").

**5.13.2** Subrecipient (that is, "Contractor") shall submit a direct deposit authorization request via the website https://directdeposit.lacounty.gov with banking and Contractor information, and any other information that the A-C determines is reasonably necessary to process the payment and comply with all accounting, record keeping, and tax reporting requirements.

**5.13.3** Any provision of law, grant, or funding agreement requiring a specific form or method of payment other than EFT or direct deposit shall supersede this requirement with respect to those payments.

**5.13.4** At any time during the duration of the agreement/Contract, Contractor may submit a written request for an exemption to this requirement. Such request must be based on specific legal, business or operational needs and explain why the payment method designated by the A-C is not feasible and an alternative is necessary. The A-C, in consultation with County, shall decide whether to approve exemption requests.

**6.0 ADMINISTRATION OF SUBAWARD - COUNTY**

**6.1 COUNTY ADMINISTRATION**

**6.1.1** A listing of all County Administration referenced in the following Subparagraphs is provided in Exhibit E (County's
Administration). County will notify Subrecipient in writing of any change in the names or addresses shown. Said changes do not require an amendment to this Subaward.

6.2 COUNTY'S CONTRACT MANAGER

6.2.1 The role of County's Contract Manager or his/her designee may include:

6.2.1.1 Coordinating with Subrecipient and ensuring Subrecipient's performance of the Subaward. However, in no event shall Subrecipient's obligation to fully satisfy all of the requirements of this Subaward be relieved, excused or limited thereby.

6.2.1.2 Upon request of Subrecipient, providing direction to Subrecipient, as appropriate in areas relating to County policy, information requirements, and procedural requirements. However, in no event shall Subrecipient's obligation to fully satisfy all of the requirements of this Subaward be relieved, excused or limited thereby.

6.2.1.3 Making revisions which do not materially affect the terms and conditions of this Subaward in accordance with Subparagraph 9.9 (Modifications).

6.2.1.4 Acting on behalf of County with respect to approval of Lower Tier Subawards and Lower Tier Subrecipient employees working on this Subaward.

6.3 COUNTY'S PROGRAM MANAGER

6.3.1 The role of County's Program Manager or his/her designee may include:

6.3.1.1 Meeting with Subrecipient's Project Manager on a regular basis.

6.3.1.2 Inspecting any and all tasks, deliverables, goods, Services, or other work provided by or on behalf of Subrecipient. However, in no event shall Subrecipient's obligation to fully satisfy all of the requirements of this Subaward be relieved, excused or limited thereby.

6.3.2 County's Program Manager is not authorized to make any changes in any of the terms and conditions of this Subaward and is not authorized to further obligate County in any respect whatsoever.

6.4 COUNTY'S COMPLIANCE MANAGER

6.4.1 The role of County's Compliance Manager or his/her designee may include:

6.4.1.1 Verifying Subrecipient's compliance with the requirements of this Subaward.
6.4.1.2 Overseeing and monitoring the delivery of Services. However, in no event shall Subrecipient's obligation to fully satisfy all of the requirements of this Subaward be relieved, excused or limited thereby.

6.4.1.3 Ensuring that the objectives of this Subaward are met.

6.5 COUNTY'S BUSINESS HOURS

6.5.1 County's business hours are 8:00 a.m. to 5:00 p.m., Monday through Friday (excluding County recognized holidays).

6.5.2 County recognizes specific holidays during which time its offices shall be closed for business. A listing of these holidays are provided in Exhibit A (Statement of Work), Attachment 2 (County Recognized Holidays).

7.0 ADMINISTRATION OF SUBAWARD - SUBRECIPIENT

7.1 SUBRECIPIENT ADMINISTRATION

7.1.1 A listing of all of Subrecipient's administration referenced in the following Subparagraphs is provided in Exhibit F (Subrecipient's Administration). Subrecipient will notify County's Contract Manager in writing of any change in the names or addresses shown. Said changes do not require an amendment to this Subaward.

7.2 SUBRECIPIENT'S PROJECT MANAGER

7.2.1 Subrecipient's Project Manager is designated in Exhibit F (Subrecipient's Administration). Subrecipient shall notify County's Contract Manager in writing of any change in the name or address of Subrecipient's Project Manager immediately upon occurrence of the change but no later than five (5) business days after the change is effective.

7.2.2 Subrecipient's Project Manager shall be responsible for Subrecipient's day-to-day activities as related to this Subaward and shall meet and coordinate with County's Contract Manager, County's Program Manager and County's Compliance Manager on a regular basis.

7.2.3 Subrecipient's Project Manager must have the qualifications and experience identified in Exhibit A (Statement of Work).

7.3 APPROVAL OF SUBRECIPIENT'S STAFF

7.3.1 County has the absolute right to approve or disapprove all of Subrecipient's staff performing Work hereunder and any proposed changes in Subrecipient's staff, including, but not limited to, Subrecipient's Project Manager. Subrecipient shall provide County's Program Manager with a resume of each proposed substitute and an opportunity to interview such person prior to any staff substitution.

7.4 SUBRECIPIENT'S STAFF IDENTIFICATION

7.4.1 Subrecipient shall provide, at Subrecipient's expense, all
7.4.2 Subrecipient's staff, while on duty or when entering County facilities or grounds, shall prominently display the badge on the upper part of the body. Subrecipient's staff may be asked by a County representative to leave a County facility if Subrecipient's staff does not have the photo identification badge on his/her person and Subrecipient's staff must immediately comply with such request.

7.4.3 Subrecipient shall notify County's Contract Manager within five (5) days when staff is terminated from working under this Subaward. Subrecipient shall retrieve and immediately destroy the employee's badge upon the employee's termination of employment with Subrecipient.

7.4.4 If County requests the removal of Subrecipient's staff, Subrecipient shall retrieve and immediately destroy an employee's badge at the time the employee is removed from working on this Subaward.

7.5 BACKGROUND AND SECURITY INVESTIGATIONS

7.5.1 Each of Subrecipient's or Lower Tier Subrecipient's, as applicable, staff/employees providing Services under this Subaward who is in a designated sensitive position, as determined by County in County's sole discretion, shall undergo and pass a background investigation to the satisfaction of County as a condition of beginning and continuing to provide Services under this Subaward. This background investigation shall be conducted on an annual basis throughout the entire term of this Subaward. Such background investigation must be obtained through fingerprints submitted to the California Department of Justice to include State, local, and Federal-level review, which may include, but shall not be limited to, criminal conviction information. The fees associated with the background investigation shall be at the expense of Subrecipient, regardless of whether the member of Subrecipient's staff passes or fails the background investigation. For purposes of this Subaward, a sensitive position is one in which the duties pose a potential threat or risk to Client when performed by persons who have a criminal history incompatible with those duties, whether those persons are employees of Subrecipient or other individuals who provide Services on behalf of Subrecipient pursuant to this Subaward. For Work performed under this Subaward, sensitive positions include (but is not limited to) the following:

7.5.1.1 Positions that involve the care, oversight, or protection of persons through direct contact with such persons (e.g., social worker, case manager, etc.).
7.5.1.2 Positions having direct or indirect access to funds or negotiable instruments (e.g., finance manager, accountant, bookkeeper, etc.).

7.5.1.3 Positions that require State and/or professional licensing (e.g., Certified Public Accountant, etc.).

7.5.1.4 Positions that have access to confidential or classified information including criminal conviction information (e.g., human resources manager, etc.).

7.5.1.5 Positions that involve the care, oversight, or protection of County, public, or private property (e.g., property custodian, etc.).

7.5.1.6 Positions that require access to Client's home/residence (e.g., home-delivered meals drivers, etc.).

7.5.2 If a member of Subrecipient's staff does not pass the background investigation, County may request that the member of Subrecipient's staff be immediately removed from providing Services under this Subaward. Subrecipient shall comply with County's request at any time during the term of this Subaward. County will not provide to Subrecipient or to Subrecipient's staff any information obtained through County's background investigation.

7.5.3 County, in its sole discretion, may immediately deny or terminate facility access to any member of Subrecipient's staff who does not pass such investigation to the satisfaction of County or whose background or conduct is incompatible with County facility access.

7.5.4 No member of Subrecipient's staff providing Services under this Subaward shall be on active probation, currently on parole or have been on probation or parole within the last three (3) years.

7.5.5 Subrecipient and its staff, including all current and prospective employees, independent contractors, volunteers or Lower Tier Subrecipients who may come in contact with people in the course of their Work, volunteer activity, or performance of a Lower Tier Subaward, providing Services under this Subaward shall be under a continuing obligation to disclose any prior or subsequent criminal conviction record or any pending criminal trial to County's Program Manager. Subrecipient shall inform its staff, including all current and prospective employees, independent contractors, volunteers or Lower Tier Subrecipients who may come in contact with people in the course of their Work, volunteer activity, or performance of a Lower Tier Subaward, providing Services under this Subaward of said obligation. Subrecipient shall maintain records of criminal convictions and/or pending criminal trials in the file of each such person.

7.5.6 Subrecipient shall immediately notify County's Program Manager of any arrest and/or subsequent conviction, other than for minor
traffic offenses, of any Subrecipient staff, independent contractor, volunteer or Lower Tier Subrecipient who may come in contact with children, elderly individuals or dependent adults while providing Services under this Subaward when such information becomes known to Subrecipient. Subrecipient shall not engage or continue to engage the services of any person convicted of any crime involving harm to minors, or any crime involving conduct inimical to the health, morals, welfare or safety of others, including but not limited to, the offenses specified in the California Health and Safety Code Section 11590 (i.e., offenses requiring registration as a controlled substance offender) and those crimes listed in the California Penal Code which involve murder, rape, kidnap, abduction, assault and lewd and lascivious acts.

7.5.7 Disqualification of any member of Subrecipient's staff pursuant to this Subparagraph 7.5 shall not relieve Subrecipient of its obligation to complete all Work in accordance with the terms and conditions of this Subaward.

7.6 CONFIDENTIALITY

7.6.1 Subrecipient shall maintain the confidentiality of all records and information in accordance with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies, Program memoranda and procedures relating to confidentiality, including, without limitation, County policies concerning information technology security and the protection of confidential records and information.

7.6.2 Subrecipient shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting, or professional fees, arising from, connected with, or related to any failure by Subrecipient, its officers, employees, agents, or Lower Tier Subrecipients, to comply with this Subparagraph 7.6, Exhibit G1 (Subrecipient Acknowledgement and Confidentiality Agreement) and Exhibit N (Business Associate Agreement Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA)), as determined by County in its sole judgment. Any legal defense pursuant to Subrecipient's indemnification obligations under this Subparagraph 7.6 shall be conducted by Subrecipient and performed by counsel selected by Subrecipient and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Subrecipient fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and to reimbursement from Subrecipient for all such costs and expenses incurred by County in doing so. Subrecipient shall not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of County without County's prior written approval.

7.6.3 Subrecipient shall inform all of its officers, employees, agents and Lower Tier Subrecipients providing Services hereunder of
the confidentiality provisions of this Subaward.

7.6.4 Subrecipient shall sign and also adhere to the provisions of Exhibit G1 (Subrecipient Acknowledgement and Confidentiality Agreement).

7.6.5 Unauthorized Disclosure

7.6.5.1 Subrecipient and its Lower Tier Subrecipient shall ensure that all confidential, sensitive and/or personal, identifying information is protected from inappropriate or unauthorized access or disclosure in accordance with applicable laws, regulations and State policies. The requirement to protect information shall remain in force until superseded by laws, regulations, or policies.

7.6.5.2 Subrecipient and its Lower Tier Subrecipient shall protect from unauthorized disclosure, confidential, sensitive and/or personal identifying information such as names and other identifying information, concerning Clients receiving Program Services pursuant to this Subaward, except for statistical information that does not identify any Client.

7.6.5.3 Subrecipient and its Lower Tier Subrecipient shall not use confidential, sensitive and/or personal identifying information for any purpose other than carrying out Subrecipient's obligations under this Subaward. Personal Identifying information shall include, but is not limited to the following: name; identifying number; social security number; State driver's license or State identification number; financial account numbers; and symbol or other identifying characteristic assigned to Client, such as finger print, voice print or a photograph.

7.6.5.4 Subrecipient and its Lower Tier Subrecipient shall not, except as otherwise specifically authorized or required by this Subaward or court order, divulge to any unauthorized person any data or identifying information obtained while performing Work pursuant to this Subaward without prior written authorization from County. Subrecipient shall forward all requests for the release of any data or identifying information received to County's Program Manager. Subrecipient may be authorized, in writing, by Client to disclose identifying information specific to the authorizing Client.

7.6.5.5 Subrecipient and its Lower Tier Subrecipient may allow Client to authorize the release of information to specific entities, but shall not request or encourage Client to give a blanket authorization or sign a blank release, nor shall Subrecipient accept such blanket authorization from Client.

8.0 STANDARD TERMS AND CONDITIONS

8.1 AMENDMENTS
8.1.1 For any change which materially affects the Scope of Work, Subaward Term, Subaward Sum, payments, or any other term or condition included under this Subaward, an Amendment to this Subaward shall be prepared by County and executed by Authorized Representative and by County's Department Head or his/her designee.

8.1.2 County's Board of Supervisors, Chief Executive Officer or designee may require the addition and/or change of certain terms and conditions in this Subaward during the term of this Subaward. County reserves the right to add and/or change such provisions as required by County's Board of Supervisors or Chief Executive Officer. To implement such changes, an Amendment to this Subaward shall be prepared by County and executed by Authorized Representative and by County's Department Head or his/her designee.

8.1.3 County's Department Head or his/her designee may, at his/her sole discretion, authorize extensions of time as defined in Paragraph 4.0 (Term of Subaward). Subrecipient agrees that such extensions of time shall not change any other term or condition of this Subaward during the period of such extensions. To implement an extension of time, an Amendment to this Subaward shall be prepared by County and executed by Authorized Representative and by County's Department Head or his/her designee.

8.1.4 The following events shall also warrant an Amendment to this Subaward as described in this Subparagraph 8.1:

8.1.4.1 County may initiate a unilateral Amendment to this Subaward at any time when required by Federal, State or County laws or policies, and shall immediately notify Subrecipient of said Amendment and the justification thereto.

8.1.4.2 To the extent that funding for the Program is eliminated or otherwise reduced, the Program is terminated or the Program is modified for any reason (such that funding is reduced or the Scope of Work is changed), County may in its sole discretion amend this Subaward accordingly or move to terminate pursuant to the provisions in Subparagraph 8.42 (Termination for Convenience) without further liability for Services yet to be rendered by Subrecipient.

8.1.5 Change Notice

8.1.5.1 For any change which does not affect the Scope of Work performed under this Subaward, the Subaward Term or Subaward Sum, and does not otherwise materially change any other term or condition under this Subaward, County reserves the right to initiate such change(s) through a Change Notice Program memorandum or an administrative directive which shall all have the same effect as an Amendment. Such Change Notice shall be a
written document that is prepared by County at its sole discretion and is signed by County's Contract Manager or designee. A Change Notice will be used to communicate changes which do not warrant an amendment to this Subaward. Such Change Notice shall be provided to Subrecipient at least ten (10) days prior to its effective date and Subrecipient shall adhere to the requirements as specified therein. Subrecipient's failure to comply with the Change Notice(s) may result in County imposing remedies including suspension of payment(s), termination of Subaward or other remedies under this Subaward as determined by County at its sole discretion.

8.2 ASSIGNMENT AND DELEGATION/MERGERS OR ACQUISITIONS.

8.2.1 Subrecipient (that is, “Contractor”) shall notify County of any pending acquisitions/mergers of its company unless otherwise legally prohibited from doing so. If Contractor is restricted from legally notifying County of pending acquisitions/mergers, then it should notify County of the actual acquisitions/mergers as soon as the law allows and provide to County the legal framework that restricted it from notifying County prior to the actual acquisitions/mergers.

8.2.2 Contractor shall not assign its rights, delegate its duties under this Subaward (that is, “Contract”), or both, whether in whole or in part, without the prior written consent of County, in its sole discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this Subparagraph 8.2, County consent shall require a written Amendment to this Contract, which is formally approved and executed by the parties. Any payments by County to any approved delegatee or assignee on any claim under this Contract shall be deductible, at County's sole discretion, against the claims, which Contractor may have against County.

8.2.3 Shareholders, partners, members, or other equity holders of Contractor may sell, transfer, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of this Contract, such disposition is an assignment requiring the prior written consent of County in accordance with applicable provisions of this Contract.

8.2.4 Any assumption, assignment, delegation, or takeover of any of Contractor's duties, responsibilities, obligations, or performance of same by any person or entity other than Contractor, whether through assignment, Lower Tier Subaward (that is, “Subcontract”), delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of this Contract which may result in the termination of this Contract. In the event of such termination,
County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

8.3 AUTHORIZATION WARRANTY

8.3.1 Subrecipient represents and warrants that the person executing this Subaward for Subrecipient is an authorized agent who has actual authority to bind Subrecipient to each and every term, condition, and obligation of this Subaward and that all requirements of Subrecipient have been fulfilled to provide such actual authority ("Authorized Representative").

8.3.2 Authorized Representative must be available to County and/or County's duly authorized representatives during the days and times specified in Exhibit A (Statement of Work). In the event that Authorized Representative is not available during these specified days and times, he/she shall ensure that an appropriate designee is identified in writing to County's Contract Manager. Such designee shall have the ability and authority to act as a proxy on behalf of Authorized Representative, and this authority must also be evidenced in writing by Authorized Representative. Authorized Representative shall further ensure that he/she can be contacted by his/her designee when Authorized Representative is not available during the days and times specified in Exhibit A (Statement of Work).

8.3.3 Board of Directors' Resolution

8.3.3.1 Subrecipient shall submit its Board of Directors' resolution, which provides written evidence to support the delegated authority that Subrecipient's organization has vested in Authorized Representative, who will act on behalf of Subrecipient pursuant to Subparagraph 8.3 (Authorization Warranty). Such written evidence shall adhere to the following requirements outlined in this Subparagraph 8.3.3.

8.3.3.2 If Subrecipient is a public entity (defined as the government of the United States; the government of a State or political subdivision of a State; or any interstate governmental agency), Subrecipient shall submit to County a copy of its resolution, order, or motion which has been approved by its Governing Body (e.g., City Council) and signed by the presiding chairperson/president of the Governing Body. If Subrecipient is a private non-profit entity, Subrecipient shall submit a copy of written authorization from its Governing Body (e.g., Board of Directors) and signed by the presiding chairperson/president to County.

8.3.3.3 Subrecipient's resolution, order, motion, or other authorization shall contain the following elements: reference to this Subaward by name and number; authorize execution of this Subaward; identify Authorized Representative and any designee who will execute the original Subaward and any subsequent amendments to this Subaward.
(Authorized Representative and any designee shall be specified in Exhibit F (Subrecipient's Administration)); and, approve and accept Subaward Sums. In the event that there is a change in Authorized Representative, Subrecipient shall provide County a revised resolution, order, motion, or other authorization which reflects the new Authorized Representative within five (5) days of being approved by the Governing Body.

8.4 BUDGET REDUCTIONS

8.4.1 In the event that County's Board of Supervisors adopts, in any Fiscal Year or Program Year, a County budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County contracts, County reserves the right to reduce its payment obligation under this Subaward correspondingly for that Fiscal Year or Program Year and any subsequent Fiscal Year or Program Year during the term of this Subaward (including any extensions), and the Services to be provided by Subrecipient under this Subaward shall also be reduced correspondingly. County's notice to Subrecipient regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such actions. Except as set forth in the preceding sentence, Subrecipient shall continue to provide all of the Services set forth in this Subaward.

8.5 COMPLAINTS

8.5.1 Subrecipient shall develop, maintain and utilize procedures for receiving, investigating and responding to complaints. Within fifteen (15) business days after the Subaward effective date, Subrecipient shall provide County's Program Manager with Subrecipient's policy for receiving, investigating and responding to Client complaints.

8.5.2 County will review Subrecipient's policy and provide Subrecipient with approval of said plan or with requested changes.

8.5.3 If County requests changes in Subrecipient's policy, Subrecipient shall make such changes and resubmit the plan within five (5) business days for County approval.

8.5.4 If, at any time, Subrecipient wishes to change Subrecipient's policy, Subrecipient shall submit proposed changes to County's Program Manager for approval before implementation.

8.5.5 Subrecipient shall preliminarily investigate all complaints and notify County's Program Manager of the status of the investigation within ten (10) business days of receiving the complaint.

8.5.6 When complaints cannot be resolved informally, a system of follow-through shall be instituted which adheres to formal plans for specific actions and strict time deadlines.

8.5.7 Copies of all written responses shall be sent to County's Program Manager within five (5) business days of mailing to the
complainant.

8.5.8 Subrecipient shall provide Client an opportunity to anonymously submit a grievance directly to County's Compliance Manager. Subrecipient shall ensure that the contact information of County's Compliance Manager is posted in a publicly accessible area and also provided to Client in writing.

8.5.9 Subrecipient shall provide County an opportunity to consider any grievance whether it is anonymously submitted to County by Client or if it's a grievance that cannot be resolved by Subrecipient. At County's sole discretion, County's written decision regarding the grievance shall be final and irrevocable.

8.5.10 At a minimum, Subrecipient shall incorporate the procedures and provisions of this Subparagraph 8.5 in its written grievance policies.

8.6 COMPLIANCE WITH APPLICABLE LAWS

8.6.1 In the performance of this Subaward, Subrecipient shall comply with all applicable Federal, State, County and local laws, rules, regulations, ordinances, directives, guidelines, policies, Program memoranda and procedures. Subrecipient shall also comply with all subsequent revisions, modifications, and administrative and statutory changes made thereto by Federal, State and County authorities. All provisions required thereby to be included in this Subaward are hereby incorporated herein by reference.

8.6.2 Subrecipient shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs, and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting or professional fees, arising from, connected with, or related to any failure by Subrecipient, its officers, employees, agents, or Lower Tier Subrecipients, to comply with any such laws, rules, regulations, ordinances, directives, guidelines, policies, Program memoranda or procedures, as determined by County in its sole judgment. Any legal defense pursuant to Subrecipient's indemnification obligations under this Subparagraph 8.6 shall be conducted by Subrecipient and performed by counsel selected by Subrecipient and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Subrecipient fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and to reimbursement from Subrecipient for all such costs and expenses incurred by County in doing so. Subrecipient shall not have the right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of County without County's prior written approval.

8.6.3 Subrecipient's compliance with applicable laws and regulations includes, but is not limited to, adherence to the mandatory standards and policies relating to the following: Title 45 Code of
Federal Regulations Part 75 et seq. and Title 2 Code of Federal Regulations Part 200 et seq.; State’s energy efficiency regulations (Title 24 California Code of Regulations); and, Pilot Program for Enhancement of Contractor Employee Whistleblower Protections (Title 48 Code of Federal Regulations Subpart 3.908 and Title 41 United States Code Section 4712).

In addition to these standards and policies, when the Maximum Subaward Sum is one hundred thousand dollars ($100,000) or more, Subrecipient shall also adhere to the following policies: Clean Air Act, as amended (Title 42 United States Code Section 7401 et seq.); Federal Water Pollution Control Act, as amended (Title 33 United States Code Section 1251 et seq.); Environmental Protection Agency Regulations (Title 40 Code of Federal Regulations Part 29 and Executive Order 11738); State Contract Act (California Public Contract Code Section 10295 et seq.); and, Unruh Civil Rights Act (California Public Contract Code Section 2010). County reserves the right to review Subrecipient's procedures to ensure that they comply with the statutes, ordinances, regulations, rules, rulings, policies and procedures of the Federal, State and County authorities, as applicable.

8.6.4 Subrecipient certifies that throughout the entirety of this Subaward it shall comply with all Federal and State payroll tax rules and employer tax guides; Subrecipient shall pay all Federal and State payroll taxes; and, Subrecipient shall make all tax deposits required by Federal and State laws within the time limits required.

8.6.5 Subrecipient's failure to comply with such regulations, rules, ordinances, court rules, municipal laws, directives, policies, Program memoranda and procedures outlined in this Subparagraph 8.6 and/or the provisions, requirements or conditions of this Subaward, including but not limited to, performance documentation, reporting, audit and evaluation requirements shall be material breach of this Subaward and may result in termination of this Subaward or other remedies available herein.

8.7 COMPLIANCE WITH CIVIL RIGHTS LAWS

8.7.1 Subrecipient hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964 (as amended) [Title 42 United States Code Sections 2000e (1) - 2000e (17), Title 42 United States Code Section 2000d and Title 45 Code of Federal Regulations Part 80] and the Americans with Disabilities Act (ADA) of 1990, to the end that no person shall, on the grounds of race, creed, color, sex, religion, ancestry, age, condition of physical handicap, marital status, political affiliation, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Subaward or under any project, program, or activity supported by this Subaward. Subrecipient shall comply with Exhibit D (Subrecipient's Equal Employment Opportunity Certification). Prior to the commencement of this Subaward, Subrecipient shall submit the completed Exhibit D to County's Contract Manager in the time and manner as designated by County.
8.7.2 Notwithstanding any other provision of law and pursuant to the requirements outlined in California Public Contract Code Section 10295.3, when the Maximum Subaward Sum is one hundred thousand dollars ($100,000) or more, Subrecipient shall not discriminate in the provision of benefits between employees with spouses and employees with domestic partners, or discriminate between employees with spouses or domestic partners of a different sex and employees with spouses or domestic partners of the same sex, or discriminate between same-sex and different-sex domestic partners of employees or between same sex and different-sex spouses of employees. For purposes of this Subparagraph 8.7.2, "subaward" includes subawards and contracts awarded by County to Subrecipient with a cumulative amount of one hundred thousand dollars ($100,000) or more for the Fiscal Year or Program Year (where the subaward or contract funds originate from the State).

8.7.3 Subrecipient shall ensure compliance with the requirements of California Public Contract Code Section 2010 by submitting a completed California Civil Rights Laws Certification as directed by County and as a condition of executing this Subaward. The California Civil Rights Laws Certification ensures Subrecipient's compliance with the Unruh Civil Rights Act (California Civil Code Section 51) and the Fair Employment and Housing Act (California Government Code Section 12960), and further ensures that Subrecipient's internal policies are not used in violation of California Civil Rights Laws.

8.8 COMPLIANCE WITH COUNTY'S JURY SERVICE PROGRAM

8.8.1 Jury Service Program

8.8.1.1 This Subaward (that is, "Contract") is subject to the provisions of County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Los Angeles County Code Sections 2.203.010 through 2.203.090, a copy of which is attached as Exhibit H (Jury Service Ordinance) and incorporated by reference into and made a part of this Contract.

8.8.2 Written Employee Jury Service Policy

8.8.2.1 Unless Subrecipient (that is, "Contractor") has demonstrated to County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Los Angeles County Code Section 2.203.020) or that Contractor qualifies for an exception to the Jury Service Program (Los Angeles County Code Section 2.203.070), Contractor shall have and adhere to a written policy that provides that its employees shall receive from Contractor, on an annual basis, no less than five (5) days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with Contractor or that Contractor deduct from the employee's regular pay the fees received for jury service.
8.8.2.2 For purposes of this Subparagraph 8.8, "Contractor" means a person, partnership, corporation or other entity which has a contract with County or a subcontract with a County contractor and has received or will receive an aggregate sum of fifty thousand dollars ($50,000) or more in any twelve (12) month period under one (1) or more County contracts or subcontracts. "Employee" means any California resident who is a full-time employee of Contractor. "Full-time" means forty (40) hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of ninety (90) days or less within a twelve (12) month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any Lower Tier Subrecipient (that is, "Subcontractor") to perform Services for County under this Contract, the Subcontractor shall also be subject to the provisions of this Subparagraph 8.8. The provisions of this Subparagraph 8.8, shall be inserted into any such Lower Tier Subaward (that is, "Subcontract") agreement and a copy of the Jury Service Program shall be attached to the agreement.

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

8.8.2.4 Contractor's violation of this Subparagraph 8.8 of this Contract may constitute a material breach of this Contract. In the event of such material breach, County may, in its sole discretion, terminate this Contract and/or bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

8.9 CONFLICT OF INTEREST
8.9.1 No County employee whose position with County enables such employee to influence the granting of this Subaward or any competing contract, and no spouse or economic dependent of such employee, shall be employed in any capacity by Subrecipient or have any other direct or indirect financial interest in this Subaward. No officer or employee of Subrecipient who may financially benefit from the performance of Work hereunder shall in any way participate in County's approval, or ongoing evaluation, of such Work, or in any way attempt to unlawfully influence County's approval or ongoing evaluation of such Work.

8.9.2 Subrecipient shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Subaward. Subrecipient warrants that it is not now aware of any facts that create a conflict of interest. If Subrecipient hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to County's Compliance Manager. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this Subparagraph 8.9 shall be a material breach of this Subaward.

8.10 CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFFS OR ON RE-EMPLOYMENT LIST

8.10.1 Should Subrecipient (that is, "Contractor") require additional or replacement personnel after the effective date of this Subaward (that is, "Contract") to perform the Services set forth herein, Contractor shall give first consideration for such employment openings to qualified permanent County employees who are targeted for layoff or to qualified former County employees who are on a re-employment list during the life of this Contract.

8.11 CONSIDERATION OF HIRING GAIN AND GROW PARTICIPANTS

8.11.1 Should Subrecipient (that is, "Contractor") require additional or replacement personnel after the effective date of this Subaward (that is, "Contract"), Contractor shall give consideration for any such employment openings to participants in County of Los Angeles Department of Public Social Services (DPSS) Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that Contractor will interview qualified candidates. County will refer GAIN/GROW participants by job category to Contractor. Contractor shall report all job openings with job requirements to: GAINGROW@dpss.lacounty.gov and BSERVICES@wdacs.lacounty.gov and DPSS will refer qualified GAIN/GROW job candidates.

8.11.2 In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority.

8.12 CONTRACTOR RESPONSIBILITY AND DEBARMENT

8.12.1 Responsible Contractor
8.12.1.1 A responsible Subrecipient (that is, "Contractor") is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform this Subaward (that is, "Contract"). It is County's policy to conduct business only with responsible contractors.

8.12.2 **Los Angeles County Code Chapter 2.202**

8.12.2.1 Subrecipient (that is, "Contractor") is hereby notified that, in accordance with Los Angeles County Code Chapter 2.202, if County acquires information concerning the performance of Contractor on this Subaward (that is, "Contract") or other contracts which indicates that Contractor is not responsible, County may, in addition to other remedies provided in this Contract, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County 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 the circumstances, and terminate any or all existing contracts which Contractor may have with County.

8.12.3 **Non-responsible Contractor**

8.12.3.1 County may debar Subrecipient (that is, "Contractor") if the Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated a term of a contract with County or a non-profit corporation created by County, (2) committed an act or omission which negatively reflects on Contractor's quality, fitness or capacity to perform a contract with County, any other public entity, or a non-profit corporation created by 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 County or any other public entity.

8.12.4 **Contractor Hearing Board**

8.12.4.1 If there is evidence that Subrecipient (that is, "Contractor") may be subject to debarment, County will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

8.12.4.2 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Contractor and/or 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 Contractor should be debarred, and, if so, the appropriate length of time of the debarment. Contractor and County shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

8.12.4.3 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 Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

8.12.4.4 If Contractor has been debarred for a period longer than five (5) years, 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. County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of County.

8.12.4.5 The Contractor Hearing Board will consider a request for review of a debarment determination only where: (1) 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 debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

8.12.4.6 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 Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

8.12.5 Subcontractors of Contractor

8.12.5.1 These terms shall also apply to Lower Tier Subrecipients (that is, "Subcontractors") of County contractors.

8.12.6 Contractor hereby acknowledges that County is prohibited from contracting with parties that are suspended, debarred, ineligible or excluded from securing State-funded or Federally-funded contracts. By executing this Contract, Contractor certifies that neither it nor any of its owners, officers, partners, directors, or other principals is currently suspended, debarred, ineligible or excluded from securing State-funded or Federally-funded contracts. Further by executing this Contract, Contractor certifies that, to its knowledge, none of its subcontractors, at any tier, or any owner, officer, partner, director or other principal of any subcontractor is currently suspended, debarred, ineligible or excluded from securing State-funded or Federally-funded contracts. During the term of this Contract, Contractor shall immediately notify County's Compliance Manager in writing should it or any of its subcontractors or any principals of either be suspended, debarred, ineligible or excluded from securing State-funded or Federally-funded contracts. Failure of Contractor to comply with this provision shall constitute a material breach of this Contract upon which County may immediately terminate or suspend this Contract.

8.13 CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW

8.13.1 Subrecipient (that is, "Contractor") acknowledges that County places a high priority on the implementation of the Safely Surrendered Baby Law. Contractor understands that it is County's policy to encourage all County contractors to voluntarily post County's "Safely Surrendered Baby Law" poster, in Exhibit I, in a prominent position at Contractor's place of business. Contractor will also encourage its Lower Tier Subrecipients (that is, "Subcontractors"), if any, to post this poster in a prominent position in the Subcontractor's place of business. Information and posters for printing are available at www.babysafela.org.

8.14 CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

8.14.1 Subrecipient (that is, "Contractor") acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through contracts are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County of Los Angeles and its taxpayers.

8.14.2 As required by County's Child Support Compliance Program (Los Angeles County Code Chapter 2.200) and without limiting
Contractor's duty under this Subaward (that is, "Contract") to comply with all applicable provisions of law, Contractor 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 Social Security Act (Title 42 United States Code Section 653(a)) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family or Spousal Support, pursuant to the California Code of Civil Procedure Section 706.031 and the California Family Code Section 5246(b).

8.15 COUNTY'S QUALITY ASSURANCE PLAN

8.15.1 County or its agent will monitor Subrecipient's (that is, "Contractor's") performance under this Subaward (that is, "Contract") on not less than an annual basis. Such monitoring will include assessing Contractor's compliance with all Contract terms and conditions and performance standards, in addition to the regulations outlined in Subparagraph 8.38.3 (Monitoring Reviews). Contractor deficiencies which County determines are significant or continuing and that may place performance of this Contract in jeopardy if not corrected will be reported to the Board of Supervisors and listed in the appropriate Contractor performance database. The report to the Board will include improvement/corrective action measures taken by County and Contractor. If improvement does not occur consistent with the corrective action measures, County may terminate this Contract or impose other penalties as specified in this Contract.

8.16 DAMAGE TO COUNTY FACILITIES, BUILDINGS OR GROUNDS

8.16.1 Subrecipient shall repair, or cause to be repaired, at its own cost, any and all damage to County facilities, buildings or grounds caused by Subrecipient or employees or agents of Subrecipient. Such repairs shall be made immediately after Subrecipient has become aware of such damage, but in no event later than thirty (30) days after the occurrence.

8.16.2 If Subrecipient fails to make timely repairs, County may make any necessary repairs. All costs incurred by County, as determined by County, for such repairs shall be repaid by Subrecipient by cash payment upon demand.

8.17 EMPLOYMENT ELIGIBILITY VERIFICATION

8.17.1 Subrecipient warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all of its employees performing Work under this Subaward meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. Subrecipient shall obtain, from all employees performing Work hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986 (Public Law 99-603) as they currently exist and as they may be hereafter amended. Subrecipient shall retain all such documentation for all covered employees for the period
prescribed by law.

8.17.2 Subrecipient shall indemnify, defend, and hold harmless, County, its agents, officers and employees from employer sanctions and any other liability which may be assessed against Subrecipient or County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing Work under this Subaward.

8.18 FACSIMILE REPRESENTATIONS

8.18.1 County and Subrecipient hereby agree to regard facsimile representations of original signatures (including but not limited to electronic and/or digital signatures) of authorized officers of each party, when appearing in appropriate places on the Subaward and any Amendments prepared pursuant to Subparagraph 8.1 (Amendments) and received via electronic communications media, as legally sufficient evidence that such original signatures have been affixed to these documents, such that the parties need not follow up facsimile or other electronic transmissions of such documents with subsequent (non-facsimile/electronic) transmissions of "original" versions of such documents.

8.19 FAIR LABOR STANDARDS

8.19.1 Subrecipient shall comply with all applicable provisions of the Federal Fair Labor Standards Act and shall indemnify, defend, and hold harmless County and its agents, officers and employees from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs and attorneys' fees arising under any wage and hour law, including, but not limited to, the Federal Fair Labor Standards Act, for Work performed by Subrecipient's employees for which County may be found jointly or solely liable.

8.20 FORCE MAJEURE

8.20.1 Neither party shall be liable for such party's failure to perform its obligations under and in accordance with this Subaward, if such failure arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by such party or any of such party's lower tier subrecipients), freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of such party (such events are referred to in this Subparagraph 8.20 as "force majeure events").

8.20.2 Notwithstanding the foregoing, a default by a Lower Tier Subrecipient of Subrecipient shall not constitute a force majeure event, unless such default arises out of causes beyond the control of both Subrecipient and such Lower Tier Subrecipient, and without any fault or negligence of either of them. In such case, Subrecipient shall not be liable for failure to perform, unless the goods or Services to be furnished by the Lower Tier Subrecipient were obtainable from other sources in sufficient time to permit Subrecipient to meet the required performance schedule. As used in this Subparagraph 8.20, the term "Lower
Tier Subrecipient" and "Lower Tier Subrecipients" mean Lower Tier Subrecipients at any tier.

8.20.3 In the event Subrecipient's failure to perform arises out of a force majeure event, Subrecipient agrees to use commercially reasonable best efforts to obtain goods or Services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such force majeure event.

8.21 GOVERNING LAW, JURISDICTION, AND VENUE
8.21.1 This Subaward shall be governed by, and construed in accordance with, the laws of the State of California. Subrecipient agrees and consents to the exclusive jurisdiction, including personal jurisdiction, of the courts of the State of California for all purposes regarding this Subaward, and further agrees and consents that venue of any action brought hereunder shall be exclusively in County of Los Angeles.

8.22 INDEPENDENT CONTRACTOR STATUS
8.22.1 This Subaward is by and between County and Subrecipient and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between County and Subrecipient. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.

8.22.2 Subrecipient shall be solely liable and responsible for providing to, or on behalf of, all persons performing Work pursuant to this Subaward all compensation and benefits. County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of Subrecipient.

8.22.3 Subrecipient understands and agrees that all persons performing Work pursuant to this Subaward are, for purposes of Workers' Compensation liability, solely employees of Subrecipient and not employees of County. Subrecipient shall be solely liable and responsible for furnishing any and all Workers' Compensation benefits to any person as a result of any injuries arising from or connected with any Work performed by or on behalf of Subrecipient pursuant to this Subaward.

8.22.4 Subrecipient shall adhere to the provisions stated in Subparagraph 7.6 (Confidentiality).

8.23 INDEMNIFICATION
8.23.1 Subrecipient shall indemnify, defend and hold harmless County, its Special Districts, elected and appointed officers, employees, agents and volunteers ("County Indemnitees") from and against any and all liability, including but not limited to demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from and/or relating to this Subaward, except for such loss or damage arising from the sole negligence or willful misconduct of County Indemnitees.

8.24 GENERAL PROVISIONS FOR ALL INSURANCE COVERAGE
8.24.1 Without limiting Subrecipient's indemnification of County, and in the performance of this Subaward and until all of its obligations pursuant to this Subaward have been met, Subrecipient shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in this Subparagraph 8.24 and Subparagraph 8.25 (Insurance Coverage) of this Subaward. These minimum insurance coverage terms, types and limits ("Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Subrecipient pursuant to this Subaward. County in no way warrants that the Required Insurance is sufficient to protect Subrecipient for liabilities which may arise from or relate to this Subaward.

8.24.2 Evidence of Coverage and Notice to County

8.24.2.1 Certificate(s) of insurance coverage ("Certificate") satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) have been given Insured status under Subrecipient's General Liability policy, shall be delivered to County's Contract Manager at the address shown below and provided prior to commencing Services under this Subaward.

8.24.2.2 Renewal Certificates shall be provided to County's Contract Manager not less than ten (10) days prior to Subrecipient's policy expiration dates. County reserves the right to obtain complete, certified copies of any required Subrecipient and/or Lower Tier Subrecipient insurance policies at any time.

8.24.2.3 Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Subaward by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of Subrecipient identified as the contracting party in this Subaward. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand dollars ($50,000), and list any County required endorsement forms.

8.24.2.4 Neither County's failure to obtain, nor County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by Subrecipient, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

8.24.2.5 Certificates and copies of any required endorsements shall be sent to:
8.24.2.6 Subrecipient also shall promptly report to County's Program Manager any injury or property damage accident or incident, including any injury to a Subrecipient employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Subrecipient. Subrecipient also shall promptly notify County's Program Manager of any third-party claim or suit filed against Subrecipient or any of its Lower Tier Subrecipients which arises from or relates to this Subaward, and could result in the filing of a claim or lawsuit against Subrecipient and/or County.

8.24.3 Additional Insured Status and Scope of Coverage

8.24.3.1 County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, employees and volunteers (collectively County and its Agents) shall be provided additional insured status under Subrecipient's General Liability policy with respect to liability arising out of Subrecipient's ongoing and completed operations performed on behalf of County. County and its Agents' additional insured status shall apply with respect to liability and defense of suits arising out of Subrecipient's acts or omissions, whether such liability is attributable to Subrecipient or to County. The full policy limits and scope of protection also shall apply to County and its Agents as an additional insured, even if they exceed County’s minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

8.24.4 Cancellation of or Change(s) in Insurance

8.24.4.1 Subrecipient shall provide County with, or Subrecipient's insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County's Contract Manager at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance
may constitute a material breach of this Subaward, in the sole discretion of County, upon which County may suspend or terminate this Subaward.

8.24.5 Failure to Maintain Insurance
8.24.5.1 Subrecipient's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of this Subaward, upon which County immediately may withhold payments due to Subrecipient, and/or suspend or terminate this Subaward. County, at its sole discretion, may obtain damages from Subrecipient resulting from said breach. Alternatively, County may purchase the Required Insurance, and without further notice to Subrecipient, deduct the premium cost from sums due to Subrecipient or pursue Subrecipient reimbursement.

8.24.6 Insurer Financial Ratings
8.24.6.1 Coverage shall be placed with insurers acceptable to County with A.M. Best ratings of not less than A:VII unless otherwise approved by County.

8.24.7 Subrecipient's Insurance Shall Be Primary
8.24.7.1 Subrecipient's insurance policies, with respect to any claims related to this Subaward, shall be primary with respect to all other sources of coverage available to Subrecipient. Any County maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Subrecipient coverage.

8.24.8 Waivers of Subrogation
8.24.8.1 To the fullest extent permitted by law, Subrecipient hereby waives its rights and its insurer(s)' rights of recovery against County under all the Required Insurance for any loss arising from or relating to this Subaward. Subrecipient shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

8.24.9 Lower Tier Subrecipient Insurance Coverage Requirements
8.24.9.1 Subrecipient shall include all Lower Tier Subrecipients as insureds under Subrecipient's own policies, or shall provide County with each Lower Tier Subrecipient's separate evidence of insurance coverage. Subrecipient shall be responsible for verifying that each Lower Tier Subrecipient complies with the Required Insurance provisions herein, and shall require that each Lower Tier Subrecipient name County and Subrecipient as additional insureds on the Lower Tier Subrecipient's General Liability policy. Subrecipient shall obtain County's prior review and approval of any Lower Tier Subrecipient request for modification of the
8.24.10  **Deductibles and Self-Insured Retentions (SIRs)**

8.24.10.1 Subrecipient's policies shall not obligate County to pay any portion of any Subrecipient deductible or SIR. County retains the right to require Subrecipient to reduce or eliminate policy deductibles and SIRs as respects County, or to provide a bond guaranteeing Subrecipient's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

8.24.11  **Claims Made Coverage**

8.24.11.1 If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the effective date of this Subaward. Subrecipient understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Subaward expiration, termination or cancellation.

8.24.12  **Application of Excess Liability Coverage**

8.24.12.1 Subrecipient may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

8.24.13  **Separation of Insureds**

8.24.13.1 All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

8.24.14  **Alternative Risk Financing Programs**

8.24.14.1 County reserves the right to review, and then approve, Subrecipient use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. County and its Agents shall be designated as an Additional Covered Party under any approved program.

8.24.15  **County Review and Approval of Insurance Requirements**

8.24.15.1 County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County's determination of changes in risk exposures.

8.25  **INSURANCE COVERAGE**

8.25.1  **Commercial General Liability**
8.25.1.1 Insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming County and its Agents as an additional insured, with limits of not less than:

- General Aggregate: $4 million
- Products/Completed Operations Aggregate: $2 million
- Personal and Advertising Injury: $1 million
- Each Occurrence: $1 million

8.25.2 **Automobile Liability**

8.25.2.1 Insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than one million dollars ($1,000,000) for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of Subrecipient's use of autos pursuant to this Subaward, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

8.25.3 **Workers Compensation and Employers' Liability**

8.25.3.1 Insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than one million dollars ($1,000,000) per accident. If Subrecipient will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization ("PEO"), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming County as the Alternate Employer. The written notice shall be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. If applicable to Subrecipient's operations, coverage also shall be arranged to satisfy the requirements of any Federal workers or workmen's compensation law or any Federal occupational disease law.

8.25.4 Intentionally Omitted

8.25.5 Intentionally Omitted

8.25.6 **Property Coverage**

8.25.6.1 Subrecipient who is given exclusive use of County owned or leased property shall carry property coverage at least as broad as that provided by the ISO special causes of loss (ISO policy form CP 10 30). County and its Agents shall be named as an Additional Insured and Loss Payee on Subrecipient's insurance as its interests may appear. Automobiles and mobile equipment shall be insured for their actual cash value. Real property and all other personal property shall be
insured for their full replacement value.

8.25.7 Sexual Misconduct Liability
8.25.7.1 Insurance covering actual or alleged claims for sexual misconduct and/or molestation with limits of not less than two million dollars ($2,000,000) per claim and two million dollars ($2,000,000) aggregate, and claims for negligent employment, investigation, supervision, training or retention of, or failure to report to proper authorities, a person(s) who committed any act of abuse, molestation, harassment, mistreatment or maltreatment of a sexual nature.

8.25.8 Privacy and Network Security Coverage
8.25.8.1

8.25.9 Intentionally Omitted

8.26 LIQUIDATED DAMAGES
8.26.1 If, in the judgment of County's Department Head, or his/her designee, Subrecipient is deemed to be non-compliant with the terms and obligations assumed hereby, County's Department Head, or his/her designee, at his/her option, in addition to, or in lieu of, other remedies provided herein, may withhold the entire monthly payment or deduct pro rata from Subrecipient's invoice for Work not performed. A description of the Work not performed and the amount to be withheld or deducted from payments to Subrecipient from County, will be forwarded to Subrecipient by County's Department Head, or his/her designee, in a written notice describing the reasons for said action.

8.26.2 If County's Department Head or his/her designee determines that there are deficiencies in the performance of this Subaward that County's Department Head or his/her designee deems are correctable by Subrecipient over a certain time span, County's Department Head or his/her designee will provide a written notice to Subrecipient to correct the deficiency within specified time frames. Should Subrecipient fail to correct deficiencies within said time frame, County's Department Head or his/her designee may take any of the actions identified in Subparagraph 8.26.3.

8.26.3 Remedies for Non-Performance of Subaward
8.26.3.1 County may deduct from Subrecipient's payment, pro rata, those applicable portions of the monthly Subaward Sum at County's sole discretion.

8.26.3.2 County may deduct liquidated damages at County's sole discretion. The parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of Subrecipient to correct a deficiency within the specified time frame. The parties hereby agree that under the current circumstances a reasonable estimate of such damages per day per infraction shall be one hundred dollars ($100) or as specified in Exhibit A (Statement of Work), Attachment 1.
Subrecipient shall be liable to County for liquidated damages in said amount and this amount shall be deducted from County's payment to Subrecipient.

8.26.3.3 Upon giving five (5) days' notice to Subrecipient for failure to correct the deficiencies, County may correct any and all deficiencies and the total costs incurred by County for completion of the Work by an alternate source, whether it be County forces or separate private contractor, will be deducted and forfeited from the payment to Subrecipient from County, as determined by County.

8.26.4 The action noted in Subparagraph 8.26.3 shall not be construed as a penalty, but as adjustment of payment to Subrecipient to recover County cost due to the failure of Subrecipient to complete or comply with the provisions of this Subaward.

8.26.5 This Subparagraph 8.26 shall not, in any manner, restrict or limit County's right to damages for any breach of this Subaward provided by law or as specified in Exhibit A (Statement of Work), Attachment G (Performance Requirements Summary Chart) or Subparagraph 8.26.3, and shall not, in any manner, restrict or limit County's right to terminate this Subaward as agreed to herein. This Subparagraph 8.26 may be assessed as an option. It does not preclude utilizing Exhibit A (Statement of Work), Attachment G (Performance Requirements Summary Chart) or assessing actual costs of the damage.

8.27 MOST FAVORED PUBLIC ENTITY

8.27.1 If Subrecipient's prices decline, or should Subrecipient at any time during the term of this Subaward provide the same goods or Services under similar quantity and delivery conditions to the State of California or any county, municipality, or district of the State at prices below those set forth in this Subaward, then such lower prices shall be immediately extended to County.

8.28 NON-DISCRIMINATION AND AFFIRMATIVE ACTION

8.28.1 Subrecipient (that is, "Contractor") certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and shall be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations.

8.28.2 Contractor shall certify to, and comply with, the provisions of Exhibit D (Subrecipient's Equal Employment Opportunity Certification).

8.28.3 Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such
action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

### 8.28.4 Contractor certifies and agrees that it will deal with its Lower Tier Subrecipients (that is, "Subcontractors"), bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation.

### 8.28.5 Contractor certifies and agrees that it, its affiliates, subsidiaries or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Subaward (that is, "Contract") or under any project, program or activity supported by this Contract.

### 8.28.6 Contractor shall allow County representatives access to Contractor's employment records during County's business hours to verify compliance with the provisions of this Subparagraph 8.28 when so requested by County.

### 8.28.7 If County finds that any provisions of this Subparagraph 8.28 have been violated, such violation shall constitute a material breach of this Contract upon which County may terminate or suspend this Contract. While County reserves the right to determine independently that the anti-discrimination provisions of this Contract have been violated, in addition, a determination by the California Fair Employment and Housing Commission or the Federal Equal Employment Opportunity Commission that Contractor has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by County that Contractor has violated the anti-discrimination provisions of this Contract.

### 8.28.8 The parties agree that in the event Contractor violates any of the anti-discrimination provisions of this Contract, County shall, at its sole option, be entitled to the sum of five hundred dollars ($500) for each such violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating or suspending this Contract.

### 8.29 NON-EXCLUSIVITY

### 8.29.1 Nothing herein is intended nor shall be construed as creating any exclusive arrangement with Subrecipient. This Subaward shall not restrict County from acquiring similar, equal or like goods and/or Services from other entities or sources.

### 8.30 NOTICE OF DELAYS

### 8.30.1 Except as otherwise provided under this Subaward, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Subaward, that party shall, within one (1) business day, give notice thereof, including all relevant information with respect
thereto, to the other party.

8.31 NOTICE OF DISPUTES
8.31.1 Subrecipient shall bring to the attention of County's Program Manager and/or County's Contract Manager any dispute between County and Subrecipient regarding the performance of Services as stated in this Subaward. If County's Program Manager or County's Contract Manager is not able to resolve the dispute, County's Department Head or his/her designee shall resolve it.

8.32 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT
8.32.1 Subrecipient shall notify its employees, and shall require each Lower Tier Subrecipient 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 (IRS) Notice 1015. Subrecipient shall obtain the most current version of IRS Notice 1015 on-line at the IRS website: www.irs.gov.

8.33 NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW
8.33.1 Subrecipient (that is, "Contractor") shall notify and provide to its employees, and shall require each Lower Tier Subrecipient (that is, "Subcontractor") to notify and provide to its employees, information regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The information is set forth in Exhibit I (Safely Surrendered Baby Law) of this Subaward (that is, "Contract"). Additional information is available at www.babysafela.org.

8.34 NOTICES
8.34.1 All notices or demands required or permitted to be given or made under this Subaward shall be in writing and shall be hand-delivered with signed receipt or mailed by first-class registered or certified mail, postage prepaid, addressed to the parties as identified in Exhibit E (County's Administration) and Exhibit F (Subrecipient's Administration). Addresses may be changed by either party giving ten (10) days' prior written notice thereof to the other party. County's Contract Manager or his/her designee shall have the authority to issue all notices or demands required or permitted by County under this Subaward.

8.35 PROHIBITION AGAINST INDUCEMENT OR PERSUASION
8.35.1 Notwithstanding the above, Subrecipient and County agree that, during the term of this Subaward and for a period of one (1) year thereafter, neither party shall in any way intentionally induce or persuade any employee of one party to become an employee or agent of the other party. No bar exists against any hiring action initiated through a public announcement.

8.36 PUBLIC RECORDS ACT
8.36.1 Any documents submitted by Subrecipient, all information obtained in connection with County's right to audit and inspect Subrecipient's documents, books, and accounting records pursuant to Subparagraph 8.38 (Record Retention, Inspection and Audit Settlement), as well as those documents which were required to be submitted in response to the solicitation used to procure this Subaward, become the exclusive property of County. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code Section 6250 et seq. (California Public Records Act) and which are marked "trade secret", "confidential" or "proprietary". County shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.

8.36.2 In the event County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a proposal marked "trade secret", "confidential" or "proprietary", Subrecipient agrees to defend and indemnify County from all costs and expenses, including reasonable attorney's fees, in an action or liability arising under the California Public Records Act.

8.37 PUBLICITY

8.37.1 Subrecipient shall not disclose any details in connection with this Subaward to any person or entity except as may be otherwise provided hereunder or required by law. However, in recognizing Subrecipient's need to identify its Services and related Clients to sustain itself, County shall not inhibit Subrecipient from publishing its role under this Subaward within the following conditions:

8.37.1.1 Subrecipient shall develop all publicity material in a professional manner; and

8.37.1.2 During the term of this Subaward, Subrecipient shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of County without the prior written consent of County's Contract Manager. County shall not unreasonably withhold written consent.

8.37.2 Without the prior written consent of County, Subrecipient may indicate in its proposals and sales materials that it has been granted this Subaward with County of Los Angeles, provided that the requirements of this Subparagraph 8.37 shall apply.

8.37.3 Subrecipient shall not use or display the official seal of County of Los Angeles or the logo of Workforce Development, Aging and Community Services on any of its letterhead or other communications with any debtor, or for any other reason, unless each form of usage has prior written approval of the Los Angeles County Board of Supervisors.

8.38 RECORD RETENTION, INSPECTION AND AUDIT SETTLEMENT
8.38.1 Record Retention Requirements

8.38.1.1 Subrecipient shall maintain accurate and complete financial records (such as bank statements, cancelled checks or other proof of payment) of its activities and operations relating to this Subaward in accordance with Generally Accepted Accounting Principles. Subrecipient shall also maintain all materials, including, but not limited to, complete employment records (such as timecards, sign-in/sign-out sheets and other time and employment records), supporting Program documents and proprietary data and information relating to its performance of this Subaward. Subrecipient shall further maintain on file the entirety of this Subaward, its amendments and/or addendums, modifications and all applicable laws, regulations, directives, Program memoranda and guidance which are hereby incorporated by reference. Subrecipient shall ensure that the security and integrity of all records are maintained throughout the entire term of this Subaward and during the authorized retention period as outlined below.

8.38.1.2 Subrecipient shall adhere to the requirements of the authorized retention period, which shall be the greater of the following: throughout the entire term of this Subaward and until an audit of this Subaward by County and/or its duly authorized representative(s) has occurred and a written audit resolution has been issued or unless otherwise authorized in writing by County; or, for such longer period, if any, as required by applicable statute, by any other provision of this Subaward, by Subparagraphs 8.38.2.2 and 8.38.2.3 or as County deems necessary (which shall be communicated to Subrecipient in writing).

8.38.1.3 All such material shall be maintained by Subrecipient at a location in Los Angeles County, provided that if any such material is located outside Los Angeles County, then, at County’s option, Subrecipient shall pay County for travel, per diem, and other costs incurred by County to examine, audit, excerpt, copy, or transcribe such material at such other location.

8.38.1.4 After the authorized retention period has expired, Subrecipient shall dispose of, shred or destroy all confidential records in a manner that will maintain confidentiality. Subrecipient shall obtain a certificate of destruction to substantiate that all confidential records have been securely destroyed. Subrecipient shall notify County’s Contract Manager in writing within thirty (30) days after such records are destroyed. The certificate of destruction shall be provided to County’s Contract Manager upon County’s request.
8.38.2 **Access to Records**

8.38.2.1 Subrecipient agrees that County and any of its duly authorized representatives (which may include State authorities, Federal agencies (including, but not limited to, Comptroller of the United States, Office of the Inspector General and General Accounting Office) and/or any of their duly authorized representatives), shall have both access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating to this Subaward, any books, documents, papers and records of Subrecipient that are directly pertinent to this Subaward (as determined by County and its duly authorized representatives). The rights of access which are outlined in this Subaward shall not be limited to the authorized retention period but shall last as long as the records are retained.

8.38.2.2 If this Subaward (or any part thereof) is terminated, Subrecipient shall preserve and make all records, relating to the Work terminated, available during the authorized retention period of this Subaward. Subrecipient shall ensure that any resource directories and all Client records remain the property of County upon termination of this Subaward, and that they are returned to County or transferred to another subrecipient as instructed by County in writing.

8.38.2.3 In the event of any litigation, claim, negotiation, audit exception or other action involving the records, Subrecipient shall maintain all records relative to such action and shall make them available to County and/or its duly authorized representatives until every action has been cleared to the satisfaction of County and/or its duly authorized representatives, and such clearance must be evidenced to Subrecipient in writing.

8.38.2.4 County reserves the right to take physical custody of Subrecipient’s records when any of the following situations occur: in the event that a potential litigation may be levied against Subrecipient for its Work performed under this Subaward; when County determines that Subrecipient is at a high risk of ceasing its operations during any time within the Subaward term or prior to the end of the retention period; when County determines that the records have long-term value; and/or, in the event that County and Subrecipient terminate the contractual relationship. For purposes of this Subaward, high risk is determined by County using criteria which includes but is not limited to the following: history of unsatisfactory contractual performance; financial instability or insolvency; documented evidence of an inadequate management system and lack of
internal controls; non-conformance to the terms and conditions of previous awards; non-responsible; and/or history of disallowed costs.

8.38.3 Monitoring Reviews

8.38.3.1 Subrecipient shall provide the Services herein under the general supervision of County's Department Head and his/her authorized administrators who are designated in Paragraph 6.0 (Administration of Subaward-County). County shall supervise, monitor and specify the kind, quality, appropriateness, timeliness and amount of the Services to be provided by Subrecipient as well as the criteria for determining the persons to be served (Clients). Subrecipient shall extend to County and to representatives authorized by County (including, but not limited to, State and Federal representatives) the right to observe, review and monitor Subrecipient's facilities, programs, records, procedures, performance, activities, or documents, which are used under this Subaward. Subrecipient shall provide County (or other designated authorities) the right to conduct such reviews at any time during County's business hours. County (or other designated authorities) shall not unreasonably interfere with Subrecipient's performance. The requirements of this Subparagraph 8.38 shall also apply to Lower Tier Subrecipients providing Services on behalf of Subrecipient.

8.38.3.2 County will monitor Subrecipient's Services provided under this Subaward on a regular basis and County may conduct unannounced site visits to ensure Subrecipient's compliance with this Subaward. County will summarize the results of the monitoring efforts in written reports, which shall be supported with documented evidence of follow-up actions taken to correct areas of non-compliance. Monitoring activities may include, but are not limited to interviewing Subrecipient employees and, when applicable, Clients; entering any premises or any site in which any of the Services or activities funded are being conducted or in which any records of Subrecipient are kept; etc. All information will be maintained in a confidential manner in accordance with any and all Federal, State and local laws.

8.38.3.3 Subrecipient shall be responsible for monitoring the activities of its Lower Tier Subrecipient(s) providing Services under this Subaward. Subrecipient shall conduct on-site fiscal and program monitoring reviews which shall be documented and maintained on file according to the record retention requirements provided in this Subparagraph 8.38. Subrecipient shall ensure that Lower Tier Subrecipient(s) adheres to all requirements for correcting areas of non-compliance, and implements the corrective action plan which has
8.38.4 Independent Audit Requirements

8.38.4.1 Title 45 Code of Federal Regulations Part 75.500 et seq. and Title 2 Code of Federal Regulations Part 200.500 et seq. requires that organizations which expend seven hundred fifty thousand dollars ($750,000) or more in a year in Federal awards, including pass-through awards, shall obtain an annual single audit. When Subrecipient's organization meets this requirement (as specified in Title 45 Code of Federal Regulations Part 75.500 et seq. and Title 2 Code of Federal Regulations Part 200.500 et seq.), Subrecipient shall ensure that such audit shall be conducted by an independent auditor in accordance with the requirements outlined in Title 45 Code of Federal Regulations Part 75.500 et seq. and Title 2 Code of Federal Regulations Part 200.500 et seq. (and any amendments or supplements thereto). Subrecipient shall submit an audit engagement letter as confirmation of the audit to be conducted by the independent auditor and such letter shall be submitted to County's Compliance Manager in the time and manner as directed by County. Upon auditor's completion of the single audit, Subrecipient shall obtain both the data collection form and the reporting package (i.e., auditor's report), as described in Title 45 Code of Federal Regulations Part 75.500 et seq. and Title 2 Code of Federal Regulations Part 200.500 et seq., from the auditor for each audit period (i.e., each Fiscal Year or Program Year). Subrecipient shall submit a copy of the auditor's report to County's Compliance Manager within thirty (30) days after receipt of auditor's report but no later than nine (9) months following the end of the audit period.

8.38.4.2 When the requirements provided above for obtaining an annual audit do not apply to Subrecipient for any Fiscal Year (or Program Year), Subrecipient shall make its records available for review or audit by County and any of its duly authorized representatives (which may include State authorities, Federal agencies (including, but not limited to, Comptroller of the United States, Office of the Inspector General and General Accounting Office) and/or any of their duly authorized representatives). Such review or audit may include but is not limited to financial audits, performance audits, evaluations, inspections, monitoring, etc. as determined by County and/or by any other oversight agency that is responsible for overseeing Subaward Sums, the Program and Services. Subrecipient shall comply with the review and audit requirements which shall be identified in writing by County and/or its duly authorized representatives.
8.38.4.3 In the event that an audit of Subrecipient is conducted specifically regarding this Subaward by any Federal or State auditor, or by any auditor or accountant employed by Subrecipient or otherwise, then Subrecipient shall file a copy of such audit report with County's Compliance Manager within thirty (30) days of Subrecipient's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Subaward. Subject to applicable law, County shall make a reasonable effort to maintain the confidentiality of such audit report(s).

8.38.4.4 If, at any time during the term of this Subaward or during the authorized retention period of this Subaward as noted in Subparagraph 8.38.1, representatives of County conduct an audit of Subrecipient regarding the Work performed under this Subaward, and if such audit finds that County's dollar liability for any such Work is less than payments made by County to Subrecipient, then the difference shall be either: a) repaid by Subrecipient to County by cash payment upon demand; or, b) at the sole option of County of Los Angeles Department of Auditor-Controller, deducted from any amounts due to Subrecipient from County, whether under this Subaward or otherwise. If such audit finds that County's dollar liability for such Work is more than the payments made by County to Subrecipient, then the difference shall be paid to Subrecipient by County by cash payment, provided that in no event shall County's maximum obligation for this Subaward exceed the funds appropriated by County for the purpose of this Subaward.

8.38.5 Failure to Comply With Requirements
8.38.5.1 Failure on the part of Subrecipient to comply with any of the provisions of this Subparagraph 8.38 shall constitute a material breach of this Subaward upon which County may terminate or suspend this Subaward.

8.39 RECYCLED BOND PAPER
8.39.1 Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at Los Angeles County landfills, Subrecipient agrees to use recycled-content paper to the maximum extent possible on this Subaward.

8.40 LOWER TIER SUBAWARD
8.40.1 Subrecipient shall not delegate the requirements of this Subaward to a third-party ("Lower Tier Subrecipient") without the advance written approval of County. Any attempt by Subrecipient to enter into a Lower Tier Subaward for that purpose without the prior written consent of County shall be deemed a material breach of this Subaward. Subrecipient shall provide a draft copy of the proposed Lower Tier Subaward to County's Contract Manager, and shall allow County up to sixty
(60) days to complete its review process. As such, Subrecipient shall ensure that it provides the Lower Tier Subaward to County well in advance of its intended date to execute the Lower Tier Subaward (i.e., in order for Subrecipient to meet its target date for executing the Lower Tier Subaward, Subrecipient shall factor up to sixty (60) days into its timeline to account for County's review process).

8.40.2 If Subrecipient desires to enter into a Lower Tier Subaward for the purpose of delegating any of the requirements of this Subaward, Subrecipient shall complete Exhibit Y (List of Lower Tier Subawards) and at County's request shall promptly provide the following information either on or along with Exhibit Y (List of Lower Tier Subawards):

8.40.2.1 Lower Tier Subrecipient's name and contact information; a description of the Work to be performed by Lower Tier Subrecipient; Lower Tier Subaward number; and Lower Tier Subaward amount.

8.40.2.2 A draft copy of the proposed Lower Tier Subaward.

8.40.2.3 Other pertinent information and/or certifications requested by County.

8.40.3 Subrecipient shall indemnify, defend, and hold County harmless with respect to the activities of each and every Lower Tier Subrecipient in the same manner and to the same degree as if such Lower Tier Subrecipient(s) was Subrecipient's employee.

8.40.4 Subrecipient shall remain fully responsible for all performances required of it under this Subaward, including those that Subrecipient has determined to grant through a Lower Tier Subaward, notwithstanding County's approval of Subrecipient's proposed Lower Tier Subaward.

8.40.5 County's consent to allow Subrecipient to enter into a Lower Tier Subaward with a third-party shall not waive County's right to prior and continuing approval of any and all personnel, including Lower Tier Subrecipient employees, providing Services under this Subaward. Subrecipient is responsible for notifying its Lower Tier Subrecipients of this County right.

8.40.6 County's Contract Manager is authorized to act for and on behalf of County with respect to approval of any Lower Tier Subaward and Lower Tier Subrecipient employees. After County's approval of the Lower Tier Subaward, Subrecipient shall forward a copy of the fully executed Lower Tier Subaward to County's Contract Manager within five (5) days of its execution.

8.40.7 Subrecipient shall be solely liable and responsible for all payments or other compensation to all Lower Tier Subrecipients and their officers, employees, agents, and successors in interest arising through Services performed hereunder, notwithstanding County's consent to allow Subrecipient to enter into such Lower Tier Subaward(s).
8.40.8 Subrecipient shall obtain current valid certificates of insurance, which establish that each Lower Tier Subrecipient maintains all the programs of insurance required by County in accordance with Subparagraph 8.24.9 (Lower Tier Subrecipient Insurance Coverage Requirements). In addition to meeting the requirements noted in Subparagraph 8.24 (General Provisions for All Insurance Coverage) and Subparagraph 8.25 (Insurance Coverage), such certificates of insurance shall also indicate the Lower Tier Subaward number for each Lower Tier Subrecipient. Before any Lower Tier Subrecipient employee performs any Work hereunder, Subrecipient shall ensure delivery of all such documents to County's Contract Manager or designee.

8.40.9 Amending a Lower Tier Subaward may be initiated by either Subrecipient or County. When an amendment is initiated by County, County shall outline the reason(s) for the amendment and Subrecipient shall comply with County's request. All Lower Tier Subaward amendments are subject to review and must be approved in writing by County before they are executed. Subrecipient shall provide a draft copy of the proposed amendment to County's Contract Manager, and shall allow County up to thirty (30) days to complete its review process. After County's approval of Subrecipient's amendment, Subrecipient shall forward a copy of the fully executed amendment to County's Contract Manager within five (5) days of its execution.

8.40.10 Subrecipient shall adhere to all applicable Federal, State and/or County requirements for the procurement of a Lower Tier Subrecipient(s) and/or vendor services using Subaward Sums.

8.40.11 In the event County approves Subrecipient's request to delegate any part of the requirements of this Subaward through a Lower Tier Subaward, all applicable provisions and requirements of this Subaward shall be made applicable to such Lower Tier Subaward. To this end, Subrecipient shall include the following provision in the Lower Tier Subaward: This agreement is a Lower Tier Subaward under the terms of a prime Subaward (identified as Subaward Number [@ PO Document Number @]) with County of Los Angeles Workforce Development, Aging and Community Services and shall be subject to all of the provisions of such prime Subaward. All representations and warranties under this Lower Tier Subaward shall inure to the benefit of County of Los Angeles.

8.40.12 Pursuant to the provisions of this Subaward, County has the right to review and consent (or not consent) to Subrecipient's use of Lower Tier Subrecipients that have been procured in compliance with State and/or federal guidelines applicable to the funding source(s) identified in Subparagraph 5.1.2 (Funding Allocations). County's approval of the proposed Lower Tier Subaward shall not be deemed as validation of the procurement method used by Subrecipient, and only reflects County's approval as to the form of the Lower Tier Subaward terms and conditions as well as the services being provided under such agreement.

8.40.13 When entering into a Lower Tier Subaward with a qualified organization, Subrecipient shall maintain documentation that
supports/justifies the procurement method and evaluation process used by Subrecipient to select the qualified vendor for a Lower Tier Subaward. County’s continuing consent to a Lower Tier Subaward is contingent upon Subrecipient’s assurance that the procurement process was compliant with the requirements noted herein as well as all other Subaward requirements, and that the Lower Tier Subrecipient continues to retain staff and infrastructure experienced with providing the necessary services.

8.40.14 This Subaward and any approved Lower Tier Subaward are subject to monitoring and/or review by County, State, and/or federal funding authorities. If Subrecipient executes a Lower Tier Subaward that is deemed non-compliant with the requirements of this Subaward or applicable federal, State, or County regulations, any costs incurred under that Lower Tier Subaward may be disallowed, resulting in Subrecipient’s liability to County for the repayment of any charged costs and/or not being reimbursed for any of those incurred costs yet to be billed.

8.40.15 Subrecipient shall ensure that its Lower Tier Subrecipient(s) complies with the requirements of California Public Contract Code Section 2010 by submitting a completed California Civil Rights Laws Certification as a condition of executing this Subaward. The certificate is available at: https://wdacs.lacounty.gov/doing-business-with-wdacs/.

8.41 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY’S CHILD SUPPORT COMPLIANCE PROGRAM

8.41.1 Failure of Subrecipient (that is, "Contractor") to maintain compliance with the requirements set forth in Subparagraph 8.14 (Contractor’s Warranty of Adherence to County’s Child Support Compliance Program), shall constitute default under this Subaward (that is, "Contract"). Without limiting the rights and remedies available to County under any other provision of this Contract, failure of Contractor to cure such default within ninety (90) calendar days of written notice shall be grounds upon which County may terminate this Contract pursuant to Subparagraph 8.43 (Termination for Default) and pursue debarment of Contractor, pursuant to Los Angeles County Code Chapter 2.202.

8.42 TERMINATION FOR CONVENIENCE

8.42.1 County may terminate this Subaward, in whole or in part, from time to time or permanently, when such action is deemed by County, in its sole discretion, to be in its best interest. Termination of Work hereunder shall be effected by notice of termination to Subrecipient specifying the extent to which performance of Work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than thirty (30) calendar days after the notice is sent.

8.42.2 Upon receipt of a notice of termination and except as otherwise directed by County, Subrecipient shall immediately:
8.42.2.1 Stop Work under this Subaward on the date and to the extent specified in such notice;

8.42.2.2 Complete performance of such part of the Work as shall not have been terminated by such notice;

8.42.2.3 Transfer title and deliver to County all completed Work and Work in progress.

8.42.3 All material including books, records, documents, or other evidence bearing on the costs and expenses of Subrecipient under this Subaward shall be maintained by Subrecipient in accordance with Subparagraph 8.38 (Record Retention, Inspection and Audit Settlement).

8.43 TERMINATION FOR DEFAULT

8.43.1 County may, by written notice to Subrecipient, terminate the whole or any part of this Subaward, if, in the judgment of County:

8.43.1.1 Subrecipient has materially breached this Subaward; or

8.43.1.2 Subrecipient fails to timely provide and/or satisfactorily perform any task, deliverable, Service, or other work required under this Subaward; or

8.43.1.3 Subrecipient fails to demonstrate a high probability of timely fulfillment of performance requirements under this Subaward, or of any obligations of this Subaward and in either case, fails to demonstrate convincing progress toward a cure within five (5) business days (or such longer period as County may authorize in writing) after receipt of written notice from County specifying such failure.

8.43.2 In the event that County terminates this Subaward in whole or in part as provided in Subparagraph 8.43.1, County may procure, upon such terms and in such manner as County may deem appropriate, goods and Services similar to those so terminated. Subrecipient shall be liable to County for any and all excess costs incurred by County, as determined by County, for such similar goods and Services. Subrecipient shall continue the performance of this Subaward to the extent not terminated under the provisions of this Subparagraph 8.43.

8.43.3 Except with respect to defaults of any Lower Tier Subrecipient, Subrecipient shall not be liable for any such excess costs of the type identified in Subparagraph 8.43.2 if its failure to perform this Subaward arises out of causes beyond the control and without the fault or negligence of Subrecipient. Such causes may include, but are not limited to: acts of nature or of the public enemy, acts of County in either its sovereign or contractual capacity, acts of Federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond the control...
and without the fault or negligence of Subrecipient. If the failure to perform is caused by the default of a Lower Tier Subrecipient, and if such default arises out of causes beyond the control of both Subrecipient and Lower Tier Subrecipient, and without the fault or negligence of either of them, Subrecipient shall not be liable for any such excess costs for failure to perform, unless the goods or Services to be furnished by the Lower Tier Subrecipient were obtainable from other sources in sufficient time to permit Subrecipient to meet the required performance schedule. As used in this Subparagraph 8.43, the term "Lower Tier Subrecipient(s)" means Lower Tier Subrecipient(s) at any tier.

8.43.4 If, after County has given notice of termination under the provisions of this Subparagraph 8.43, it is determined by County that Subrecipient was not in default under the provisions of this Subparagraph 8.43, or that the default was excusable under the provisions of Subparagraph 8.43.3, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Subparagraph 8.42 (Termination for Convenience).

8.43.5 The rights and remedies of County provided in this Subparagraph 8.43, shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Subaward.

8.44 TERMINATION FOR IMPROPER CONSIDERATION

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

8.44.2 Contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to County manager charged with the supervision of the employee or to County of Los Angeles Department of Auditor-Controller’s Employee Fraud Hotline at (800) 544-6861.

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

8.45 TERMINATION FOR INSOLVENCY

8.45.1 County may terminate this Subaward forthwith in the event of the occurrence of any of the following:
8.45.1.1 Insolvency of Subrecipient. Subrecipient shall be deemed to be insolvent if it has ceased to pay its debts for at least sixty (60) days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not Subrecipient is insolvent within the meaning of the Federal Bankruptcy Code;

8.45.1.2 The filing of a voluntary or involuntary petition regarding Subrecipient under the Federal Bankruptcy Code;

8.45.1.3 The appointment of a Receiver or Trustee for Subrecipient; or

8.45.1.4 The execution by Subrecipient of a general assignment for the benefit of creditors.

8.45.2 The rights and remedies of County provided in this Subparagraph 8.45 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Subaward.

8.46 TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE

8.46.1 Subrecipient (that is, "Contractor") and each County Lobbyist or County Lobbying firm, as defined in Los Angeles County Code Section 2.160.010, retained by Contractor shall fully comply with County's Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of Contractor or any County Lobbyist or County Lobbying firm retained by Contractor to fully comply with County's Lobbyist Ordinance shall constitute a material breach of this Subaward (that is, "Contract"), upon which County may in its sole discretion, immediately terminate or suspend this Contract.

8.47 TERMINATION FOR NON-APPROPRIATION OF FUNDS

8.47.1 Notwithstanding any other provision of this Subaward, County shall not be obligated for Subrecipient's performance hereunder or by any provision of this Subaward during any of County's future Fiscal Years unless and until County's Board of Supervisors appropriates funds for this Subaward in County's budget for each such future Fiscal Year. In the event that funds are not appropriated for this Subaward, then this Subaward shall terminate as of June 30 of the last Fiscal Year for which funds were appropriated. County shall notify Subrecipient in writing of any such non-allocation of funds at the earliest possible date.

8.48 VALIDITY

8.48.1 If any provision of this Subaward or the application thereof to any person or circumstance is held invalid, the remainder of this Subaward and the application of such provision to other persons or circumstances shall not be affected thereby.

8.49 WAIVER
8.49.1 No waiver by County of any breach of any provision of this Subaward shall constitute a waiver of any other breach or of such provision. Failure of County to enforce at any time, or from time to time, any provision of this Subaward shall not be construed as a waiver thereof. The rights and remedies set forth in this Subparagraph 8.49, shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Subaward.

8.50 WARRANTY AGAINST CONTINGENT FEES

8.50.1 Subrecipient warrants that no person or selling agency has been employed or retained to solicit or secure this Subaward upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by Subrecipient for the purpose of securing business.

8.50.2 For breach of this warranty, County shall have the right to terminate this Subaward and, at its sole discretion, deduct from the Subaward Sum or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

8.51 WARRANTY OF COMPLIANCE WITH COUNTY’S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

8.51.1 Subrecipient acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its taxpayers. Unless Subrecipient qualifies for an exemption or exclusion, Subrecipient warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this Subaward will maintain compliance, with Los Angeles County Code Chapter 2.206. Prior to the commencement of this Subaward, Subrecipient shall complete Exhibit U (Certification of Compliance with County’s Defaulted Property Tax Reduction Program) and submit it to County’s Contract Manager in the time and manner as designated by County.

8.52 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY’S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

8.52.1 Failure of Subrecipient to maintain compliance with the requirements set forth in Subparagraph 8.51 (Warranty of Compliance with County’s Defaulted Property Tax Reduction Program), shall constitute default under this Subaward. Without limiting the rights and remedies available to County under any other provision of this Subaward, failure of Subrecipient to cure such default within ten (10) days of notice shall be grounds upon which County may terminate this Subaward and/or pursue debarment of Subrecipient, pursuant to Los Angeles County Code Chapter 2.206.

8.53 TIME OFF FOR VOTING

8.53.1 Subrecipient shall notify and provide its employees, and shall
require each Lower Tier Subrecipient to notify and provide its employees, information regarding the time off for voting law pursuant to California Elections Code (EC) Section 14000. Not less than ten (10) days before every statewide election, Subrecipient and its Lower Tier Subrecipient(s) shall keep posted conspicuously at the place of work, if practicable, or elsewhere where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of EC 14000.

8.54 COMPLIANCE WITH COUNTY’S ZERO TOLERANCE HUMAN TRAFFICKING POLICY

8.54.1 Subrecipient (that is, “Contractor”) acknowledges that County has established a Zero Tolerance Human Trafficking Policy which prohibits Contractor and member of Contractor’s staff from engaging in human trafficking.

8.54.2 If Contractor or member of Contractor’s staff is convicted of a human trafficking offense, County shall require that Contractor or member of Contractor's staff be removed immediately from performing Services under this Subaward (that is, "Contract"). County will not be under any obligation to disclose confidential information regarding the offense(s) other than those required by law.

8.54.3 Disqualification of Contractor or member of Contractor's staff pursuant to this Subparagraph 8.54 shall not relieve Contractor of its obligation to complete all Work in accordance with the terms and conditions of this Contract.

8.55 INTENTIONALLY OMITTED

8.56 COMPLIANCE WITH FAIR CHANCE EMPLOYMENT PRACTICES

8.56.1 Subrecipient (that is, “Contractor”) shall comply with fair chance employment hiring practices set forth in California Government Code Section 12952, Employment Discrimination: Conviction History. Contractor’s violation of this Subparagraph 8.56 may constitute a material breach of this Subaward (that is, "Contract"). In the event of such material breach, County may, in its sole discretion, terminate this Contract.

8.57 COMPLIANCE WITH COUNTY POLICY OF EQUITY

8.57.1 Subrecipient acknowledges that County takes its commitment to preserving the dignity and professionalism of the workplace very seriously, as set forth in County Policy of Equity (“CPOE”) (https://ceop.lacounty.gov/). Subrecipient further acknowledges that County strives to provide a workplace free from discrimination, harassment, retaliation and inappropriate conduct based on a protected characteristic, and which may violate the CPOE. Subrecipient, its employees and Lower Tier Subrecipient(s) acknowledge and certify receipt and understanding of the CPOE. Failure of Subrecipient, its employees or its Lower Tier Subrecipient(s) to uphold County’s expectations of a workplace free from harassment and discrimination, including inappropriate conduct based on a protected characteristic, may subject Subrecipient to termination of contractual agreements as well as civil liability.

8.58 PROHIBITION FROM PARTICIPATION IN FUTURE SOLICITATION(S)
8.58.1 Neither Subrecipient (that is, "Contractor"), subsidiary of nor Lower Tier Subrecipient (that is, "Subcontractor") to Contractor, shall participate, in any way, in the development of any future solicitations conducted by County that includes, or is based upon any Services rendered by Contractor under this Subaward (that is, "Agreement"). As this prohibition applies to Subcontractors of Contractor, Contractor shall notify any Subcontractors providing Services under this Agreement of this prohibition before they commence Work. Any response to a solicitation submitted by Contractor, or by any subsidiary of or Subcontractor to Contractor in violation of this provision shall be rejected by County. This provision shall survive the expiration or other termination of this Agreement.

9.0 UNIQUE TERMS AND CONDITIONS

9.1 ALLEGATIONS OF FRAUD AND/OR ABUSE

9.1.1 Fraud Prevention Reporting

9.1.1.1 Subrecipient’s staff working on this Subaward shall immediately report all suspected or actual instances of fraud as designated in Exhibit Q (Accounting, Administration and Reporting Requirements).

9.1.2 Child Abuse Reporting

9.1.2.1 Subrecipient’s staff working on this Subaward shall comply with the Child Abuse and Neglect Reporting Act (California Penal Code (PC) Section 11164 et seq.), and shall report all known and suspected instances of child abuse to an appropriate child protective agency, as mandated by the referenced Penal Code. Additionally, Subrecipient’s staff working on this Subaward shall also report such abuse to the County of Los Angeles Department of Children and Family Services by calling the hotline at (800) 540-4000 within twenty-four (24) hours of discovering or suspecting the abuse. Subrecipient’s staff shall submit all required information to the appropriate authorities in accordance with PC Sections 11166 and 11167.

9.1.3 Elder and Dependent Adult Abuse Reporting

9.1.3.1 Subrecipient’s staff working on this Subaward shall comply with the Elder Abuse and Dependent Adult Civil Protection Act (California Welfare and Institutions Code (WIC) Section 15600 et seq.), and shall report all known or suspected instances of physical abuse of elders and dependent adults either to an appropriate County adult protective services agency or to a local law enforcement agency, as mandated by the referenced Welfare and Institutions Code. Subrecipient’s staff working on this Subaward shall report the abuse and shall submit all required information in accordance with WIC Sections 15630, 15633 and 15633.5.

9.1.4 Withholding of Payment
9.1.4.1 In the event that allegations of fraud and/or abuse are levied against Subrecipient or any individual or entity performing Work under this Subaward on behalf of Subrecipient, County reserves the right to withhold either ten percent (10%) of the Subaward Sum allocated for any Fiscal Year under this Subaward or the entire amount of the final year-end invoice, whichever is greater, until a determination is issued in writing by County that withheld funds will be released to Subrecipient. For purposes of this Subaward, fraud and abuse shall include but are not limited to the following: misapplication of funds; embezzlement; forgery; theft; solicitation and receipt of bribes; falsification of records; inauditable records; unsupported or undocumented Subaward expenditures; inaccurate fiscal and/or Program reports; misuse of fixed assets or non-fixed assets purchased with Subaward Sums (when the procurement of such assets are authorized in this Subaward); violation of conflict of interest requirements; etc.

9.2 AMERICANS WITH DISABILITIES ACT (ADA)

9.2.1 Subrecipient shall abide by all applicable Federal, State and local laws including the Americans with Disabilities Act (ADA) and its requirement to provide reasonable accommodations and auxiliary aids or services, unless compliance with the ADA would place an undue financial burden on, or would fundamentally alter the nature of, Subrecipient's operations. Subrecipient shall submit demonstrable evidence of such undue financial burden to County in such circumstances.

9.3 CONTRACTOR'S CHARITABLE ACTIVITIES COMPLIANCE

9.3.1 The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (Senate Bill 1262, Chapter 919) increased Charitable Purposes Act requirements. By requiring Subrecipient (that is, "Contractor") to complete Exhibit O (Charitable Contributions Certification), County seeks to ensure that all County contractors which receive or raise charitable contributions comply with California law in order to protect Los Angeles County and its taxpayers. When Contractor receives or raises charitable contributions without complying with its obligations under California law, Contractor commits a material breach subjecting it to termination of this Subaward (that is, "Contract"), debarment proceedings or both (Los Angeles County Code Chapter 2.202). Prior to the commencement of this Contract, Contractor shall submit the completed Exhibit O (Charitable Contributions Certification) to County's Contract Manager in the time and manner as designated by County.

9.4 HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA)

9.4.1 County is subject to the Administrative Simplification requirements and prohibitions of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA").
and regulations promulgated thereunder, including the Privacy, Security, Breach Notification, and Enforcement Rules which are outlined in Title 45 Code of Federal Regulations Sections 160 and 164 (collectively "HIPAA Rules"). Under this Subaward, Subrecipient provides Services to County and Subrecipient creates, has access to, receives, maintains, or transmits Protected Health Information as defined in Exhibit N (Business Associate Agreement Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA)) in order to provide those Services. County and Subrecipient therefore agree to the terms of Exhibit N (Business Associate Agreement Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA)).

9.5 FIXED ASSETS, NON-FIXED ASSETS AND SUPPLIES

9.5.1 Subrecipient may use Subaward Sums to purchase Fixed Assets, Non-Fixed Assets and Supplies, which are defined in Exhibit S (Purchase, Inventory and Disposal Requirements for Fixed Assets, Non-Fixed Assets and Supplies) contingent upon County's prior approval. Subrecipient shall adhere to the purchase, inventory and disposal requirements for all Fixed Assets, Non-Fixed Assets and Supplies purchased with Subaward Sums, as provided by Federal and State regulations as well as the requirements outlined in Exhibit S (Purchase, Inventory and Disposal Requirements for Fixed Assets, Non-Fixed Assets and Supplies).

9.5.2 This Subaward involves the furnishing of equipment, materials and/or supplies. As such, it is unlawful for Subrecipient when engaged in business within the State to use any article or product as a "loss leader" as defined in the Business and Professions Code Section 17030.

9.6 LIMITATION ON CORPORATE ACTS

9.6.1 Subrecipient shall not amend its articles of incorporation or bylaws, move to dissolve or transfer any assets obtained using Subaward Sums, or take any other steps which may materially affect the performance of this Subaward without first notifying County in writing no less than thirty (30) days prior to said action. Subrecipient shall notify County's Contract Manager immediately in writing of any change in Subrecipient's corporate name.

9.6.2 If, in County's sole discretion, the steps taken by Subrecipient are determined to materially affect Subrecipient's performance of this Subaward, County may, at its sole discretion, take any (or all) of the following actions:

9.6.2.1 Require Subrecipient to remedy the areas that affect Subrecipient's ability to perform its obligations under this Subaward.

9.6.2.2 Suspend Subrecipient from performing (and receiving payment for) Subaward tasks until a remedy has been reached.

9.6.2.3 Terminate this Subaward pursuant to Subparagraph 8.43 (Termination for Default).
9.7 COUNTY’S PREFERENCE PROGRAM

9.7.1 Local Small Business Enterprise Preference Program

9.7.1.1 This Subaward (that is, "Contract") is subject to the provisions of the County's ordinance entitled Local Small Business Enterprise ("LSBE") Preference Program, as codified in Chapter 2.204 of the Los Angeles County Code.

9.7.1.2 Subrecipient (that is, "Contractor") shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a LSBE.

9.7.1.3 Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a LSBE.

9.7.1.4 If Contractor has obtained certification as a LSBE by reason of having furnished incorrect supporting information or by reason of having withheld information, and Contractor knew, or should have known, that the information furnished was incorrect or that the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this Contract to which it would not otherwise have been entitled, Contractor shall:

9.7.1.4.1 Pay to County any difference between the Contract amount and what County's costs would have been if this Contract had been properly awarded;

9.7.1.4.2 In addition to the amount described in Subparagraph 9.7.1.4.1 above, Contractor will be assessed a penalty in an amount of not more than ten percent (10%) of the amount of this Contract; and

9.7.1.4.3 Be subject to the provisions of Los Angeles County Code Chapter 2.202 (Determinations of Contractor Non-responsibility and Contractor Debarment).

9.7.1.5 The above penalties shall also apply when Contractor has previously obtained proper certification; however, as a result of a change in its status, Contractor is no longer be eligible for certification, and fails to notify the State and the
9.7.2 Social Enterprise Preference Program

9.7.2.1 This Subaward (that is, "Contract") is subject to the provisions of the County's ordinance entitled Social Enterprise ("SE") Preference Program, as codified in Chapter 2.205 of the Los Angeles County Code.

9.7.2.2 Subrecipient (that is, "Contractor") shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a SE.

9.7.2.3 Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a SE.

9.7.2.4 If Contractor has obtained County certification as a SE by reason of having furnished incorrect supporting information or by reason of having withheld information, and Contractor knew, or should have known, that the information furnished was incorrect or that the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this Contract to which it would not otherwise have been entitled, Contractor shall:

9.7.2.4.1 Pay to County any difference between the Contract amount and what County's costs would have been if this Contract had been properly awarded;

9.7.2.4.2 In addition to the amount described in Subparagraph 9.7.2.4.1 above, Contractor will be assessed a penalty in an amount of not more than ten percent (10%) of the amount of this Contract; and

9.7.2.4.3 Be subject to the provisions of Los Angeles County Code Chapter 2.202 (Determinations of Contractor Non-responsibility and Contractor Debarment).

9.7.2.5 The above penalties shall also apply when Contractor has previously obtained proper certification; however, as a result of a change in its status, Contractor is no longer be eligible for
certification, and fails to notify the Department of Consumer and Business Affairs of this information prior to responding to a solicitation or accepting a contract award.

9.7.3 Disabled Veteran Business Enterprise Preference Program

9.7.3.1 This Subaward (that is, "Contract") is subject to the provisions of Los Angeles County's ordinance entitled Disabled Veteran Business Enterprise ("DVBE") Preference Program as codified in Los Angeles County Code Chapter 2.211.

9.7.3.2 Subrecipient (that is, "Contractor") shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a DVBE.

9.7.3.3 Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a DVBE.

9.7.3.4 If Contractor has obtained County certification as a DVBE by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this Contract to which it would not otherwise have been entitled, Contractor shall:

9.7.3.4.1 Pay to County any difference between the Contract amount and what County's costs would have been if this Contract had been properly awarded;

9.7.3.4.2 In addition to the amount described in Subparagraph 9.7.3.4.1 above, Contractor will be assessed a penalty in an amount of not more than ten percent (10%) of the amount of this Contract; and

9.7.3.4.3 Be subject to the provisions of Los Angeles County Code Chapter 2.202 (Determinations of Contractor Non-responsibility and Contractor Debarment).

9.7.3.5 Not withstanding any other remedies in this Contract, the above penalties shall also apply when Contractor has previously obtained proper
certification; however, as a result of a change in its status, Contractor is no longer be eligible for certification, and fails to notify the State and the Department of Consumer and Business Affairs of this information prior to responding to a solicitation or accepting a contract award.

9.8 MANDATORY REQUIREMENT TO REGISTER ON COUNTY'S WEBVEN

9.8.1 Subrecipient represents and warrants that it has registered in Los Angeles County's vendor registration system ("WebVen"). The WebVen contains Subrecipient's business profile and identifies the goods/services being provided by Subrecipient. Subrecipient shall ensure that it updates its vendor profile whenever changes occur to Subrecipient's operations by accessing the WebVen site located on-line at: http://camisvr.co.la.ca.us/webven/. County shall use the data obtained from Subrecipient's WebVen profile to ensure that Subrecipient's information is consistent with Subaward records (e.g., Subrecipient's legal name, as reflected in its WebVen profile, shall be used in all Subaward documents).

9.9 MODIFICATIONS

9.9.1 Modifications to this Subaward

9.9.1.1 This Subaward fully expresses the agreement of the parties. Any modification to this Subaward must be by means of a separate written document approved by County. No oral conversation between any officer, employee or agent of the parties shall modify or otherwise amend this Subaward in any way. For purposes of this Subparagraph 9.9, a Modification:

9.9.1.1.1 Is a mechanism that allows Subrecipient to revise its Budget(s) or Services during the Fiscal Year or Program Year without adversely affecting Subrecipient's ability to fulfill its obligations under this Subaward (i.e., such Modification shall not materially change Subrecipient's obligation to provide the Services outlined in Exhibit A (Statement of Work)).

9.9.1.1.2 Allows Subrecipient to fully utilize Subaward Sums to fulfill the requirements of this Subaward and adequately cover the provision of Services.

9.9.1.1.3 Is approved by County in writing, must be in the best interests of County and Subrecipient shall adhere to it in its entirety.

9.9.1.2 Any Modification, as described below, shall not change the terms, goals or requirements of this Subaward. Such Modification provides
Subrecipient some flexibility to operate within the terms of this Subaward in order to fully utilize Subaward Sums and to achieve Subrecipient's performance goals. Subrecipient's request for Modifications, either budgetary or programmatic, must be submitted in writing to either County's Contract Manager or County's Program Manager, respectively. Subrecipient shall not request a Modification during the first quarter and during the last two (2) months of the current Fiscal Year or Program Year (except where a written waiver is requested by Subrecipient and granted by County).

9.9.2 Budget Modifications

9.9.2.1 The movement of funds within an approved Budget(s) from one line item to another line item is classified as a Budget Modification. For the entirety of any Fiscal Year or Program Year, a Budget Modification shall not exceed twenty percent (20%) of the baseline amount allocated to the line items being modified (i.e., Subrecipient's movement of funds among line items shall not cause one line item to be reduced or increased by more than twenty percent (20%) of its baseline amount). For purposes of this Subparagraph 9.9, baseline is defined as the original amount allocated at the beginning of a Fiscal Year or Program Year; for Fiscal Years or Program Years following the first Fiscal Year or Program Year, such amount may differ from what is reflected in the original Subaward. A Budget Modification shall not change the Subaward Sum allocated for any Fiscal Year or Program Year under this Subaward. Subrecipient shall notify County's Contract Manager in writing to request authorization prior to submitting a Budget Modification. On the date County approves a Budget Modification, such Budget Modification shall supersede any prior Budget Modification(s) approved by County within the same Fiscal Year or Program Year (i.e., when Subrecipient's Budget Modification number two (2) is approved by County, it becomes effective upon the approval date and Subrecipient's Budget Modification number one (1) is no longer effective as of that same date).

9.9.3 Program Modifications

9.9.3.1 The movement of Services from one Service category (as defined in Exhibit A (Statement of Work)) to another is classified as a Program Modification. Subrecipient shall notify County's Program Manager in writing to request authorization prior to submitting a Program Modification. On the date County approves a Program Modification, such Program Modification shall supersede any prior Program Modification(s) approved by County within the same Fiscal Year or Program Year (i.e., when
Subrecipient's Program Modification number two (2) is approved by County, it becomes effective upon the approval date and Subrecipient's Program Modification number one (1) is no longer effective as of that same date).

9.10 NEPOTISM

9.10.1 Subrecipient certifies that it shall not hire nor permit the hiring of any person in a position funded under this Subaward if a member of the person's immediate family is employed in an administrative capacity by Subrecipient. For purposes of this Subparagraph 9.10, the term "immediate family" means spouse (common law or otherwise, and including domestic partner), child, mother, father, brother, sister, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, father-in-law, aunt, uncle, niece, nephew, step-parent, step-child, or such other relationship which would give rise to a substantial appearance of impropriety if the person were to be hired by Subrecipient. The term "administrative capacity" means a position that has overall administrative responsibility for the Program, including but not limited to selection, hiring, or supervisory responsibilities.

9.11 OWNERSHIP OF MATERIALS, SOFTWARE AND COPYRIGHT

9.11.1 County shall be the sole owner of all right, title and interest, including copyright, in and to all software, plans, diagrams, facilities, and tools ("materials") which are originated or created through Subrecipient's Work pursuant to this Subaward. Subrecipient, for valuable consideration herein provided, shall execute all documents necessary to assign and transfer to, and vest in County all of Subrecipient's right, title and interest in and to such original materials, including any copyright, patent and trade secret rights which arise pursuant to Subrecipient's Work under this Subaward.

9.11.2 During the term of this Subaward and during the authorized retention period of this Subaward, Subrecipient shall maintain and provide security for all of Subrecipient's working papers prepared under this Subaward. County shall have the right to inspect, copy and use at any time during the term of this Subaward and during the authorized retention period of this Subaward, any and all such working papers and all information contained therein.

9.11.3 Any and all materials, software and tools which are developed or were originally acquired by Subrecipient outside the scope of this Subaward, which Subrecipient desires to use hereunder, and which Subrecipient considers to be proprietary or confidential, must be specifically identified by Subrecipient to County's Contract Manager as proprietary or confidential, and shall be plainly and prominently marked by Subrecipient as "Proprietary" or "Confidential" on each appropriate page of any document containing such material.

9.11.4 County will use reasonable means to ensure that Subrecipient's proprietary and/or confidential items are safeguarded and held in confidence. County agrees not to reproduce, distribute or disclose to non-County entities any such proprietary and/or
confidential items without the prior written consent of Subrecipient.

9.11.5 Notwithstanding any other provision of this Subaward, County will not be obligated to Subrecipient in any way under Subparagraph 9.11.4 for any of Subrecipient's proprietary and/or confidential items which are not plainly and prominently marked with restrictive legends as required by Subparagraph 9.11.3 or for any disclosure which County is required to make under any Federal or State law or order of court.

9.11.6 Notwithstanding any other provision of this Subaward, County and Subrecipient agree that County shall have all ownership rights of software or modification thereof and associated documentation designed, developed or installed using Federal financial participation. The Federal government shall have a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use for Federal government purposes, such software, modifications and documentation. Notwithstanding any other provision of this Subaward, proprietary operating/vendor software packages, which are provided at established catalog or market prices and sold or leased to the general public, shall not be subject to the ownership provisions of this Subparagraph 9.11.

9.11.7 All the rights and obligations of this Subparagraph 9.11 shall survive the expiration or termination of this Subaward.

9.12 PATENT, COPYRIGHT AND TRADE SECRET INDEMNIFICATION

9.12.1 Subrecipient shall indemnify, hold harmless and defend County from and against any and all liability, damages, costs, and expenses, including, but not limited to, defense costs and attorneys' fees, for or by reason of any actual or alleged infringement of any third-party's patent or copyright, or any actual or alleged unauthorized trade secret disclosure, arising from or related to the operation and utilization of Subrecipient's Work under this Subaward. County shall inform Subrecipient as soon as practicable of any claim or action alleging such infringement or unauthorized disclosure, and shall support Subrecipient's defense and settlement thereof.

9.12.2 In the event any equipment, part thereof, or software product becomes the subject of any complaint, claim, or proceeding alleging infringement or unauthorized disclosure, such that County's continued use of such item is formally restrained, enjoined, or subjected to a risk of damages, Subrecipient, at its sole expense, and providing that County's continued use of the system is not materially impeded, shall either:

9.12.2.1 Procure for County all rights to continued use of the questioned equipment, part, or software product; or

9.12.2.2 Replace the questioned equipment, part, or software product with a non-questioned item; or

9.12.2.3 Modify the questioned equipment, part, or software so that it is free of claims.
9.12.3 Subrecipient shall have no liability if the alleged infringement or unauthorized disclosure is based upon a use of the questioned product, either alone or in combination with other items not supplied by Subrecipient, in a manner for which the questioned product was not designed nor intended.

9.13 PROBATION AND SUSPENSION

9.13.1 Subrecipient may be placed on probation, suspension or a combination thereof when County determines that Subrecipient is not in compliance with any Service, Work, task, deliverable or requirement outlined in this Subaward and/or when Subrecipient has demonstrated a consistent and significant lack of achievement of the Subaward goals (including, but not limited to, meeting the requirements for Program performance, the Budget(s), expenditures, staffing, administration, etc.). County shall notify Subrecipient in writing in the event that Subrecipient is placed on probation, suspension or a combination thereof.

9.13.2 Probation

9.13.2.1 Probation as used herein shall mean a specified period of time (as determined by County) during which Subrecipient must remedy all areas of non-compliance which have been identified by County or its duly authorized representative(s). County shall monitor Subrecipient's adherence to such remedy(ies) during the probation.

9.13.2.2 When County places Subrecipient on probation, County shall provide Subrecipient a written notice indicating the reasons for the probation (which shall include a description of the areas of Subrecipient's non-compliance), the date upon which this probation shall become effective, the date upon which Subrecipient shall fully remedy all areas of non-compliance and a determination as to whether or not Subrecipient may continue to provide Services during the probation.

9.13.2.3 Subrecipient's ability to obtain future funding may be impacted when Subrecipient does not remedy its non-compliance during its probation and/or when Subrecipient is placed on multiple probations (as determined by County at County's sole discretion).

9.13.3 Suspension

9.13.3.1 Suspension as used herein shall mean a specified period of time (as determined by County) during which County will withhold payment from Subrecipient (i.e., suspension of payment(s)), County will institute a temporary curtailment of the Services provided by Subrecipient and its Lower Tier Subrecipient(s), if any, (i.e., suspension of Work) or a combination thereof. This Subaward may be suspended in whole or in part, from time to time, when such action is deemed by County in its sole discretion to
be in County's best interest. During the suspension, Subrecipient has a continuing obligation to remedy the areas of non-compliance which have been identified by County or its duly authorized representative(s). County shall monitor Subrecipient's adherence to such remedy(ies) during the suspension.

9.13.3.2 When County suspends Subrecipient, County shall provide Subrecipient a written notice indicating the type of suspension, the reasons for such suspension (which shall include a description of the areas of Subrecipient's non-compliance), the date upon which this suspension shall become effective, the date upon which Subrecipient shall fully remedy all areas of non-compliance and a determination as to whether or not Subrecipient may continue to provide Services which are not suspended during the suspension. When County institutes a temporary curtailment of Services, the written notice shall include a description of the Service(s) being suspended.

9.13.3.3 At County's sole discretion, when Subrecipient's payment(s) and/or Services are suspended, County may also elect to transfer suspended Services from Subrecipient to another subrecipient for a period of time that will be determined solely by County. Subrecipient's ability to obtain future funding may be impacted when Subrecipient does not remedy its non-compliance during its suspension and/or when Subrecipient is placed on multiple suspensions (as determined by County at County's sole discretion).

9.13.3.4 Upon receipt of a notice of suspension of Services and except as otherwise directed by County, Subrecipient shall:

9.13.3.4.1 Stop providing Services under this Subaward on the date and to the extent specified in such notice.

9.13.3.4.2 Complete performance of such part of the Services that is not suspended by such notice.

9.13.3.5 Subrecipient shall be promptly paid for Services properly completed up until the time of suspension. Such payment is contingent upon Subrecipient properly completing and timely submitting its invoice(s) for Services completed up until the effective date of suspension.

9.13.3.6 Suspension shall continue for the period specified in the written notice of suspension provided to Subrecipient, unless County provides written notice to resume Services at an earlier date.

9.13.3.7 All other terms and remedies provided in this
Subaward, including provisions for Termination, shall remain valid during any period of suspension.

9.13.4 In response to the notice of probation or suspension, Subrecipient shall submit a written Corrective Action Plan to County's Compliance Manager within ten (10) days of the postmark date indicated on the notice from County. Subrecipient's Corrective Action Plan shall address all of the deficiencies noted by County.

9.13.5 County shall review Subrecipient's Corrective Action Plan, and will determine whether it meets the requirements for County's approval. County reserves the right to suspend/deduct payments for or to terminate all or any part of this Subaward (and/or any of Subrecipient's other contracts with County) when Subrecipient submits a Corrective Action Plan that is not acceptable to County.

9.13.6 Subrecipient shall implement the Corrective Action Plan upon receiving County's final written approval of the Corrective Action Plan. Subrecipient's failure to comply with an approved Corrective Action Plan will be cause for material breach of this Subaward upon which County may pursue the remedies for default of Subaward, including, but not limited to, reimbursement for all debt collection costs incurred by County.

9.14 TRANSITION OF SUBAWARD SERVICES

9.14.1 Completion of Subaward

9.14.1.1 Within sixty (60) calendar days prior to the expiration of this Subaward (or shorter time period if notified in writing by County), County will provide Subrecipient written notice of the time period that Subrecipient shall allow County or a newly selected subrecipient a transition period for orientation purposes and the orderly transition of Subrecipient's current Services without additional costs to County. Subrecipient shall continue to provide Services timely and accurately so that the Services are current at the expiration of this Subaward.

9.14.1.2 Subrecipient shall fulfill all responsibilities required under this Subaward including, but not limited to, completing the closeout procedures identified in Subparagraph 9.21.2 (Closeout Reporting Requirements), implementing the approved Transition Plan and performing any other requirement(s) that County deems as reasonably necessary to effectuate the successful transition of Program Services to another Service provider. County shall not be unreasonable in its request(s).

9.14.2 Transition Plan

9.14.2.1 If this Subaward (or any part thereof) is terminated pursuant to any of the termination provisions outlined herein or if it expires pursuant to Paragraph 4.0 (Term of Subaward), Subrecipient shall provide a Transition Plan to County. Subrecipient shall
submit said Transition Plan to County's Contract Manager within the timeframe designated by County in the notice of termination or Subrecipient shall submit it at least sixty (60) days prior to the expiration of this Subaward as noted in Paragraph 4.0 (Term of Subaward).

9.14.2.2 County shall review Subrecipient's Transition Plan and will determine whether it meets the requirements for County's approval. County reserves the right to suspend/deduct payments under this Subaward and/or under any of Subrecipient's other contracts with County when Subrecipient submits a Transition Plan that is not acceptable to County. Subrecipient shall adhere to the Transition Plan which, at a minimum, shall include all of the elements outlined below.

9.14.3 Elements of the Transition Plan

9.14.3.1 Description of how Clients will be notified about the change in their Service provider.

9.14.3.2 Subrecipient's method to communicate with other organizations that can assist in locating alternative Services.

9.14.3.3 Subrecipient's method to inform community referral sources of the pending termination of Services and what alternatives, if any, exist for future referrals.

9.14.3.4 Subrecipient's method to evaluate Clients in order to assure appropriate placement that will allow Clients to receive Services.

9.14.3.5 Subrecipient's method to transfer any confidential medical and Client records to the new subrecipient in accordance with applicable provisions of the Health Insurance Portability and Accountability Act of 1996 or other Federal, State or local laws and regulations.

9.14.3.6 Subrecipient's method to dispose of confidential records, which fall outside of the retention period noted in Subparagraph 8.38 (Record Retention, Inspection and Audit Settlement), in accordance with applicable laws and regulations, and the terms of this Subaward.

9.14.3.7 Subrecipient's plan to ensure provision of adequate staff to provide continued care through the remaining term of this Subaward.

9.14.3.8 A fully documented inventory of all Fixed and Non-Fixed Assets as well as a method to dispose, transfer or return to County all Fixed and Non-Fixed Assets purchased with Subaward Sums during the entire term of this Subaward.
9.14.3.9 Any additional information which may be necessary to effect a safe transition of Clients to other community service providers.


9.14.4.1 Subrecipient shall implement the Transition Plan that is approved by County. Subrecipient's failure to provide and/or implement the Transition Plan as prescribed herein shall mean that County will provide Subrecipient a Transition Plan and Subrecipient will implement the Transition Plan provided by County. County will monitor Subrecipient's progress in carrying out all elements of the Transition Plan.

9.15 TRAVEL EXPENSES

9.15.1 Subrecipient shall obtain prior written approval from County's Contract Manager for any expenses under this Subaward related to travel outside of Los Angeles County (out-of-town travel).

9.15.2 Subrecipient shall maintain written documentation evidencing that all out-of-town travel expenses are specifically related to providing Services under this Subaward, in conformity with the document retention requirements specified in Subparagraph 8.38 (Record Retention, Inspection and Audit Settlement).

9.15.3 Subrecipient shall ensure that no more than two (2) of its staff incur any out-of-town travel expenses at any time.

9.15.4 Subrecipient shall not invoice County if out-of-town travel expenses are incurred without proper documentation evidencing County's prior written approval.

9.15.5 Subrecipient's non-compliance with the requirements of this Subparagraph 9.15 will result in these costs being disallowed, payments being withheld or other remedy being applied as County shall determine to be appropriate.

9.16 DRUG-FREE WORKPLACE

9.16.1 Subrecipient and its Lower Tier Subrecipient(s) shall adhere to the requirements outlined in the California Drug-Free Workplace Act of 1990, as amended (California Government Code Section 8350 et seq.). Subrecipient and its Lower Tier Subrecipient(s) shall also adhere to the requirements outlined in the Federal Drug-Free Workplace Act of 1988, including its implementing regulations (Title 41 United States Code Section 701 et seq.). Subrecipient and its Lower Tier Subrecipient(s) shall provide and maintain a drug-free workplace for all of their employees, and shall have a documented anti-drug policy and a drug-free awareness program. Violation of or non-compliance with these requirements by Subrecipient, its Lower Tier Subrecipient or both shall subject Subrecipient to remedies available under the terms of this Subaward. Such remedies shall include suspending Subrecipient's payments, placing Subrecipient on probation or suspension, terminating this Subaward or other
available remedies which shall be determined by County at County's sole discretion.

9.16.2 Subrecipient shall provide a written drug-free workplace policy statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and stating the specific actions that will be taken for violations.

9.16.3 The ongoing drug-free awareness program must inform employees about the following: the dangers of drug abuse; available drug counseling, rehabilitation, and employee assistance programs; penalties that may be imposed; and, that employees are to be aware that Subrecipient and its Lower Tier Subrecipient(s) operate a drug-free workplace.

9.16.4 Subrecipient shall require its employees to report in writing any conviction for a violation of a criminal drug statute occurring in the workplace. Subrecipient shall provide written notice to County's Contract Manager within ten (10) days of having received such notice from employee(s). Within thirty (30) days of receiving the notice of a conviction, Subrecipient must have taken appropriate action against the employee(s) or have required employee's participation in a drug abuse assistance or rehabilitation program.

9.17 INFORMATION TECHNOLOGY, SECURITY AND PRIVACY REQUIREMENTS

9.17.1 In the course of completing the Work and providing Services under this Subaward, Subrecipient shall use any Information Technology Systems (ITS) as designated by County. This Subparagraph 9.17 sets forth the requirements for the ITS which Subrecipient shall use. This Subparagraph 9.17 also sets forth the security procedures for these systems which Subrecipient shall have in place by the effective date of this Subaward and which Subrecipient shall maintain throughout the Subaward term. They present a minimum standard only. Subrecipient shall implement appropriate administrative, physical and technical measures to secure its systems and data to protect and ensure the privacy, confidentiality, integrity and availability of County Information Assets as defined in Subparagraph 9.17.5 (County Information Assets) (which consists of but is not limited to confidential County data, Personally Identifiable Information, Protected Health Information and Medical Information) against internal and external threats, vulnerabilities and risks. Subrecipient shall also continuously review and revise those measures to address ongoing threats, vulnerabilities and risks.

9.17.2 Subrecipient's failure to comply with the minimum standards set forth herein will constitute a material, non-curable breach of this Subaward, entitling County, in addition to and cumulative of all other remedies available to it at law, in equity, or under this Subaward, to immediately terminate this Subaward.

9.17.3 Information Technology Systems - Contract Management System-Contractor's Gateway

9.17.3.1 County has implemented use of the Contract
Management System Contractor's Gateway ("Contractor's Gateway"), an automated system designed to electronically manage this Subaward. Subrecipient shall use the System to perform its administrative contracting functions as directed by County.

9.17.3.2 County has established policies concerning the access, use and maintenance of the Contractor's Gateway. Subrecipient shall adhere to these policies, which are identified in Exhibit V (Contract Management System - Contractor's Gateway Terms and Conditions of Use), instruction guides/tutorials provided by County, training sessions conducted by County, etc. Subrecipient's non-compliance with these policies may subject Subrecipient to denial of access to the Contractor's Gateway, suspension of payment(s), termination of this Subaward, and/or other remedies/actions which County may take at its sole discretion under the terms of this Subaward and/or applicable law or regulation.

9.17.4 Information Technology Systems - Management Information System

9.17.4.1 Data Entry

9.17.4.1.1 County has implemented use of the Management Information System (MIS), a computerized database system that is used to record and track Service delivery, Program data and Client information. Subrecipient shall use the MIS and all other systems identified by County, including but not limited to State and Federal programs, applications, software, etc., to report Program data as outlined herein and as directed by County.

9.17.4.1.2 Subrecipient shall ensure the accuracy and authenticity of the number of eligible Client Services provided each day. Subrecipient shall track, document and report the actual date when Services are rendered. Subrecipient shall complete direct data entry of the required Program, Service delivery and Client data (including but not limited to, the total number of Clients served, the type and number of Services provided to Client and the date(s) of Service) into the MIS on the day when the Service(s) is provided to Client and shall ensure that Service recording is accurate each day (i.e., to ensure accurate reporting, Subrecipient shall enter Program, Service delivery, and Client data into MIS on the day when the Service(s) is
9.17.4.2 Data Records

9.17.4.2.1 Subrecipient's failure to submit the required MIS data within the time and manner as designated by County may subject Subrecipient to appropriate remedies as determined by County at County's sole discretion. Remedies will remain in effect until Subrecipient becomes compliant. County will consider Subrecipient's non-compliance during future funding decisions.

9.17.4.2.2 Subrecipient shall maintain all records and reports, consistent with Subparagraph 8.38 (Record Retention, Inspection and Audit Settlement), and shall make them available for audit, assessment, or inspection by County and any of its duly authorized representatives (including, but not limited to, State authorities, Federal agencies and/or any of their duly authorized representatives).

9.17.4.2.3 All information, records, data elements and print-outs collected and maintained for the operation of the Program and pertaining to Clients (including paper and electronic data) must be protected from unauthorized disclosures in accordance with Subparagraph 7.6 (Confidentiality), California Welfare and Institutions Code Section 10850, Title 45 Code of Federal Regulations Part 205.50, California Information Practices Act of 1977, and all other applicable laws and regulations.

9.17.4.3 MIS Personnel

9.17.4.3.1 Subrecipient shall assign an employee to have the primary responsibility for data entry into the MIS. This employee shall be the primary contact person for data issues and problems. This employee shall also be assigned a password to log-in and enter Program, Service delivery and Client data. Subrecipient shall designate a secondary/back-up
employee who can act on behalf of the primary MIS employee contact in the event of his or her absence. Subrecipient shall ensure that its users do not share their user identification and password information.

9.17.4.3.2 Subrecipient shall provide the names of Subrecipient's primary and secondary MIS employees using Exhibit F (Subrecipient's Administration). Subrecipient shall submit the completed Exhibit F (Subrecipient's Administration) in the time and manner as directed by County. In the event of any changes to the information provided in Exhibit F (Subrecipient's Administration), Subrecipient shall update Exhibit F (Subrecipient's Administration) and submit the revised document to County within two (2) weeks of any reassignment or substitution. Only those Subrecipient employees who have been designated by Subrecipient and assigned a password by County shall be allowed to access the MIS system.

9.17.4.3.3 Subrecipient shall ensure that the primary and secondary MIS employees are properly trained to operate the MIS and attend all MIS training provided by County to ensure that MIS operations are in compliance with all applicable regulations.

9.17.5 County Information Assets

9.17.5.1 County Information Assets are public, confidential, sensitive and/or personal identifying data, records, materials, etc. and include (but are not limited to):

9.17.5.1.1 Information that is stored in hard copy or electronic format and may include but is not limited to the following: reports; notes; forms; computers, laptops, cellphones, printers, scanners; networks (LAN, WAN, WIFI) servers, switches, routers; storage media, hard drives, flash drives, cloud storage; data, applications, databases; etc.

9.17.5.1.2 Information that is collected, transmitted and/or accessed in the administration of the Program and in the provision of Services.
9.17.5.1.3 Personal Information as defined in California Civil Code Section 1798.29(g).

9.17.5.1.4 Protected Health Information as defined in Health Insurance Portability and Accountability Act of 1996.

9.17.5.1.5 Medical Information as defined in California Civil Code Section 56.05(j).

9.17.6 Physical and Environmental Security

9.17.6.1 Subrecipient shall take reasonable measures to ensure the physical security of its operating location(s) that handles County Information Assets. Work areas containing computers or source documents should be secured from public access unless Subrecipient's representative is present. When unoccupied during non-operating hours, Subrecipient's facility(ies) shall be locked.

9.17.7 Data Destruction

9.17.7.1 When Subrecipient has maintained, processed or stored County Information Assets, implied or expressed, and such County Information Assets are no longer required to be retained by Subrecipient under this Subaward and applicable law, County shall have sole authority to determine when Subrecipient shall destroy any such County Information Assets as described herein. Subrecipient shall only proceed with the destruction of County Information Assets (which may be stored on purchased, leased or rented electronic storage equipment (e.g., printers, hard drives, etc.) and electronic devices (e.g., servers, workstations, etc.) that are geographically located within Los Angeles County or external to Los Angeles County's boundaries) upon receiving written authorization from County.

9.17.7.2 Subrecipient shall destroy such County Information Assets by:

9.17.7.2.1 Shredding or otherwise destroying paper, film, disk drives or other hard copy media so that the Personally Identifiable Information, Protected Health Information and Medical Information cannot be read or otherwise reconstructed.
9.17.7.2 Clearing, purging or destroying electronic media containing Personally Identifiable Information, Protected Health Information and Medical Information consistent with National Institute of Standards and Technology ("NIST") Special Publication ("SP") 800-88 (Guidelines for Media Sanitization) which is available on-line at: http://csrc.nist.gov/publications/PubsDrafts.html#SP-800-88-Rev. %201 and United States Department of Defense 5220.22-M data sanitization and clearing directive such that the Personally Identifiable Information, Protected Health Information and Medical Information cannot be retrieved.

9.17.7.3 Subrecipient shall have the sole responsibility to certify that the County Information Assets have been appropriately destroyed consistent with the requirements outlined herein.

9.17.7.4 Subrecipient shall provide County with written certification validating that any and all County Information Assets were placed in one (1) or more of the following stored states: unusable, unreadable and/or indecipherable. Subrecipient shall submit such certification to County’s Contract Manager no later than ten (10) days after the occurrence of this event.

9.17.7.5 Lower Tier Subrecipient shall provide County with written certification validating that any and all County Information Assets were destroyed and are in one (1) or more of the following states: unusable, unreadable and/or undecipherable. Lower Tier Subrecipient shall submit such certification to County’s Contract Manager no later than ten (10) days after the removal of any electronic storage equipment and devices and the destruction of the County Information Assets.

9.17.8 Encryption on Workstations and Portable Computing Devices

9.17.8.1 Subrecipient and its Lower Tier Subrecipient shall use software and/or hardware encryption methods for confidential County Information Assets stored on all electronic media in accordance with the following standards:

9.17.8.1.2 NIST SP 800-57 (Recommendation for Key Management - Part 1: General (Revision 3)).


9.17.8.1.4 NIST SP 800-111 (Guide to Storage Encryption Technologies for End User Devices).

9.17.8.1.5 At a minimum, Subrecipient shall use Advanced Encryption Standard ("AES") with cipher strength of 256-bit

9.17.8.1.6 Prior to use of remote servers (e.g., cloud storage, Software-as-a-Service (SaaS), etc.) for storage of County Information Assets, Subrecipient shall obtain written approval from County’s Contract Manager.

9.17.8.2 Subrecipient and its Lower Tier Subrecipient shall use software and/or hardware encryption methods for transmitted (i.e., through network transmission) confidential County Information Assets in accordance with the following standards:

9.17.8.2.1 NIST SP 800-52 (Guidelines for the Selection and Use of Transport Layer Security Implementations).

9.17.8.2.2 NIST SP 800-57 (Recommendation for Key Management - Part 3: Application-Specific Key Management Guidance).

9.17.8.3 Subrecipient and its Lower Tier Subrecipient shall have operational policies, procedures and practices which protect County Information Assets including those assets used to store or access Personal Health Information (PHI), Personal Information (PI) and any information protected under the Health Insurance Portability and Accountability Act (HIPAA) as specified herein and in the State Administrative Manual Sections 5300 to 5365.3; California Government Code Section 11019.9; Department of General Services Management Memo (MM 06-12); Department of Finance Budget Letter (06-34); California Department of Aging Program Memorandum (PM 07-18(P)); Statewide Health Information Policy Manual; and, County’s Board of Supervisors Policy Number 5.200 (Contractor Protection of Electronic County Information).
9.17.8.4 Subrecipient and its Lower Tier Subrecipient shall encrypt confidential, sensitive and/or personal County Information Assets which are stored on all electronic media (including workstations, portable computing devices (including, but not limited to, workstations, servers, mobile devices, wearables, tablets, laptops, personal digital assistants, notebook computers, and backup media) and/or portable electronic storage media (including, but not limited to, discs, thumb/flash drives, external/portable hard drives, and backup media)).

9.17.8.5 Removable Media

9.17.8.5.1 Except in the context of Subrecipient's routine back-ups or as otherwise specifically authorized by County in writing, Subrecipient shall institute strict administrative, physical and logical security controls to prevent transfer of County information to any form of removable media. For purposes of this Subaward, removable media means portable or removable hard disks, floppy disks, universal serial bus (USB) memory drives, zip disks, optical disks, CDs, DVDs, digital film, digital cameras, memory cards (e.g., secure digital (SD), memory sticks (MS), compact flash (CF), smart media (SM), multimedia card (MMC), and xD-picture card (xD)), magnetic tape and all other removable data storage media.

9.17.8.6 In the event that Subrecipient will have County Information Assets on or accessed by mobile devices, Subrecipient shall have in place, a mobile computing policy, reviewable and audited by County. This policy must address device recovery and data eradication methods, the mobile device management capabilities in place, the use of personal devices versus Subrecipient-supplied devices and all applications that may have access to or render County Information Assets.

9.17.8.7 Data Control and Media Servicing

9.17.8.7.1 Subrecipient shall adhere to the requirements for back-up data stored by Subrecipient at off-site facilities as provided in this Subparagraph 9.17.8.7.

9.17.8.7.2 County Information Assets shall only be made available and accessible to those parties explicitly authorized under this Subaward or otherwise expressly approved by County in writing.
9.17.8.7.3 If transferred across the Internet, any wireless network (e.g., cellular, Bluetooth, 802.11x, or similar technology), or other public or shared networks, County Information Assets must be protected using industry standard encryption technology in accordance with the NIST SP 800-52 (Guidelines for the Selection and use of Transport Layer Security Implementations).

9.17.8.7.4 If transferred using removable media (as defined above), County Information Assets must be sent via a bonded courier or protected using industry standard encryption technology in accordance with NIST SP 800-111 (Guide to Storage Encryption Technologies for End User Devices).

9.17.8.7.5 In the event any hardware, storage media or removable media must be sent off-site for servicing, Subrecipient shall ensure that all confidential County Information Assets, including Personally Identifiable Information, Protected Health Information and Medical Information, have been cleared, purged and/or scrubbed from such hardware and/or media using industry best practices in accordance with NIST SP 800-88 (Guidelines for Media Sanitization).

9.17.8.8 Subrecipient shall certify its compliance with the encryption standards noted herein as a condition of executing this Subaward. Subrecipient provide such certification by completing and submitting Exhibit AA (Subrecipient's Compliance with Encryption Requirements) in the form and manner as determined by County. Subrecipient shall maintain compliance with this policy during the term of this Subaward and for as long as Subrecipient maintains or is in possession of County Information Assets. In addition to the foregoing certification, Subrecipient shall maintain any validation/attestation reports that the data encryption product generates and such reports shall be subject to audit in accordance with the requirements outlined in Subparagraph 8.38 (Record Retention, Inspection and Audit Settlement). In the event of Subrecipient's non-compliance with these requirements, County will require Subrecipient to develop and execute a corrective action plan. Subrecipient's failure to comply with this policy may subject Subrecipient to suspension or termination of this Subaward, denial
of access to County information technology resources and/or other remedies which are deemed appropriate by County.

9.17.9 Software Maintenance and Operational Management

9.17.9.1 Subrecipient shall deploy up-to-date anti-virus software with current definitions on all computer systems on which County Information Assets are stored and/or transmitted.

9.17.9.2 Subrecipient and its Lower Tier Subrecipient shall ensure that all security patches, software updates/upgrades, etc. are applied in a timely manner to all computer systems on which County Information Assets are stored, accessed and/or transmitted.

9.17.9.3 Subrecipient shall deploy adequate back-up facilities to ensure that its essential business information can be promptly recovered in the event of a disaster or media failure.

9.17.9.4 Subrecipient shall ensure that its operating procedures are adequately documented and designed to protect information, computer media and data from theft and unauthorized access.

9.17.10 Access Control

9.17.10.1 Subrecipient shall implement formal procedures to control access to its systems, services and data, including, but not limited to, user account management procedures and other controls as outlined in this Subparagraph 9.17. Subrecipient shall ensure that network access to both internal and external networked services shall be controlled through the use of properly configured firewalls, etc. Operating systems will be used to enforce access controls to computer resources including, but not limited to, authentication, authorization and event logging. Applications will include access control to limit user access to information and application system functions. All systems will be monitored to detect deviation from access control policies and identify suspicious activity. Subrecipient shall record, review and act upon all events in accordance with incident response policies set forth herein.

9.17.10.2 Subrecipient shall develop, implement and enforce/maintain a password policy which requires users who are authorized to access confidential County Information Assets on electronic media to: create a strong complex password containing at least eight (8) characters, which shall include upper and lower case letters, digits and symbols; and, change his/her password at a minimum every ninety (90) days, etc.

9.17.10.3 Subrecipient shall develop, implement and
enforce/maintain a password policy which provides for the following system requirements: when user changes his/her password, the system shall restrict user from re-using any of the last six (6) passwords; the system will lock itself after a minimum of three (3) to a maximum of five (5) failed logon attempts made by user within a thirty (30) minute time frame; and, the system will either lock itself or log off user after thirty (30) minutes of inactivity.

9.17.11 Personnel and Subrecipient Protections

9.17.11.1 Subrecipient shall screen and conduct background checks on all Subrecipient personnel exposed to confidential County Information Assets. Subrecipient shall require its employees and Lower Tier Subrecipient(s) to sign an appropriate written confidentiality/non-disclosure agreement. All Lower Tier Subawards requiring access to Subrecipient's systems and data, including all outsourcing arrangements and maintenance and support agreements (including facilities maintenance), shall specifically address security risks, controls and procedures for information systems. Subrecipient shall supply each of its employees with appropriate, ongoing training regarding information security procedures, risks, vulnerabilities and threats. Subrecipient shall have an established set of procedures to ensure Subrecipient employees promptly report actual and/or suspected breaches of security.

9.17.12 County's Security Audit

9.17.12.1 At County's sole discretion, County or its designee may annually, or more frequently, conduct a security audit to determine Subrecipient's adherence to the requirements outlined in this Subparagraph 9.17.

9.17.12.2 County's security audit may include, but is not limited to, a review of the following elements, which shall be provided by Subrecipient upon County's request: a report on Subrecipient's encryption of all electronic media; Subrecipient's report verifying County's written authorization for data destruction along with documented certification of such destruction; and, Subrecipient's written assurance indicating that Subrecipient enforces security measures to control physical access (i.e., access to premises) and electronic access (i.e., access to electronic media) to County Information Assets.

9.17.13 Security Incident Reporting

9.17.13.1 A security incident occurs when County Information Assets are or reasonably believed to have been accessed, modified, destroyed or disclosed without proper authorization or are lost or stolen. A security incident includes (but is not limited to) instances in which Subrecipient employees access systems in
excess of their user rights or use the systems inappropriately, data is breached, etc. Subrecipient and its Lower Tier Subrecipient must comply with California Department of Aging’s security incident reporting procedure which is available online at http://aging.ca.gov/Programsproviders/Information_Security_and_Privacy.

9.17.13.2 Notification of Security Breach to County

9.17.13.2.1 Subrecipient must immediately report all security incidents to County's Program Manager but in no event shall the report be made more than two (2) business days after its detection. Subrecipient shall initiate the contact by telephone and followed by written letter of any potential or actual security attacks or security incidents.

9.17.13.2.2 Subrecipient's notification of the security incident shall include the approximate date and time of its occurrence and a summary of the relevant facts, including a description of measures being taken to address the occurrence.

9.17.13.3 Notification of Security Breach to Clients

9.17.13.3.1 Subrecipient and its Lower Tier Subrecipient shall give written notice to any Client or data subject whose confidential, sensitive and/or personal identifying information may have been breached in accordance with HIPAA, the Information Practices Act of 1977, and State policy.

9.17.14 Electronic Backups

9.17.14.1 Subrecipient and its Lower Tier Subrecipient shall ensure that all electronic County Information Assets are protected by performing regular backups of automated files and databases, and ensure the availability of County Information Assets for continued business. Subrecipient and its Lower Tier Subrecipient shall ensure that all data, files and backup files are encrypted.

9.17.15 Cloud Storage

9.17.15.1 Subrecipient and its Lower Tier Subrecipient(s) may not utilize cloud storage of County Information Assets without the prior express written authorization of County, after a review of the cloud service by County or its designee(s).

9.17.16 Hardware Return

9.17.16.1 Upon termination or expiration of this Subaward or at any time upon County's request, Subrecipient will
return all hardware provided by County or purchased by Subrecipient using Subaward Sums. Subrecipient shall not alter or modify such hardware. Subrecipient shall physically seal the hardware and return it to County via a bonded courier or as otherwise directed by County in accordance with Exhibit S (Purchase, Inventory and Disposal Requirements for Fixed Assets, Non-Fixed Assets and Supplies).

9.17.16.2 In the event that the hardware contains confidential County Information Assets and is owned by Subrecipient or its Lower Tier Subrecipient, Subrecipient shall send a notarized statement, detailing the destruction method used and the data sets involved, the date of destruction and the company or individual who performed the destruction to County’s Program Manager within fifteen (15) days of termination or expiration of this Subaward or at any time upon County’s request. Subrecipient's destruction or erasure of Personal Information, Protected Health Information and Medical Information shall be in compliance with industry best practices as outlined in NIST SP 800-88 (Guidelines for Media Sanitization).

9.17.17 Subrecipient shall ensure that its Lower Tier Subrecipient(s) adheres to all of the provisions included in this Subparagraph 9.17.

9.18 REMEDIES FOR NON-COMPLIANCE

9.18.1 Subrecipient agrees to comply with the requirements set forth in the entirety of this Subaward as well as the requirements contained in supporting Program legislation and all applicable directives, Program memoranda, notices, guidelines and instructions issued by or on behalf of Federal, State or County authorities. Subrecipient's failure to comply with such requirements shall subject Subrecipient to remedies which are available under this Subaward and as provided by law. These remedies include but are not limited to the following: probation; suspension of payment(s); suspension of Services; assessment and collection of liquidated damages; de-obligation of Subaward Sums (for purposes of this Subaward, de-obligation is the partial or full removal of Subaward Sums from Subrecipient); re-obligation of Subaward Sums (for purposes of this Subaward, re-obligation is the allocation of de-obligated Subaward Sums to another current subrecipient(s) and/or to a new subrecipient); debarment; and/or termination of this Subaward. County shall have the sole discretion to determine which remedy(ies) will be applied as a result of Subrecipient's non-compliance.

9.19 PAYMENT AND PERFORMANCE GUARANTIES

9.19.1 Throughout the entire term of this Subaward, including the original term and any renewals or extensions thereto, County, at its sole discretion, reserves the right to require Subrecipient to provide a Payment Guaranty, Performance Guaranty or both ("Guaranty(ies)") in the amount and form as directed by County.
County will determine whether or not Subrecipient will be required to obtain a Guaranty(ies) when Subrecipient’s performance under this Subaward reveals potential liability to County in an aggregate amount of twenty-five thousand dollars ($25,000) or more resulting from, but not limited to, the following incidents: disallowed costs, unsubstantiated costs, non-payment of Lower Tier Subrecipients, etc. (i.e., if County determines that Subrecipient has disallowed costs, unsubstantiated costs, non-payment of Lower Tier Subrecipients, etc. which total twenty-five thousand dollars ($25,000) or more in potential liability when added together then County will require Subrecipient to obtain a Payment Guaranty, Performance Guaranty or both).

9.19.2 Payment Guaranty

9.19.2.1 The Payment Guaranty is Subrecipient’s surety/guarantee to County that Subrecipient shall meet its obligations to faithfully pay its Lower Tier Subrecipients in a manner that is timely, satisfactory and acceptable to County, as determined by County at its sole discretion. The purpose of the Payment Guaranty is to provide all Lower Tier Subrecipients who supply labor, materials, services, etc. to Subrecipient a recourse if they do not get paid by Subrecipient. In such case, the Payment Guaranty allows Lower Tier Subrecipient to file a claim with the surety company that issued the Guaranty in the event that Subrecipient does not reimburse the Lower Tier Subrecipient for goods and/or services provided by Lower Tier Subrecipient.

9.19.2.2 Subrecipient acknowledges that County may also make a determination that Subrecipient’s non-payment of its Lower Tier Subrecipients is a violation of the terms and conditions of this Subaward which may subject Subrecipient to obtain both the Payment Guaranty and Performance Guaranty.

9.19.2.3 The Payment Guaranty shall only take the form of a surety bond. More information concerning surety bonds and companies may be obtained from the Surety Association of America (www.surety.org), the Surety Information Office (www.sio.org.), state insurance departments, the U.S. Small Business Administration and U.S. Department of the Treasury.

9.19.2.4 The Payment Guaranty must be executed by a corporate surety which is licensed to transact business as a surety in the State of California. The corporate surety must have an A.M. Best Rating of not less than A:VII, unless otherwise approved by County.

9.19.3 Performance Guaranty

9.19.3.1 The Performance Guaranty is Subrecipient’s
surety/guarantee to County that Subrecipient shall meet its obligations to perform the terms and conditions of the resulting Subaward. The purpose of the Performance Guaranty is to provide County a recourse to recover Subaward monies which would otherwise be lost due to Subrecipient's negligent actions. This Performance Guaranty shall provide for the payment of monies to County for transactions which are incurred by Subrecipient, including but not limited to: liquidated damages, late penalty payments, County's reimbursement, etc. County's determination to require Subrecipient to obtain the Performance Guaranty would occur after the resolution process has been completed and "questioned costs" have been determined to be unsubstantiated costs, disallowed costs, etc.

9.19.3.2 The Performance Guaranty shall take any of the following forms:

9.19.3.2.1 Surety Bond: More information concerning surety bonds and companies may be obtained from the Surety Association of America (www.surety.org), the Surety Information Office (www.sio.org), state insurance departments, the U.S. Small Business Administration and U.S. Department of the Treasury. The performance guaranty may not allow the bond surety to substitute another person to perform Services.

9.19.3.2.2 Letter of Credit: Refer to Exhibit BB (Criteria and Standards for Letters of Credit and Certificates of Deposit) for information.

9.19.3.2.3 Certified Check or Certificate of Deposit: This form of Guaranty shall list/identify County of Los Angeles as an authorized party that can withdraw on the account. Refer to Exhibit BB (Criteria and Standards for Letters of Credit and Certificates of Deposit) for additional information on the certificate of deposit.

9.19.3.2.4 Cash

9.19.3.3 The Performance Guaranty must be executed by a corporate surety which is licensed to transact business as a surety in the State of California. The corporate surety must have an A.M. Best Rating of not less than A:VII, unless otherwise approved by County.

9.19.4 When County determines that Subrecipient shall obtain and maintain a Guaranty(ies), County shall inform Subrecipient of
this requirement and shall provide Subrecipient at least fifteen (15) days to comply with County’s determination. Once Subrecipient has obtained the required Guaranty(ies), County will re-evaluate the need for Subrecipient to continue maintaining the Guaranty(ies) for any subsequent Fiscal Year of the Subaward term.

9.19.5 The costs to obtain and maintain the Guaranty(ies) are potentially allowable and reimbursable under the terms of this Subaward. However, no additional funding will be allocated to the Subaward Sums in order for Subrecipient to pay for these costs. If Subrecipient intends to use existing Subaward Sums to offset the costs of the Guaranty(ies), this action requires a redistribution of Subaward Sums which shall be initiated through a budget modification. This budget modification shall be completed and submitted by Subrecipient for approval by County as noted in Subparagraph 9.9.2 (Budget Modifications). Prior to submitting this budget modification, Subrecipient shall ensure that it will be able to adhere to all other required tasks, performance measures and other duties of this Subaward even after the Subaward Sums are redistributed (i.e., Subrecipient shall continue to provide the required level of Services which would include the Guaranty(ies) for the same level of funding).

9.20 SUBAWARD DOCUMENT DELIVERABLES

9.20.1 Prior to the execution of this Subaward and throughout the entire term of this Subaward, Subrecipient shall obtain and maintain current and appropriate licenses, permits and certificates which are required by all applicable County, State and/or Federal laws, regulations, guidelines, Program memoranda and directives for the operation of its facility(ies) and for the provision of Services hereunder. Prior to the execution of this Subaward and annually thereafter (or as otherwise established by County), Subrecipient shall submit evidence/documentation (Subaward Document Deliverables) of its compliance with this requirement in the form and manner that is prescribed by County. Subrecipient shall provide to County’s Contract Manager, by the deadline imposed by County, current copies of these deliverables which must be complete (without missing pages) and legible, and shall include:

9.20.1.1 Subaward Compliance Documents (as described in Subparagraph 9.20.3)

9.20.1.2 Business Forms (as described in Subparagraph 9.20.4)

9.20.1.3 Reporting Documents (as described in Subparagraph 9.20.5)

9.20.1.4 Other Documents: During the term of this Subaward, County or its designee(s) may request from time to time additional documents from Subrecipient, and Subrecipient shall adhere to County’s request for such documents.

9.20.2 Subrecipient shall submit copies of all new or renewed licenses, permits, and certificates to County’s Contract Manager within five (5) business days of the license, permit or certification award or
renewal. Subrecipient shall immediately notify County of any lapses or expirations of these items. Subrecipient's failure to maintain and/or timely submit documents required or requested by County may result in County imposing remedies as determined by County in its sole discretion.

9.20.3 Subaward Compliance Documents

9.20.3.1 Business License

9.20.3.1.1 When the local governing authority requires Subrecipient's organization to obtain a license to operate and conduct business within its local governing authority's jurisdiction, Subrecipient shall obtain such license to perform the Services outlined in this Subaward. The local governing authority may be either the local city government for entities doing business within its city limits or County of Los Angeles for entities located outside of city limits (i.e., unincorporated areas or designated cities). Subrecipient shall ensure that the license is current throughout the entire term of this Subaward. Subrecipient shall provide a current copy of its license to County annually (or upon expiration, as noted on the license).

9.20.3.2 Certificate of Insurance

9.20.3.2.1 The certificate shall evidence Subrecipient's compliance with the insurance requirements outlined in Subparagraph 8.24 (General Provisions for all Insurance Coverage) and Subparagraph 8.25 (Insurance Coverage). Subrecipient shall also provide copies of the certificate of insurance as it relates to its Lower Tier Subrecipient(s).

9.20.3.3 Fire Department Inspection Report

9.20.3.3.1 For each Service site that Client will visit, Subrecipient shall obtain an annual fire inspection of its facility(ies). The inspection shall be conducted by the Los Angeles County Fire Department or by Subrecipient's local fire department and Subrecipient shall obtain a written report of the inspection which shall be provided to County annually. In the event that violations are noted on the inspection report, Subrecipient shall ensure that it complies with all corrective measures as directed by the fire department. Subrecipient shall provide to County
written evidence of its compliance within five (5) days of receiving the evidence from the fire department. The fire inspection report shall be current within the most recent twelve (12) month period.

9.20.3.4 Public Health Permit

9.20.3.4.1 For every Service site where Subrecipient provides Services that require a Permit issued by County of Los Angeles Department of Public Health, Subrecipient shall provide a current copy of such permit annually (or upon expiration, as noted on the permit).

9.20.3.5 Health Department Inspection Report

9.20.3.5.1 For each Service site where Subrecipient provides Services that require an inspection by County of Los Angeles Department of Public Health (such as a central kitchen, Congregate Meal Site, etc.), Subrecipient shall annually provide a current copy of such inspection report (report shall be current within the most recent twelve (12) month period). In the event that violations are noted on the report, Subrecipient shall ensure that it complies with all corrective measures as directed by the Department of Public Health. Subrecipient shall provide to County written evidence of its compliance within five (5) days of receiving the evidence from Public Health.

9.20.3.6 Vehicle Smog Certification

9.20.3.6.1 For each vehicle(s) purchased with the Subaward Sum(s) under this Subaward and/or under a Predecessor Agreement that is used in the operation of the Program (i.e., County-owned vehicle(s)), Subrecipient shall ensure that such vehicle(s) undergo a certified smog inspection as required under applicable State and Los Angeles County laws. Subrecipient must receive evidence of a passing inspection (i.e., smog certificate) for each vehicle and shall submit a copy of the smog certificate to County's Contract Manager on an annual basis in the manner and timeframe designated by County. When the vehicle(s) is not required to undergo a
smog inspection during any year, Subrecipient shall provide evidence (copy of vehicle registration, etc.) indicating that the inspection is not warranted for the specified year.

9.20.3.7 **California Civil Rights Laws Certification**
9.20.3.7.1 Subrecipient shall complete and submit this Certification as a condition of receiving this Subaward.

9.20.4 **Business Forms**

9.20.4.1 **Articles of Incorporation**
9.20.4.1.1 This document, which evidences the legal formation of Subrecipient's organization, shall reflect Subrecipient's current legal name; and, County shall use this document as verification of Subrecipient's name. In the event there are any amendments or addendums to the articles of incorporation, Subrecipient shall provide copies of such amendments/addendums to County within five (5) days of said amendments/addendums being finalized.

9.20.4.1.2 When Subrecipient's organization is a local government or a consortium of local governments, Subrecipient shall provide either a city charter or a joint powers agreement respectively, in lieu of the articles of incorporation.

9.20.4.2 **Board of Directors' Resolution**
9.20.4.2.1 A resolution from Subrecipient's Board of Directors, which evidences Authorized Representative's authority to act on behalf of Subrecipient in matters related to this Subaward (Subparagraph 8.3.3 (Board of Directors’ Resolution)). Subrecipient shall submit its Board of Directors' resolution in the time and manner as designated by County.

9.20.4.3 **Board of Directors Roster**
9.20.4.3.1 The roster shall include the individuals who comprise Subrecipient's Board of Directors. In the event that the roster is updated, Subrecipient shall provide an updated roster to County within five (5) days of it being approved or finalized.

9.20.4.4 **Bylaws**
9.20.4.4.1 This document shall reflect the internal rules which govern Subrecipient's organization. These rules are generally concerned with the operation of the organization, and setting out the form, manner or procedure in which the organization should operate. In the event that the bylaws are amended, Subrecipient shall provide such amendments to County within five (5) days of them being approved.

9.20.4.5 Complaint Policies and Procedures

9.20.4.5.1 Subrecipient's policies and procedures for receiving, investigating and responding to Client complaints shall be prepared and submitted to County pursuant to the requirements outlined in Subparagraph 8.5 (Complaints).

9.20.4.6 Organization Chart

9.20.4.6.1 The chart shall provide an outline of the hierarchy, relationships and relative ranks of Subrecipient's organizational parts and positions/jobs as it related to the operations of this Subaward. In the event that Subrecipient revises its organization chart, a copy shall be provided to County within five (5) days of any change in its organization chart.

9.20.4.7 Lower Tier Subaward

9.20.4.7.1 This executed third-party agreement (as defined in Subparagraph 8.40 (Lower Tier Subaward)) and any amendments or addendums thereto, shall be provided to County within five (5) days of the execution of that agreement, amendment and addendum.

9.20.4.8 Tax Exempt Status Letter

9.20.4.8.1 Written documentation that is obtained from the Internal Revenue Service as evidence of Subrecipient's tax exempt status. When Subrecipient is a non-profit entity, such evidence must reflect Subrecipient's tax exempt status. In the event Subrecipient's tax exempt status changes, Subrecipient shall provide County a copy of its new status within five (5) days of any change in its tax exempt status.

9.20.4.9 Terms and Conditions of Use-User Agreement

9.20.4.9.1 Each employee who will access the
Contract Management System - Contractor's Gateway shall complete and submit this agreement. Additional information is available in Exhibit V (Contract Management System - Contractor's Gateway Terms and Conditions of Use).

9.20.5 Reporting Documents

9.20.5.1 Cost Allocation Plan

9.20.5.1.1 This Plan shall adhere to the requirements outlined in Subparagraph 9.21.1 (Cost Allocation Plan for Cost Reimbursement Activities).

9.20.5.2 Closeout Report

9.20.5.2.1 This report shall adhere to the requirements outlined in Subparagraph 9.21.2 (Closeout Reporting Requirements).

9.20.5.3 Other Reporting Documents

9.20.5.3.1 From time-to-time, County or its designee(s) may request other documents relating to Subrecipient's performance, Work, and/or Services under this Subaward. County shall not be unreasonable in its request and Subrecipient shall adhere to County's request for such documents.

9.21 FISCAL REPORTING REQUIREMENTS

9.21.1 Cost Allocation Plan for Cost Reimbursement Activities

9.21.1.1 Subrecipient acknowledges that as a condition of receiving this Subaward, Subrecipient shall submit its organization-wide Cost Allocation Plan to County no later than sixty (60) days after the start date of the Subaward term. This Cost Allocation Plan is included herein by reference.

9.21.1.2 The Cost Allocation Plan shall adhere to the requirements outlined in the following: County directives (including but not limited to WDACS directive CCD-18-01 (Cost Allocation and Indirect Cost Requirements for WDACS Subawards)) which may be obtained at https://wdacs.lacounty.gov/doing-business-with-wdacs/programdirectives/, Exhibit Q (Accounting, Administration and Reporting Requirements), Title 45 Code of Federal Regulations Part 75 et seq. and Title 2 Code of Federal Regulations Part 200 et seq. At a minimum, the Plan shall include the following information:
9.21.1.2.1 Description of Subrecipient's organization (i.e., non-profit, for-profit, public/government, etc.).

9.21.1.2.2 Description of Subrecipient's general accounting policies, including its basis of accounting.

9.21.1.2.3 List of all the funded programs.

9.21.1.2.4 An organizational chart that identifies the various services and/or functions for each unit.

9.21.1.2.5 A detailed listing of all shared and pooled direct and indirect costs that will be allocated.

9.21.1.2.6 Identification of the Subaward year term for any information/documentation related to the Plan.

9.21.1.2.7 A thorough description of the methods used to allocate all shared or pooled direct or indirect costs and the auditable documentation for supporting each basis for allocation.

9.21.1.3 Every cost included in the Cost Allocation Plan shall be supported by formal, documented accounting records, and the basis for its distribution must be calculated by actual usage (e.g., time distribution, number of Clients served, square footage, etc.) - arbitrary percentages or estimates are not allowed.

9.21.1.4 In order to certify the accuracy of the Cost Allocation Plan, Subrecipient shall sign the Cost Allocation Plan and any revisions made thereto.

9.21.1.5 By May 1 of each Subaward year after the first Subaward year in a multi-year term (or upon extension of the term as provided in Paragraph 4.0 (Term of Subaward), Subrecipient shall submit written confirmation that its Cost Allocation Plan methodology described in Subparagraph 9.21.1.2.7 will remain in effect throughout the following Subaward year. In the event that this Cost Allocation Plan methodology must be revised for the following Subaward year then Subrecipient shall submit the revised methodology to County’s Compliance Manager by May 1 of the current Subaward year. The Cost Allocation Plan methodology may only be revised once during any Subaward year.

9.21.1.6 In the event that the information provided in the Cost Allocation Plan as it relates to Subparagraphs
9.21.1.2.1 - 9.21.1.2.6 must be revised at any time during the Subaward term then Subrecipient shall submit the revisions to County's Compliance Manager within thirty (30) days of completing the revisions.

9.21.1.7 Upon receipt of the revisions made to Subrecipient's Cost Allocation Plan, County will review these revisions. Neither Subrecipient's submission of these revisions to its Cost Allocation Plan nor County's receipt of these revisions to Subrecipient's Cost Allocation Plan shall constitute County's acceptance or approval of the Cost Allocation Plan revisions. County reserves the right to either accept or reject any revision(s) to the Cost Allocation Plan that County deems is unacceptable. County will notify Subrecipient in writing whether the revisions are approved or rejected. Upon rejection of the revisions, Subrecipient shall take the required actions needed to correct its revisions. Subrecipient's failure to adhere to County's requirements shall subject Subrecipient to remedies available under this Subaward.

9.21.2 Closeout Reporting Requirements

9.21.2.1 The closeout is a process that takes place upon the expiration or termination of the period in which Program Services are provided which includes the end of the Subaward term, the end of the Fiscal Year or any other period when the Subaward is terminated. The purpose of closeout is to ensure that final reports are received and evaluated, allowable costs are determined and amounts due to either County or to Subrecipient are determined and payment arrangements made.

9.21.2.2 Subrecipient shall complete and submit a mandatory Closeout Report in the form and manner designated by County. The Closeout Report shall include the reporting of expenses and accruals incurred through the last day of the Fiscal Year or Program Year. County will notify Subrecipient of the deadline for submission of the Closeout Report.

9.21.2.3 Subrecipient must ensure that all invoices are submitted and finalized prior to the submission of its Closeout Report. County will not pay invoices that are received after Subrecipient has submitted the Closeout Report. Once County has reviewed and accepted Subrecipient's Closeout Report, the data reflected on the Closeout Report will be reported to State as final. Any subsequent revisions will require the written signature and authorization of Authorized Representative.

9.21.2.4 If this Subaward is terminated or cancelled prior to June 30th of any Fiscal Year, the Closeout Report shall be for that Subaward period which ends on the
Subrecipient shall submit the Closeout Report after the termination/cancellation date in the manner and timeframe designated by County.

9.21.2.5 At the end of the funding cycle/during the closeout, Subrecipient shall ensure that all of the following items match:

9.21.2.5.1 The Subaward Sum allocated by line items on Subrecipient's final approved Budget(s), where the Subaward Sum is the funding allocated for any Fiscal Year under this Subaward and it is distributed using the line items/cost categories reflected in Subrecipient's final approved Budget(s).

9.21.2.5.2 The Grant Share, which is allocated by line items on Subrecipient's Closeout Report, where the Grant Share is the actual Subaward Sum that Subrecipient has budgeted by line items/cost categories on its organization's accounting/fiscal records (i.e., general ledgers, etc.).

9.21.2.5.3 The Amount Received by line item as reported on Subrecipient's Closeout Report, where the Amount Received is the actual Subaward Sum reimbursed to Subrecipient for its line items.

9.21.2.6 In the event that the line item amounts reflected as the Subaward Sum on the final approved Budget(s), the Grant Share on the Closeout, and the Amount Received on the Closeout do not match at the time of closeout, for purposes of the closeout only, County shall allow a maximum of ten percent (10%) variance between the Subaward Sum and Grant Share (specifically, the variance between the Subaward Sum line items reported on the final approved Budget(s) and the Grant Share line items reported on the Closeout Report).
9.21.2.6.1 For example, during the closeout, if the line item, Space, reflects a Subaward Sum of $100 on the final approved Budget(s) then the Grant Share amount reflected on the Closeout Report for Space shall be $100, and the Amount Received reflected on the Closeout Report for Space shall be $100. Alternatively, if the Subaward Sum for Space is reflected on the final approved Budget(s) as $100 but the Grant Share for Space is reflected on the Closeout Report as $95 and the Amount Received for Space is reflected on the Closeout Report as $95 then the $5 variance (which is five percent (5%) of the Subaward Sum amount for the Space line item) is within the allowable ten percent (10%) variance.

9.21.2.7 Subrecipient shall ensure that the total Grant Share and the total Amount Received, which are reflected on the Closeout Report, do not exceed the total Subaward Sum reflected on the final approved Budget(s).

9.21.3 Program Income Requirements

9.21.3.1 Program Income includes, but is not limited to:

9.21.3.1.1 Voluntary contributions received from Client or other party for Services received.

9.21.3.1.2 Income from usage or rental fees of real or personal property acquired with Subaward Sums.

9.21.3.1.3 Royalties received on patents and copyrights from Subaward-supported activities.

9.21.3.1.4 Proceeds from the sale of items created under this Subaward.

9.21.3.2 Subrecipient shall adhere to the Program Income requirements outlined herein and in Title 45 Code of Federal Regulations Part 75 et seq. and Title 2 Code of Federal Regulations Part 200 et seq.

9.21.3.3 Subrecipient shall use Program Income to expand baseline Program Services.

9.21.3.4 Subrecipient shall report Program Income in Budget exhibit(s) and shall expend Program Income under the same terms and conditions as the Subaward Sums from which it is generated. The use of...
Program Income is restricted to the funding source or Service that was provided and contributed towards.

9.21.3.5 Program Income shall be used to pay for current allowable Program costs in the same Fiscal Year or Program Year that the Program Income is earned. If Program Income is earned in excess of the amount reported in Budget exhibit(s) then County shall recapture the balance of the unexpended Program Income or pursue any other remedies available to County under this Subaward.

9.21.3.6 Subrecipient shall not use Program Income to meet the match contribution requirement of this Subaward.

9.21.3.7 Subrecipient shall provide a disposition of all Program Income received and expended as part of the Closeout reporting process in the form, manner and timeline as designated by County.

9.22 DATA UNIVERSAL NUMBERING SYSTEM (DUNS) AND SYSTEM FOR AWARD MANAGEMENT (SAM)

9.22.1 Pursuant to the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109-282) and Title 2 Code of Federal Regulations Part 25, Subrecipient shall be responsible for obtaining and maintaining a DUNS number from Dun and Bradstreet. The DUNS number is a unique nine-digit identification number and is site-specific. Therefore, each distinct physical location of Subrecipient's organization (such as branches, divisions, and headquarters) will have its own, unique DUNS number. Subrecipient may register for a DUNS number at http://www.dnb.com/duns-number.html. Subrecipient shall comply with the requirements outlined in this Subparagraph 9.22.

9.22.2 Subrecipient shall provide a valid DUNS number using Exhibit F (Subrecipient’s Administration) and shall submit the completed Exhibit F (Subrecipient’s Administration) in the time and manner as directed by County. Subrecipient must register the DUNS number and maintain an "Active" status within the federal System for Award Management available online at https://www.sam.gov/portal/SAM#1. If County cannot access or verify "Active" status for Subrecipient's DUNS information, which is related to this Subaward on the Federal Funding Accountability and Transparency Act Subaward Reporting System, County will notify Subrecipient and Subrecipient must immediately update the information as required.

9.22.3 Subrecipient's failure to adhere to applicable DUNS and SAM requirements may result in County imposing remedies as determined by County in its sole discretion.

9.23 UNUSUAL OCCURRENCES AND CRIME

9.23.1 Unusual occurrences such as natural disasters (including earthquakes, floods, landslides, wildfires, extreme heat/cold), man-made emergencies (such as epidemic outbreaks, bio-terrorism, food-borne illness, fire, major accidents, death from unnatural causes or other catastrophes), and unusual
occurrences which threaten the welfare, safety or health of Clients, Subrecipient personnel or visitors to Subrecipient's facility(ies) shall be reported by Subrecipient within twenty-four (24) hours to the local health officer by telephone and in writing, and to County by telephone and also in writing or by email.

9.23.2 Crime related occurrences, such as theft or vandalism, must be reported by Subrecipient within twenty-four (24) hours to the local police or sheriff by filing a police report and to County by telephone, and in writing or by email. Subrecipient shall also prepare and retain an incident report on file, and shall include a copy of the filed police report.

9.23.3 Subrecipient shall maintain all incident reports in a manner consistent with Subparagraph 8.38 (Record Retention, Inspection and Audit Settlement). Subrecipient shall furnish such other pertinent information related to such occurrence as the local authorities and/or County may require.

9.24 INTENTIONALLY OMITTED

9.25 FEMA PROVISIONS

9.25.1 In the event of an emergency (defined as a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property or essential public services) and Federal Emergency Management Agency (FEMA) funds are made available under this Subaward, Subrecipient shall comply with all requirements outlined in Exhibit CC (FEMA Provisions). Subrecipient shall complete the Lobbyist Certification attached to this Exhibit and submit it to County’s Contract Manager in the time and manner as designated by County.
IN WITNESS WHEREOF, Subrecipient has executed this Subaward or caused it to be duly executed, and the County of Los Angeles, by order of its Board of Supervisors, has caused this Subaward to be executed on its behalf by the Acting Director of Workforce Development, Aging and Community Services, on the day, month and year first above written. The person(s) signing on behalf of Subrecipient warrants under penalty of perjury that he or she is authorized to bind Subrecipient. Subrecipient and County acknowledge that this Subaward shall not be deemed to be active until such time that the document is executed by the respective authorized representatives of both Subrecipient and County.

COUNTY OF LOS ANGELES

By __________________________  __________________________
Otto Solórzano, Acting Director  Date
County of Los Angeles
Workforce Development, Aging
and Community Services

SUBRECIPIENT

Subrecipient’s Legal Name

Subaward Number

By __________________________  __________________________
Name of Authorized  Date
Representative

Title

Signature

Approved as to Form:

OFFICE OF COUNTY COUNSEL
Mary C. Wickham, County Counsel

By __________________________  __________________________
Lawrence M. Green  Date
Senior Deputy County Counsel

Title

Signature
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1.0 SCOPE OF WORK

1.1 County (herein also referred to as the Area Agency on Aging (AAA)), has established the Elderly Nutrition Program (ENP or Program), which consists primarily of Congregate Meal Services and Home-Delivered Meal Services (collectively Services, ENP Services, or Program Services). As further detailed in Section 10.0 (Specific Work Requirements), Subrecipient shall provide the appropriate Program Services, which will assist in maintaining and/or improving the physical, psychological, and social well-being of Older Individuals (an adult who is sixty (60) years of age or older) as follows:

1.1.1 Provide Services to Older Individuals in greatest economic or social need, with particular attention to low-income, minority individuals.

1.1.2 Serve meals that provide one-third (1/3) of the Recommended Dietary Allowances (RDAs) and are safe and of good quality.

1.1.3 Promote and maintain high food safety and sanitation standards.

1.1.4 Promote good health behaviors through nutrition education and nutrition screening of Clients.

1.1.5 Promote or maintain coordination with other nutrition-related supportive Services for Older Individuals.

2.0 ADDITION AND/OR DELETION OF FACILITIES, SPECIFIC TASKS AND/OR WORK HOURS

2.1 Prior to modifying or terminating a Congregate Meal site, Home-Delivered Meal route, Services, or revising hours of Service delivery at a previously designated location(s), and before commencing such Services at any other location, Subrecipient shall obtain written consent from County, and shall comply with Subparagraph 8.1 (Amendments) of the Subaward as applicable.

2.2 Subrecipient shall inform County in writing and receive written County approval at least sixty (60) days prior to relocation of Subrecipient’s office or site location(s).

2.3 Subrecipient must submit a written request to County a minimum of sixty (60) days prior to the date that Subrecipient intends to open a new Congregate Meal site or close any existing Congregate Meal site. Subrecipient shall not open a new site or close any existing site prior to receiving County’s written approval. In the event that opening a new site or closing an existing site is due to an emergency (defined as a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property or essential public services) that would prevent Subrecipient from submitting a written request.
to County sixty (60) days in advance, Subrecipient shall request County’s approval immediately upon occurrence of such emergency. Any new Congregate Meal site must be inspected by the Dietary Administrative Support Services (DASS) Program subrecipient and a health permit must be obtained before approval is granted by County at County’s sole discretion.

2.4 Subrecipient must submit a written request to County a minimum of sixty (60) days prior to the date that Subrecipient intends to establish a new Home-Delivered Meal route or terminate any existing Home-Delivered Meal route. Subrecipient shall not establish a new route or terminate any existing route prior to receiving County’s written approval. In the event that establishing a new route or terminating an existing route is due to an emergency (as defined in Subsection 2.3) that would prevent Subrecipient from submitting a written request to County sixty (60) days in advance, Subrecipient shall request County’s approval immediately upon occurrence of such emergency.

2.5 Subrecipient shall provide the identity of each designated Community Focal Point as specified in OAA Section 102 (a)(21) and Title 42 United States Code Section 3026(a)(3)(A)) as directed by County’s Program Manager. Subrecipient shall identify or update the designated Community Focal Point site locations, as needed. A complete list of Community Focal Points is provided in Attachment 3 (Community Focal Points).

2.6 Specific tasks and Work hours shall not be modified or terminated throughout the entire Subaward term. Should an emergency arise, Subrecipient’s request for Service or Work hour modifications will be reviewed by County on a case-by-case basis.

3.0 QUALITY CONTROL

3.1 Subrecipient shall establish and utilize a comprehensive Quality Control Plan to assure County a consistently high level of Service throughout the term of the Subaward. The Quality Control Plan shall be submitted to County’s Compliance Manager for review every six (6) months or more frequently as imposed by County. The plan shall include, but may not be limited to the following:

3.1.1 Method of monitoring to ensure that Subaward requirements are being met.

3.1.2 A record of all inspections conducted by Subrecipient, any corrective action taken, the time a problem was first identified, a clear description of the problem, and the time elapsed between identification and completed corrective action, shall be provided to County upon request.
4.0 QUALITY ASSURANCE PLAN

4.1 County maintains the unlimited right to evaluate/monitor Subrecipient’s performance under the Subaward using the quality assurance procedures as defined in Subparagraph 8.15 (County’s Quality Assurance Plan) of the Subaward. Such rights shall also extend to Federal Representatives and State Representatives with Program oversight.

4.2 Meetings

4.2.1 Subrecipient is mandated to attend all meetings called by County, or authorized designee. Subrecipient shall be given advance notice of all scheduled meetings with County. Subrecipient may also be required to attend emergency meetings without the above stated advance notice when necessary.

4.2.2 and Volunteers, shall regularly attend meetings that offer ways to expand knowledge of and increase efficiency in the Services provided. These meetings may be scheduled by County. At Subrecipient’s own expense, Subrecipient may elect to attend meetings outside of Los Angeles County that Subrecipient reasonably deems to be beneficial for the delivery of Client Services, as well as other meetings designated by County.

4.2.3 Subrecipient’s failure to attend all mandatory meetings (in-person or online) shall be considered non-compliance with the Subaward, and may result in further action pursuant to the Subaward, Subparagraph 9.13 (Probation and Suspension), Subaward, Subparagraph 9.18 (Remedies for Non-Compliance), this Statement of Work, Attachment 1 (Performance Requirements Summary Chart), and any other applicable remedies.

4.3 Subaward Discrepancy Report

4.3.1 Subrecipient shall immediately notify County’s Compliance Manager whenever a Subaward discrepancy is identified. The problem shall be resolved within a time period mutually agreed upon in writing by County and Subrecipient.

4.3.2 County’s Compliance Manager will determine whether a formal Subaward Discrepancy Report shall be issued. Upon receipt of this report, Subrecipient shall respond in writing to County’s Compliance Manager within the timeframe designated by County, acknowledging the reported discrepancies or presenting contrary evidence. A plan for correction of all deficiencies identified in the report shall be submitted to County’s Compliance Manager as prescribed by County.
4.4 County Observations

4.4.1 In addition to County’s contracting staff, other County personnel, State representatives, and Federal representatives may observe the performance/activities and review documents relevant to the Subaward at any time during normal business hours which are defined as five (5) days per week (Monday through Friday), eight (8) hours per day during the hours of 8:00 a.m. to 5:00 p.m., not including County recognized holidays. A list of County recognized holidays is provided in Attachment 2 (County Recognized Holidays). However, these personnel may not unreasonably interfere with Subrecipient’s performance.

4.5 County’s Needs Assessment

4.5.1 County shall conduct a needs assessment of underserved communities within six (6) months after the commencement of the Subaward to determine whether the needs of Clients are being met.

5.0 DEFINITIONS

5.1 For a listing of definitions for this Program, refer to the Subaward, Exhibit P (Definitions).

6.0 RESPONSIBILITIES

6.1 County’s Personnel

6.1.1 County’s authorized agents reflected in Exhibit E (County’s Administration) will administer this Subaward according to the Subaward, Paragraph 6.0 (Administration of Subaward – County). Specific duties will include:

6.1.1.1 Monitoring Subrecipient’s performance in the daily operation of this Subaward.

6.1.1.2 Providing direction to Subrecipient in areas relating to policy, information and procedural requirements.

6.1.1.3 Preparing Amendments in accordance with the Subaward, Subparagraph 8.1 (Amendments).

6.1.2 County will notify Subrecipient in writing of any change in the names or addresses shown.

6.2 Intentionally Omitted
6.3 **Subrecipient’s Personnel**

6.3.1 Subrecipient shall assign a sufficient number of qualified Employees with the appropriate education, licensure, and experience noted below to perform the required Work. These Employees must be capable of establishing effective communication with Clients as well as other AAA network providers. The total number of Employees shall be based on the method and level of Services provided and the size of the Service area served by Subrecipient.

6.3.2 Subrecipient shall operate continuously throughout the entire term of this Subaward with at least the minimum number of Staff set forth herein, as well as any other applicable staffing requirements of County necessary for Subrecipient to provide Services hereunder. Such personnel shall meet all qualifications in this Subaward, as well as those provided by County through Amendments, Administrative Directives, Change Notices, Program Memorandums, etc.

6.3.3 Subrecipient shall always have a Staff member that speaks and understands English and has the authority to act on behalf of Subrecipient in every detail available during normal business hours.

6.3.4 Subrecipient shall be required to conduct a background check on its Employees as set forth in Subparagraph 7.5 (Background and Security Investigations) of the Subaward. Subrecipient shall also be required to conduct a background check on any Volunteer, including volunteer Home-Delivered Meal Driver(s), who has direct Client contact and has access to the Client’s personal information and/or case file.

6.3.5 Subrecipient shall notify County of any significant personnel change(s) and shall fill vacancies for critical positions within ten (10) days.

6.3.6 **Project Manager**

6.3.6.1 Subrecipient shall have a Project Manager or designated alternate who will serve as coordinator/liaison for all ENP Services. This requirement may be met through the designation of a full-time or part-time position. County must have access to Project Manager during all hours, 365 days per year. Subrecipient shall provide a telephone number where Project Manager may be reached on a twenty-four (24) hours per day basis.
6.3.6.2 Subrecipient shall immediately notify County of any significant change in the status of the Project Manager position. If for any reason the position should become vacant, Subrecipient shall immediately fill the position with a temporary replacement who can perform the duties of the Project Manager and shall fill the position with a permanent qualified person within thirty (30) days.

6.3.6.3 Project Manager or his/her alternate shall have full authority to act for Subrecipient on all matters relating to the daily operation of the Subaward.

6.3.6.4 Project Manager will plan, organize, and direct all administrative and Program activities related to this Subaward. Project Manager will define the lines of authority and will develop the roles and parameters of responsibility for Program Staff consistent with established County requirements.

6.3.6.5 Project Manager will serve as the coordinator/liaison for all ENP Services, ensuring that any communications related to ENP are conveyed to the appropriate personnel. Project Manager or his/her alternate shall oversee all the daily Subaward activities.

6.3.6.6 Minimum Required Education, Experience and Qualifications

6.3.6.6.1 Bachelor’s Degree from an accredited university.

6.3.6.6.2 A minimum of five (5) years of experience in food service or a related field.

6.3.6.6.3 Demonstrable problem-solving skills and experience.

6.3.6.6.4 Ability to explain administrative goals, policies, and procedures, and assist Staff in adjusting to changes that occur.

6.3.6.6.5 Ability to evaluate the performance of Food Service Manager(s) and Site Manager(s) based on established criteria.
6.3.6.6.6 Expertise in the provision of social services to Older Individuals.

6.3.6.6.7 Successful completion of basic training in Hazard Analysis Critical Control Point principles within six (6) months of being hired.

6.3.6.6.8 Current certification as a Food Protection Manager by the National Restaurant Association-ServSafe® or other recognized organization, or certification within six (6) months of being hired.

6.3.6.6.9 Ability to effectively speak, read, and write fluently in English.

6.3.7 **Food Service Manager**

6.3.7.1 When Subrecipient operates a central kitchen to provide Client meals, Subrecipient shall employ a Food Service Manager who shall oversee the daily food service operations at each central kitchen, both managerial and administrative, of the ENP (see Subsection 10.12 (Central Kitchen/Caterer) for central kitchen/caterer requirements).

6.3.7.2 **Minimum Required Education, Experience and Qualifications**

6.3.7.2.1 Current certification as a Food Protection Manager by the National Restaurant Association-ServSafe® or other recognized organization.

6.3.7.2.2 Successful completion of basic training in Hazard Analysis Critical Control Point principles, and within six (6) months of being hired, shall meet one (1) of the criteria listed below:

6.3.7.2.2.1 Associate’s Degree in institutional food service management or a closely related field such as, but not limited to, restaurant management, plus
two (2) years of experience as a food service supervisor.

6.3.7.2.2 Demonstrate experience in food service, such as, but not limited to, cooking at a restaurant, and within twelve (12) months of hire, successful completion of a minimum of twenty (20) hours specifically related to food service management, business administration, or personnel management at the college level. Prior to the completion of the required hours, this individual's performance shall be evaluated through quarterly monitoring by a registered dietitian.

6.3.7.2.3 Two (2) years of experience managing food services. Such experience shall be verified by County prior to hire.

6.3.7.2.3 Must be able to speak, read, and write fluently in English.

6.3.7.2.4 Bilingual English/Spanish fluency is desirable.

6.3.8 Site Manager

6.3.8.1 When Subrecipient provides Congregate Meal Services, Subrecipient shall have a Site
Manager(s) at each Congregate Meal site to oversee all of the daily activities. The Site Manager shall physically remain at the site during the times that Congregate Meal Services occur.

6.3.8.2 Minimum Required Education, Experience and Qualifications

6.3.8.2.1 Certification as a Food Protection Manager by the National Restaurant Association-ServSafe®, or other recognized organization within six (6) months of being hired.

6.3.8.2.2 Demonstrated ability to treat Clients and Clients’ family members with respect and dignity.

6.3.8.2.3 Must be able to speak, read, and write fluently in English.

6.3.8.2.4 Bilingual English/Spanish fluency is desirable.

6.3.9 Home-Delivered Meal Case Worker

6.3.9.1 When Subrecipient provides Home-Delivered Meal Services, Subrecipient shall have a Home-Delivered Meal Service Case Worker(s).

6.3.9.2 Under the direction of Project Manager, Home-Delivered Meal Service Case Worker will conduct an in-home evaluation of a Client’s needs and identify the Activities of Daily Living, Instrumental Activities of Daily Living, and other limitations that impede independent living. Home-Delivered Meal Service Case Worker shall make recommendations and referrals as appropriate to other service organizations, giving priority to AAA-funded Programs.

6.3.9.3 Minimum Required Education, Experience and Qualifications

6.3.9.3.1 Bachelor’s Degree in human services, or two (2) years of full-time paid or volunteer experience in homecare or a related field.
6.3.9.3.2 Demonstrated ability to communicate effectively with Clients and Clients’ family members.

6.3.9.3.3 Demonstrated ability to treat Clients and Clients’ family members with respect and dignity.

6.3.9.3.4 Must be able to speak, read, and write fluently in English.

6.3.9.3.5 Bilingual English/Spanish fluency is desirable.

6.3.10 **Home-Delivered Meal Coordinator**

6.3.10.1 When Subrecipient provides Home-Delivered Meal Services, Subrecipient shall have a Home-Delivered Meal Coordinator(s) to coordinate and oversee all Home-Delivered Meal routes. Home-Delivered Meal Coordinator must attend all quarterly in-service training sessions provided by DASS Program subrecipient’s registered dietitian.

6.3.10.2 **Minimum Required Education, Experience and Qualifications**

6.3.10.2.1 Certification as a Food Protection Manager by the National Restaurant Association-ServSafe® or other recognized organization within six (6) months of being hired.

6.3.10.2.2 Demonstrated ability to treat Clients and Clients’ family members with respect and dignity.

6.3.10.2.3 Must be able to speak, read, and write fluently in English.

6.3.10.2.4 Bilingual English/Spanish fluency is desirable.

6.3.11 **Home-Delivered Meal Driver(s)**

6.3.11.1 When Subrecipient provides Home-Delivered Meal Services, Subrecipient shall have a Home-Delivered Meal Service Driver(s) who shall have a
current, valid, and appropriate California Driver's License and current, valid vehicle insurance in compliance with Subparagraph 8.24 (General Provisions for all Insurance Coverage) and Subparagraph 8.25 (Insurance Coverage) of the Subaward.

6.3.11.2 Home-Delivered Meal Service Driver shall be properly trained in food handling as described in Subsection 10.3.6. and shall attend trainings conducted by DASS Program subrecipient as appropriate.

6.3.11.3 Demonstrated ability to treat Clients and Clients’ family members with respect and dignity.

6.3.11.4 Bilingual English/Spanish fluency is desirable.

6.3.12 Other Staff

6.3.12.1 Senior Community Service Employment Program Title V Participants

6.3.12.1.1 Subrecipient shall utilize the services of Senior Community Service Employment Program (SCSEP) Title V Participants at Congregate Meal sites whenever possible.

6.3.12.1.2 SCSEP Title V Participants must be appropriately trained and qualified for the responsibilities assigned prior to beginning those responsibilities.

6.3.12.1.3 Subrecipient shall conduct a background check on any SCSEP Title V Participant that has direct Client contact and has access to the Client’s personal information and/or case file. Subrecipient is not required to conduct a background check on SCSEP Title V Participants that only provide meal service.

6.3.12.2 Volunteers

6.3.12.2.1 Subrecipient shall recruit, train, and use Volunteers in any phase of
Program operations where qualified. Volunteers must be appropriately trained and qualified for the responsibilities assigned prior to beginning those responsibilities.

6.3.12.2.2 Volunteers shall be the sole responsibility of Subrecipient and shall report to the Project Manager or to another Employee as designated by the Project Manager (if applicable).

6.3.12.2.3 If possible, Subrecipient shall work in coordination with organizations that have experience in providing training, placement, and stipends for Volunteers or Clients in a community service setting (such as organizations carrying out Federal service programs administered by the Corporation for National and Community Service (CNCS) (see Exhibit P (Definitions) of the Subaward).

6.3.12.2.4 Subrecipient shall conduct a background check on any Volunteer that has direct contact with Client and has access to the Client’s personal information and/or case file. Subrecipient is not required to conduct a background check on Volunteers that only provide meal service.

6.3.13 Caterer

6.3.13.1 When Subrecipient will not use a central kitchen as the sole means of preparing meals, Subrecipient shall use a Caterer, which meets the minimum required education, experience, and qualifications outlined for the Food Service Manager as stated in Subsection 6.3.8 (Food Service Manager).

6.3.13.2 Caterer’s facility must be licensed and shall be inspected and approved by the DASS Program subrecipient for placement on County’s list of Approved Caterers. County must grant final
approval of County list of Approved Caterers prior to utilization by Subrecipient.

6.4 Identification Badges

6.4.1 Subrecipient shall ensure that its Staff are appropriately identified as set forth in the Subaward, Subparagraph 7.4 (Subrecipient's Staff Identification).

6.5 Materials and Equipment

6.5.1 The purchase of all materials/equipment to provide the needed Services is the responsibility of Subrecipient. Subrecipient shall adhere to the requirements for purchasing, inventorying, and disposing of material and equipment obtained under the Subaward as outlined herein and in the Subaward, Exhibit S (Purchase, Inventory and Disposal Requirements for Fixed Assets, Non-Fixed Assets and Supplies). Subrecipient must obtain County approval in writing prior to the purchase of any equipment or vehicles purchased with Subaward Sums as described in Exhibit S (Purchase, Inventory and Disposal Requirements for Fixed Assets, Non-Fixed Assets and Supplies).

6.5.2 Subrecipient shall use materials and equipment that are safe for the environment and safe for use by Staff.

6.5.3 All Staff shall be trained in their assigned tasks and in the safe handling of equipment. All equipment shall be checked daily for safety. All Staff must wear safety and protective gear according to Occupational Health and Safety Administration (OSHA) standards.

6.5.4 Use of Personal Protective Equipment

6.5.4.1 In addition to using food preparation materials, safety gear, etc., Subrecipient shall provide its Staff with personal protective equipment, which includes but is not limited to, a fabric face covering, access to hand sanitizer or a hand washing station for use every thirty (30) minutes, etc.

6.6 Training

6.6.1 Subrecipient shall provide training programs for all new Staff and continue in-service training for all existing Staff. Training shall include, but is not limited to, the provision of an orientation to all new Staff. Subrecipient shall ensure that Staff, both existing and new, are properly trained in all areas related to providing ENP Services.
6.6.2 Subrecipient shall implement an annual written internal staff training plan developed and reviewed by DASS Program subrecipient and approved by County. The training plan shall be maintained on file by Subrecipient, and shall identify who is to be trained, who will conduct the training, training content, and date scheduled.

6.6.3 Subrecipient shall ensure that food service staff (including Congregate Meal and Home-Delivered Meal staff and Volunteers) attend a minimum of four (4) hours of mandatory in-service training annually developed and provided by DASS Program subrecipient’s registered dietitian.

6.6.4 Training sessions conducted by Subrecipient shall be evaluated by those receiving the training.

6.6.5 Subrecipient is to maintain written documentation at meal sites of all training, including agendas, topics, training materials, training evaluations, and attendance records/sign-in sheets which include both a name and a signature of attendees. Subrecipient shall make training records available for inspection by County and DASS Program subrecipient upon request.

6.6.6 Subrecipient’s Project Manager shall ensure that all appropriate Staff attend all training sessions as required by County, held at a County facility, at another site, or online as determined by County for Subrecipient’s benefit. Further, Subrecipient shall ensure that, at a minimum, Subrecipient’s designated Employee represents Subrecipient at each training session. At Subrecipient’s own expense, Subrecipient may elect to attend educational training opportunities outside of Los Angeles County that Subrecipient reasonably deems to be beneficial for the delivery of Client Services, as well as other trainings designated by County.

6.6.7 Subrecipient shall attend all mandatory trainings scheduled by County or authorized designee. Mandatory trainings may be held at a County facility, at another site, or online. Subrecipient shall be given three (3) to five (5) days advance notice of all scheduled trainings with County. Subrecipient may also be required to attend emergency trainings without the above stated advance notice when necessary.

6.6.8 Subrecipient shall complete a sign-in sheet for face-to-face (in-person) trainings. County will document attendance for online trainings.
6.6.9 Training sessions conducted by Subrecipient shall be evaluated by those receiving the training.

6.6.10 Subrecipient’s failure to attend all mandatory trainings (in-person or online) shall be considered non-compliance with the Subaward, and may result in further action pursuant to this Subaward, Subparagraph 9.13 (Probation and Suspension), Subaward, Subparagraph 9.18 (Remedies for Non-Compliance), this Statement of Work, Attachment 1 (Performance Requirements Summary Chart), and any other applicable remedies.

6.6.11 Security Awareness Training

6.6.11.1 Subrecipient shall ensure that Staff who handle confidential, sensitive, or personal identifying information relating to ENP complete the Security Awareness Training module, which is available online at www.aging.ca.gov, within thirty (30) days of the start date of the Subaward or within thirty (30) days of the start date of any new Staff who work under the Subaward.

6.6.11.2 Subrecipient shall maintain certificates of completion of Security Awareness Training on file and provide them upon request by County or State representatives.

6.7 Subrecipient’s Office

6.7.1 Subrecipient shall maintain a physical office in Los Angeles County where Subrecipient conducts business. Subrecipient’s office shall have an active telephone line. The office shall be open at a minimum during normal business hours and shall be staffed by at least one (1) Employee who can respond to inquiries and complaints which may be received about Subrecipient’s performance of the Subaward. When the office is closed during non-business hours, Subrecipient shall utilize an answering service to receive calls. Subrecipient shall respond to calls received by the answering service within forty-eight (48) hours of receipt of the call. Subrecipient shall always have an Employee with the authority to act on behalf of Subrecipient available during normal business hours.

6.7.2 Subrecipient shall publicly display the days and hours of operation for the provision of contracted Services at all Subrecipient office locations/sites. Subrecipient shall ensure that
availability for Services is appropriate for the demographics associated with the Service area (site or office location).

6.7.3 Subrecipient shall ensure that all site locations/buildings and surrounding areas are maintained in a manner consistent with applicable local, State, and Federal occupational safety and sanitation laws and regulations. The premises shall be free of any accumulation of garbage, rubbish, stagnant water, and filthy or offensive matter of any kind to ensure that the premises are maintained in a clean and wholesome condition. The physical locations shall be acceptable and accessible to the public. Subrecipient shall comply with the Americans with Disabilities Act of 1990, as amended.

6.7.4 Subrecipient shall ensure that all site locations are maintained to prevent the entrance and harborage of animals, birds, and vermin, including but not limited to, rodents and insects. Subrecipient shall utilize the services of a certified/licensed pest control company are obtained to fumigate the premises and perform pest control services on a monthly basis. Subrecipient acknowledges a licensed pest control operator is the only person that can use products/or chemicals in the facility that are deemed acceptable for a commercial kitchen/foodservice facility.

6.7.5 Subrecipient shall ensure that Integrated Pest Management (IPM) practices are implemented to provide a pest free environment. IPM practices include but are not limited to:

6.7.5.1 Keep garbage tightly covered and remove from kitchen and dining area quickly and properly.

6.7.5.2 Properly store all food and supplies.

6.7.5.3 Check all food and supplies entering the building.

6.7.5.4 Eliminate plumbing leaks and correct other sources of moisture.

6.7.5.5 Increase ventilation where condensation is a problem.

6.7.5.6 Seal cracks and other openings to the outside.

6.7.5.7 Remove trash and stored items outside of the building such as, stacks of lumber or firewood that provide hiding places for cockroaches and rodents.

6.7.5.8 Vacuum cracks and crevices to remove food and debris.
6.7.5.9 Ensure that surfaces where food or beverages have been spilled are cleaned up immediately.

6.7.5.10 Keep cleaning equipment (e.g., mops, sponges, cloths) dry and properly stored.

6.7.5.11 Keep toilets and restrooms cleaned and sanitized.

6.7.5.12 Keep break areas clean and store personal food in closed containers.

6.7.5.13 Report building maintenance issues such as holes in walls, torn window screens, or openings in door jams to management/Project Manager for repair.

6.7.5.14 Use traps and baits to monitor the pest population.

6.7.5.15 When pests are discovered, Subrecipient shall ensure that the Congregate Meal site, catering site or central kitchen is fumigated upon notification of the sighting to eliminate the pests and shall begin weekly IPM pest control activities. In doing so, Subrecipient shall ensure that:

6.7.5.15.1 Project Manager or his/her designee will contact the Congregate Meal site catering site or central kitchen staff (park supervisor, Center Director, site manager, etc.) and request that a certified/licensed pest control company be contacted to fumigate the site. Subrecipient shall work with the certified/licensed pest control company to determine the best method to use for each Congregate Meal site, catering site or central kitchen based upon the products/chemicals used and severity of the infestation.

6.7.5.15.2 Project Manager or his/her designee shall notify County’s Compliance Manager and Program Analyst, and shall also notify the Congregate Meal site, catering site, or central kitchen site’s designated DASS Program subrecipient’s registered dietitian of the pest sighting.
6.7.5.15.3 The Congregate Meal site kitchen, catering site kitchen, or central kitchen site kitchen will be immediately closed, and pre-packaged meals will be served to all Clients until the site has been fumigated, cleaned, sanitized, and inspected by DASS Program subrecipient’s registered dietitian and cleared to resume regular Congregate Meal Services.

6.7.5.15.4 Subrecipient shall be responsible for ensuring that IPM weekly pest control activities are conducted at sites where pests have been observed until the site has been re-inspected and cleared by DASS Program subrecipient’s registered dietitian to resume regular meal service. Weekly IPM pest control activities are to be completed on Fridays after meal service, or Saturdays to ensure that regular meal services resume on Monday with no disruption in meal services.

6.7.5.15.5 If no pests are found during the re-inspection by DASS Program subrecipient’s registered dietitian and all repairs/conditions have been met to resume regular meal service at the Congregate Meal site, catering site, or central kitchen, Subrecipient may request a waiver to resume monthly fumigation and pest control services. However, if pests are observed at the Congregate Meal, catering, or central kitchen site at any time for a period of three (3) months or ninety (90) days after the re-inspection, Subrecipient shall resume weekly IPM pest control activities for a period three (3) months or ninety (90) days after the site has had a second re-inspection and clearance to resume regular meal service.
6.7.5.15.6 If pests are observed by DASS Program subrecipient’s registered dietitian during the re-inspection, and/or requested repairs have not been made, Subrecipient shall ensure that the site is re-fumigated and weekly IPM activities are conducted for a period of three (3) months or ninety (90) days after the Congregate Meal, catering or central kitchen site has had a second re-inspection and clearance by DASS Program subrecipient’s registered dietitian to resume regular meal service. Subrecipient may ask for a waiver to resume monthly fumigation and pest control services after the ninety (90) day waiting period if there are no additional pest sightings and all other IPM activities have been met.

6.7.5.15.7 Congregate Meal, catering or central kitchen sites are considered to have severe infestations if they continue to have pest sightings after weekly IPM activities and two fumigations. Subrecipient shall ensure that these sites continue weekly IPM activities for a period of six (6) months or 180 days after the site has been re-inspected and cleared by DASS Program subrecipient’s registered dietitian to resume regular meal service. Subrecipient may ask for a waiver to resume monthly fumigation and pest control services after the 180-day waiting period if there are no additional pest sightings and all other IPM activities have been met.

6.7.5.15.8 Any Congregate Meal, catering, or central kitchen site that has pest control issues shall keep a Weekly Log of their pest control activities using the IPM approach until a waiver to resume monthly fumigation and pest control services is granted.
6.7.5.15.9 Subrecipient shall adhere to regulations/instructions in the Los Angeles County Area Agency on Aging Foodservice Standard Operating Procedures manual. Subrecipient shall keep written Pest Control Reports and weekly pest control activity logs on file and made available for review by County and DASS Program subrecipient.

6.7.5.15.10 Points will be deducted by the DASS Program subrecipient’s registered dietitian on their monthly site audit report, whether or not the registered dietitian is present, if pests are observed in the following locations:

6.7.5.15.10.1 Food preparation
6.7.5.15.10.2 Food storage
6.7.5.15.10.3 Ware washing areas
6.7.5.15.10.4 Indoor Client dining areas
6.7.5.15.10.5 Restrooms
6.7.5.15.10.6 Any area adjacent to the above cited locations that would compromise the food preparation and/or storage facility

6.7.5.15.11 Subrecipient shall observe all applicable local, State, and Federal health and safety standards. Subrecipient shall ensure that all Program Clients and Subrecipient Staff in a position not covered under the Occupational Health and Safety Act of 1970, as amended (Title 29 United States Code Section 651 et seq.), and/or the California Occupational Safety and Health Act as amended (California Labor Code Section 6300 et. Seq.), are not
required or permitted to work, be trained or receive services under working conditions that are unsanitary, hazardous or otherwise detrimental to a person’s health or safety.

6.8 Multilingual and Multicultural Capabilities of Subrecipient Staff

6.8.1 Subrecipient must be committed and sensitive to the delivery of ENP Services that are culturally and linguistically appropriate. To that end, Subrecipient must seek to hire qualified Employees who are multilingual and/or multicultural in order to better reflect the communities served.

6.8.2 Subrecipient and its Staff are expected to develop cultural competency and cross-cultural clinical practice skills. Subrecipient must also develop effective linkages with various ethnic, health, and social service agencies for the benefit of Clients to reflect the ethnic and cultural needs of the community being served.

6.8.3 To the extent feasible, Subrecipient shall provide Services in the primary/native language of Client or in areas where a significant number of Clients do not speak English as their primary language. Subrecipient shall make efforts to employ individuals and recruit Volunteers who are bilingual or who are fluent in the dominant languages of the community. Subrecipient shall not require any Client to provide his/her own interpreter.

7.0 HOURS/DAYS OF WORK

7.1 Subrecipient shall provide Services and be available to all Clients, potential Clients, and referral sources, as well as County representatives at a minimum during normal business hours. A list of County recognized holidays is provided in Attachment 2 (County Recognized Holidays).

7.2 For any site closure, disruption of Services for any non-County recognized holidays (i.e., vacations, city shut-downs, religious holidays, etc.), or any deviation from the traditional Monday through Friday schedule of Services, days, or times, Subrecipient shall submit a written request to County’s Program Manager at least ten (10) business days in advance of the closure/deviation date. This request shall state the date and reason for the closure/deviation and shall provide an action plan to ensure that delivery of Services is not disrupted. The request and action plan must be approved by County’s Program Manager in writing prior to its implementation. The meal service must be available all weekdays and at minimum three (3) days per week at any one site.
7.3 Subrecipient must make arrangements for meals to be provided to Clients to cover all days that sites are closed during non-County recognized holidays. Subrecipient shall also ensure that all Home-Delivered Meal Clients receive meals for days that Subrecipient is closed for non-County recognized holidays.

7.4 Subrecipient’s staff shall provide personal telephone contact with Clients, potential Clients, and County, during Subrecipient’s hours of operation. Subrecipient shall also ensure that each office location has a telephone answering machine or voice mail system in place during non-business hours. Subrecipient’s staff shall check and respond to all messages in a timely manner but not to exceed forty-eight (48) hours within receipt of the call.

8.0 WORK SCHEDULES

8.1 Subrecipient shall submit a work schedule for each site to County’s Program Manager within fourteen (14) days prior to starting work. Said work schedules shall be set on an annual calendar identifying all the required on-going specific tasks and task frequencies.

8.2 Subrecipient shall submit revised schedules when actual performance differs substantially from planned performance. Said revisions shall be submitted to County’s Program Manager for review and approval within fourteen (14) business days prior to scheduled time for work.

8.3 County may request, at its sole discretion, a deviation of regular work schedule to address site/task demands.

9.0 UNSCHEDULED WORK

9.1 County’s Program Manager or his/her designee may authorize Subrecipient to perform unscheduled work, including, but not limited to, repairs and replacements when the need for such work arises out of extraordinary incidents such as vandalism, acts of nature, and third party negligence; or to add to, modify or refurbish existing facilities. In the event of an emergency, at its sole discretion, County may request that Subrecipient provide Services beyond normal business hours.

9.2 Prior to performing any unscheduled work, Subrecipient shall prepare and submit a written description of the work with an estimate of labor and materials. If the unscheduled work exceeds Subrecipient’s estimate, County’s Program Manager or his/her designee must approve the excess cost. In any case, no unscheduled work shall commence without County’s prior written authorization.

9.3 When a condition exists wherein there is imminent danger of injury to the public or damage to property, Subrecipient shall contact County’s Program Manager for approval before beginning the work. A written estimate shall be sent within twenty-four (24) hours for approval. Subrecipient shall submit an
invoice to County’s Contract Manager within five (5) business days after completion of the work.

9.4 All unscheduled work shall commence on the established specified date. Subrecipient shall proceed diligently to complete said work within the time allotted.

9.5 County reserves the right to perform unscheduled work itself or assign the work to another subrecipient.

10.0 SPECIFIC WORK REQUIREMENTS

10.1 General ENP Meal Requirements

10.1.1 Subrecipient shall provide Services as described within this Statement of Work, the Subaward terms and conditions, and the following regulations:

10.1.1.1 Older Americans Act reauthorized (OAA) (Title 42 United States Code Section 3001 et seq.)

10.1.1.2 Code of Federal Regulations (45 CFR 1321 et seq.)

10.1.1.3 California Code of Regulations (CCR) Title 22 California Code of Regulations Section 7000 et seq.

10.1.1.4 Older Californians Act (OCA)

10.1.1.5 Welfare and Institutions Code (WIC) Section 9000 et seq.

10.1.1.6 California Business and Professions Code, Sections 2585 and 2586

10.1.1.7 California Retail Food Code (California Health and Safety Code Section 113700 et seq.)

10.1.1.8 Los Angeles County Area Agency on Aging Foodservice Standard Operating Procedures manual

10.1.2 Subrecipient shall provide meals, meeting the criteria further described in this Section 10.0, to Clients.

10.1.2.1 Each meal shall provide a minimum of one-third (1/3) of the current Dietary Reference Intakes established by the Food and Nutrition Board, Institute of Medicine, National Academy of Sciences for the elderly population, and follow the most recent Dietary Guidelines for Americans published by the United States Department of
Health and Human Services and the United States Department of Agriculture (USDA). The meal pattern must also follow the guidelines established by County, as updated and distributed annually.

10.1.2.2 Each meal provided by Subrecipient shall comply with applicable provisions of State and/or local laws regarding the safe and sanitary handling of food, equipment, and supplies used in the storage, preparation, service, and delivery of meals to Clients as well as satisfy all the requirements of Title 22 California Code of Regulations Section 7638.5 and safety standards as written in the current California Retail Food Code (California Health and Safety Code Section 113700 et seq.) and all standards as identified in the Los Angeles County Area Agency on Aging Foodservice Standard Operating Procedures manual.

10.1.2.3 Subrecipient shall provide meals to Clients in a sanitary manner to assure absence of contamination. When Subrecipient provides Home-Delivered Meals to any Client, those meals shall be packaged to assure temperature control.

10.1.3 Subrecipient must serve a minimum of one (1) meal per day, five (5) or more days per week. Meals must be provided a minimum of 249 days per Fiscal Year. Subrecipient must obtain prior written approval from County in order to provide meals on a reduced frequency.

10.1.4 Providing Services at ENP Meal Sites and Routes

10.1.4.1 Subrecipient shall provide Program Services for each Congregate Meal site that is indicated in Attachment 8 (Site Summary) as well as Exhibit X1 (Mandated Program Services) of the Subaward and each Home-Delivered Meal route that is indicated in Attachment 10 (Route Summary) as well as Exhibit X2 (Mandated Program Services) of the Subaward.

10.1.4.2 Subrecipient shall complete Attachment 8 (Site Summary) for the Congregate Meal Program and shall adhere to the requirements outlined in Attachment 9 (Guidelines for Developing Site Summary) when completing this Attachment. Subrecipient shall complete Attachment 10 (Route
Summary) for the Home-Delivered Meal Program and shall adhere to the requirements outlined in Attachment 11 (Guidelines for Developing Route Summary) when completing this Attachment. Subrecipient shall submit these Attachments to County’s Program Manager in the time and manner as indicated in Subparagraph 9.22 (Subaward Document Deliverables) of the Subaward.

10.1.5 Minimum Services for Vulnerable and High-Risk Clients

10.1.5.1 Subrecipient shall determine the Nutritional Risk Score for each Client using the factors established in Attachment 4 (Universal Intake Form), Section 5 (Nutritional Risk Factors). For each Fiscal Year of the Subaward, in addition to the other Work requirements included herein, Subrecipient shall ensure that ENP Services are provided to Vulnerable and High-Risk Clients, as determined by each Client’s Nutritional Risk Score, as follows:

10.1.5.1.1 Congregate Meal Services: No less than fifteen percent (15%) of those Clients receiving Congregate Meal Services shall have a Nutritional Risk Score of six (6) or above.

10.1.5.1.2 Home-Delivered Meal Services: No less than sixty-five percent (65%) of those Clients receiving Home-Delivered Meal Services shall have a Nutritional Risk Score of six (6) or above.

10.1.6 Subrecipient shall input a record of all Services delivered including the actual number of meals served per Client per day, Telephone Reassurance contact with Clients, Initial Assessments, Reassessments, and all other Client contacts in the Management Information System.

10.1.7 Subrecipient shall input a record of all non-delivered Congregate Meals in the Management Information System for the purpose of tracking unmet needs. Subrecipient shall not deny a meal to a Congregate Meal Client unless all other alternate funding options have been exhausted.

10.1.8 Subrecipient shall also enter into the Management Information System all information which the AAA requires (e.g. Nutrition Risk
Score, Activities of Daily Living, Instrumental Activities of Daily Living, and demographic information) in order to meet its planning, coordination, evaluation and reporting requirements. This includes requests to complete missing mandatory fields in the Management Information System.

10.1.9 Subrecipient shall not deny the serving of a meal to a Client who has failed to make a reservation when food is available.

10.1.10 Where feasible and appropriate, Subrecipient must make arrangements for the availability of a minimum of three (3) meals to Clients during a major disaster, as defined in Title 42 United States Code Section 5122(2).

10.1.11 Subrecipient shall prepare a menu of the meals to be served at each Congregate Meal site. Subrecipient shall ensure that its menus:

10.1.11.1 Conform to the menu planning and nutrition standards of County and CDA. Subrecipient shall review, utilize, and adhere to Menu Writing Specifications and Requirements as revised annually by County and CDA.

10.1.11.2 Are approved by DASS Program subrecipient’s registered dietitian prior to submission for certification by DASS Program subrecipient’s lead registered dietitian and County. Menus must be certified annually.

10.1.11.3 Are planned for a minimum of five (5) weeks.

10.1.11.4 Are posted weekly in the kitchen at each Congregate Meal site.

10.1.11.5 Are posted monthly at each Congregate Meal site dining room in a location easily seen by Clients.

10.1.11.6 Are legible and easy to read in English and the language of the majority of the Clients.

10.1.11.7 Reflect cultural and ethnic dietary needs of Clients, when feasible and appropriate.

10.1.11.8 Adhere to a low sodium content with a target of 500 mg to 750 mg sodium per meal. Catered ethnic menus may exceed sodium target with DASS Program subrecipient’s registered dietitian approval.
10.1.12 To the maximum extent practicable, each meal may be adjusted to meet any special dietary needs of Clients. Special dietary menu variations must be approved by DASS Program subrecipient’s registered dietitian.

10.2 Congregate Meal Services Requirements

10.2.1 Subrecipient shall provide Congregate Meal Services, which include the procurement, preparation, transportation, and serving of nutritious meals to Older Individuals, who meet the criteria identified in Subsection 10.2.2 (Eligibility for Congregate Meal Services), in a group setting at strategically located sites. These Services are intended to reduce hunger and food insecurity, to maintain or improve the physical and social well-being of Older Individuals, and to promote the health and well-being of Older Individuals by assisting them to gain access to nutrition and other disease prevention and health promotion services to delay the onset of adverse health conditions resulting from poor nutritional health or sedentary behavior.

10.2.2 Eligibility for Congregate Meal Services

10.2.2.1 Individuals are eligible to become Clients and receive Congregate Meal Services at a Congregate Meal site, a location where meals are served, when they meet at least one (1) of the following criteria:

10.2.2.1.1 An Older Individual.

10.2.2.1.2 The spouse of any Older Individual who accompanies the Older Individual (who participates in the Program) to the Congregate Meal site.

10.2.2.1.3 A person with a disability, under age sixty (60), who resides in a housing facility at which Congregate Meal Services are provided, and which is occupied primarily by Older Individuals.

10.2.2.1.4 A disabled individual who resides at home with and accompanies an Older Individual (who participates in the Program) to the Congregate Meal site. Disability is a condition attributable to mental or physical impairments that result in substantial
functional limitations in one (1) or more of the following areas of major life activity:

10.2.2.1.4.1 Self-care
10.2.2.1.4.2 Receptive and expressive language
10.2.2.1.4.3 Learning
10.2.2.1.4.4 Mobility
10.2.2.1.4.5 Self-direction
10.2.2.1.4.6 Capacity for independent living
10.2.2.1.4.7 Economic self-sufficiency
10.2.2.1.4.8 Cognitive functioning
10.2.2.1.4.9 Emotional adjustment

10.2.3 **Eligibility for Volunteer Meals**

10.2.3.1 A Volunteer is a person who participates in providing ENP Services without pay. Subrecipient shall develop a written policy for providing and accounting for Volunteer meals served for Volunteers under age sixty (60). Volunteers are eligible to receive an ENP meal under the following criteria:

10.2.3.1.1 A Volunteer who is sixty (60) years of age or older meets the age eligibility criteria to be registered to receive meals from a Congregate Meal site.

10.2.3.1.2 A Volunteer who is under sixty (60) years of age may be offered a meal if doing so will not deprive an Older Individual of a meal.

10.2.4 **Client Assessment for Congregate Meal Services**

10.2.4.1 Congregate Meal Initial Assessment Requirements of Potential Client
10.2.4.1.1 Subrecipient shall complete an Initial Assessment to determine potential Client’s eligibility either two (2) weeks before or two (2) weeks after potential Client’s Congregate Meal Services first begin by using Attachment 4 (Universal Intake Form) as provided annually by County. Subrecipient shall complete the following information on the Universal Intake Form for the potential Client:

10.2.4.1.1.1 Name
10.2.4.1.1.2 Address
10.2.4.1.1.3 Date of Birth
10.2.4.1.1.4 Gender
10.2.4.1.1.5 Sexual Orientation and Gender Identity (SOGI)
10.2.4.1.1.6 Veteran Status
10.2.4.1.1.7 Race/Ethnicity
10.2.4.1.1.8 Relationship Status
10.2.4.1.1.9 Type of Residence (house, apartment, etc.)
10.2.4.1.1.10 Living Arrangement (alone/not alone)
10.2.4.1.1.11 Rural
10.2.4.1.1.12 Designation/Unincorporated City
10.2.4.1.1.13 Receive In-Home Supportive Services
10.2.4.1.1.14 Income Status (which shall be identified as at, above, or below the Administration on Community Living
(ACL) Federal Poverty Guidelines

10.2.4.1.1.15 Primary Language Spoken

10.2.4.1.1.16 Nutritional Risk Score (utilizing the Nutrition Screening Initiative Checklist)

10.2.4.1.1.17 Activities of Daily Living/Instrumental Activities of Daily Living

10.2.4.1.2 Subrecipient shall enter the Client’s Initial Assessment data into the Management Information System within two (2) weeks of the initial contact with the client and prior to the date that the Client begins receiving ENP Services. The Initial Assessment will be considered incomplete if any of the data listed above is missing.

10.2.4.1.3 Subrecipient shall assign an Employee to have the primary responsibility for Client data entry into Management Information System. This person will be the primary contact person for Client data issues and problems. The individual will be assigned a password to log-in and enter Client information. A back-up Employee must be designated to act on behalf of the primary Management Information System contact person in the event of his or her absence.

10.2.4.1.4 Subrecipient shall inform County of the name of the Subrecipient’s Management Information System Employee and back-up Employee at the start of this Contract and within two (2) weeks of any reassignment or substitution. Only those Subrecipient
Employees who have been designated by Subrecipient and assigned a password by County shall be allowed to access Management Information System.

10.2.4.1.5 Subrecipient shall work with the DASS Program subrecipient identified in the AAA Provider List (as provided by County on an annual basis) to refer Clients that Subrecipient has assessed as diabetic, and/or have a high nutrition risk score of ten (10) or higher, or a nutrition risk score of six (6) to nine (9) and meet a secondary criteria, according to the National Screening Initiative Checklist (refer to Subsection 10.9 (Mandatory Coordination with Dietary Administrative Support Services Program Subrecipient)).

10.2.4.1.6 Subrecipient must include a written record of each Client's Initial Assessment, any Reassessment (as described in Subsection 10.2.4.2 (Congregate Meal Reassessment Requirements)), and any other updates in the Client's file.

10.2.4.1.7 Subrecipient shall assist Clients in taking advantage of benefits under other supportive services programs (e.g., Title 45 Code of Federal Regulations Section 1321.65(f)), and Subrecipient shall provide referral(s) to these programs as necessary.

10.2.4.2 Congregate Meal Reassessment Requirements

10.2.4.2.1 Subrecipient shall conduct a Reassessment by completing a new Attachment 4 (Universal Intake Form) as described in Subsection 10.2.4.1 (Congregate Meal Initial Assessment Requirements of Potential Client). A Reassessment shall be performed
annually for each Client and entered into the Management Information System during the first quarter (July 1st to September 30th) of each Fiscal Year for all continuing Clients who will receive services that Fiscal Year.

10.2.4.2.2 Subrecipient shall enter the Client’s Reassessment data into the Management Information System within two (2) weeks of completing the Reassessment.

10.2.5 Meal delivery to the Congregate Meal site requires that Subrecipient:

10.2.5.1 Must ship hot food to Congregate Meal site(s) in insulated containers, heated containers, or heated trucks to maintain a temperature of one hundred forty degrees Fahrenheit (140˚F) or above.

10.2.5.2 Must ship cold food to Congregate Meal site(s) in ice chests, insulated containers, or refrigerated trucks to maintain a temperature of forty-one degrees Fahrenheit (41˚F) or below. Cold food shall not come in contact with ice.

10.2.5.3 Must ship frozen food to Congregate Meal site(s) in an ice chest with ice, ice blanket or blue ice to maintain a solid, frozen state. Ice cream shall be at or below temperatures of seven to ten degrees Fahrenheit (7˚ - 10˚F).

10.2.5.4 May ship bread, whole fruits, cookies, cakes, and other non-potentially hazardous foods to Congregate Meal site(s) at room temperature.

10.2.5.5 Temperatures of all hot, cold, and frozen foods must be taken upon delivery to the Congregate Meal site and annotated on a food delivery sheet as instructed in the Los Angeles County Area Agency on Aging Foodservice Standard Operating Procedures manual.

10.2.6 Meal Service requires that Subrecipient shall:

10.2.6.1 Maintain hot food hot, as described in Subsection 10.2.5.1, for a maximum of three (3) hours from the
completion of cooking at the central kitchen to the completion of service at the Congregate Meal site.

10.2.6.2 Maintain hot food hot, as described in Subsection 10.2.5.1, for a maximum of two (2) hours at the Congregate Meal site.

10.2.6.3 Serve meals at a regularly scheduled time at each Congregate Meal site.

10.2.6.4 Follow the provisions of “Offer Versus Serve” as found in Title 7 Code of Federal Regulations Part 226.20(p).

10.2.6.5 Ensure each Congregate Meal site maintains a minimum participation of at least fifteen (15) Clients per day. Subrecipient may submit a written request to County for a waiver to deviate from this requirement.

10.2.6.6 Each meal shall be served in a Congregate Meal site facility that complies with the Americans with Disabilities Act (ADA) of 1990, as amended (Title 42 United States Code Section 12101 et seq.). Each facility must have restrooms, lighting, and ventilation, which meet the requirements of California Health and Safety Code Section 113700, et seq. Equipment, including sturdy tables and chairs, shall be appropriate for Older Individuals. Tables should be arranged to assure ease of access and encourage socialization.

10.2.7 Subrecipient shall allow presence of Service Animals as follows:

10.2.7.1 The ADA defines service animals as dogs that are individually trained to do work or perform tasks for people with disabilities. Examples of such work include guiding people who are blind, alerting people who are deaf, pulling a wheelchair, alerting and protecting a person who is having a seizure, reminding a person with mental illness to take prescribed medications, etc. Dogs whose sole function is to provide comfort or emotional support do not qualify as service animals under the ADA. State and local governments, businesses, and nonprofit organizations that serve the public generally must allow service dogs to accompany people with disabilities in all areas of the facility.
where the public is normally allowed to go, such as: patient rooms in hospitals, hospital clinics, hospital cafeterias, hospital examination rooms, etc.

10.2.7.2 Subrecipient shall allow the use of service animals at all Congregate Meal sites. Service animal must be harnessed, leashed, or tethered, unless these devices interfere with the service animal's work or the Client's disability prevents using these devices. In that case, Subrecipient may require that the Client must maintain control of the service animal through voice, signal, or other effective controls.

10.2.7.3 Subrecipient acknowledges that a Client with a disability cannot be asked to remove their service animal from the premises unless the service animal is out of control and the Client does not take effective action to control it or if the service animal is not housebroken. When there is a legitimate reason to ask that a service animal be removed, staff must offer the Client with the disability the opportunity for Services without the service animal's presence.

10.2.7.4 Subrecipient acknowledges that Subrecipient's sites that sell or prepare food must allow service animals in public areas even if State or local health codes prohibit animals on the premises. This includes Congregate Meal sites. Subrecipient Staff are not required to provide food or care for a service animal.

10.2.7.5 Subrecipient shall ensure that Clients with disabilities who use service animals will not be isolated from other Clients, treated less favorably than other Clients, or charged fees that are not charged to other Clients without service animals.

10.2.7.6 When it is not obvious what service a service animal provides, only two (2) limited questions may be asked:

10.2.7.6.1 Is the animal a service animal required because of a disability?

10.2.7.6.2 What work or task has the service animal been trained to perform?
10.2.7.7 Subrecipient Staff cannot ask about a Client’s disability, require medical documentation, require a special identification card or training documentation for a service animal, or ask that the service animal demonstrate its ability to perform any work or task.

10.2.8 Subrecipient shall ensure that Clients who attend Congregate Meal sites operating in Adult Day Programs and Elderly Housing Facilities meet the eligibility criteria specified in Subsection 10.2.2 (Eligibility for Congregate Meal Services) for Congregate Meal Services; and these sites shall meet the following criteria listed below:

10.2.8.1 Be open to the general public.

10.2.8.2 Not receive funds from another source (i.e., Medi-Cal, private payment fees in the form of a flat/bundled rate, etc.) for the cost of the same meal, equipment or Services.

10.3 Home–Delivered Meal Services Requirements

10.3.1 Subrecipient shall provide Home-Delivered Meal Services, which include the procurement, preparation, service, and delivery of nutritious meals in home environments/settings to Older Individuals who are homebound by reason of illness, disability or isolation, and meet the criteria identified in Subsection 10.3.2 (Eligibility for Home-Delivered Meal Services). Home-Delivered Meal Services are intended to reduce hunger and food insecurity, maintain and/or improve the physical and social well-being of homebound Older Individuals, and to make referrals for nutrition education, nutrition counseling, and other nutrition services, as appropriate, based on the needs of these Individuals.

10.3.2 Eligibility for Home-Delivered Meal Services

10.3.2.1 Individuals are eligible to become Clients and receive Home-Delivered Meal Services when they meet at least one (1) of the following criteria:

10.3.2.1.1 An Older Individual who is frail and homebound by reason of illness, disability, or isolation. Priority shall be given to Older Individuals described herein. Frail, as defined in Title 22 California Code of Regulations Section 7119, is an Older Individual who is determined to be functionally
impaired because the Older Individual either:

10.3.2.1.1.1 Is unable to perform at least two (2) Activities of Daily Living (ADL), including: breathing, bathing, toileting, dressing, feeding, transferring and mobility and associated tasks, without substantial human assistance, including supervision, verbal reminding, or physical cueing; or

10.3.2.1.1.2 Due to a cognitive or other mental impairment, requires substantial supervision because the Older Individual behaves in a manner that poses a serious health or safety hazard to the Individual or to others.

10.3.2.1.2 The spouse of any Older Individual described in this Subsection 10.3.2, regardless of the spouse’s age or condition, if an assessment by Subrecipient concludes that it is in the best interest of the frail/homebound Older Individual.

10.3.2.1.3 An individual with a disability who resides in the home of any Older Individual as described in this Subsection 10.3.2, if an Initial Assessment (defined in Subsection 10.3.3.1 (Home-Delivered Meal Initial Assessment Requirements of Potential Client)) by Subrecipient concludes that it is in the best interest of the homebound Older Individual.
10.3.3 Client Assessment for Home-Delivered Meal Services

10.3.3.1 Home-Delivered Meal Initial Assessment

10.3.3.1.1 Subrecipient’s initial determination of potential Client’s eligibility for Home-Delivered Meal Services may be accomplished by telephone. Subrecipient shall complete a written Initial Assessment to determine potential Client’s eligibility in the potential Client’s home either two (2) weeks before or two (2) weeks after potential Client’s Home-Delivered Meal Services first begin by using Attachment 4 (Universal Intake Form) as provided annually by County. Completion of written Initial In-Home Assessment also pertains to all potential Clients that require placement on the Home-Delivered Meal Services Waitlist. The Initial Assessment shall include the type of meal appropriate for the potential Client in their living environment and Subrecipient shall check to see if the potential Client has a stove or microwave to heat or reheat meals. Subrecipient shall complete the following information on the Los Angeles County Area Agency on Aging Universal Intake Form for the potential Client:

10.3.3.1.1.1 Name
10.3.3.1.1.2 Address
10.3.3.1.1.3 Date of Birth
10.3.3.1.1.4 Gender
10.3.3.1.1.5 Sexual Orientation and Gender Identity (SOGI)
10.3.3.1.1.6 Veteran Status
10.3.3.1.1.7 Race/Ethnicity
10.3.3.1.1.8 Relationship Status
10.3.3.1.1.9 Type of Residence (house, apartment, etc.)
10.3.3.1.1.10 Living Arrangement (alone/not alone)
10.3.3.1.1.11 Rural Designation/Unincorporated City
10.3.3.1.1.12 Receive In-Home Supportive Services
10.3.3.1.1.13 Income Status (which shall be identified as at, above, or below the ACL Federal Poverty Guidelines)
10.3.3.1.1.14 Primary Language Spoken
10.3.3.1.1.15 Nutritional Risk Score (utilizing the Nutrition Screening Initiative Checklist)
10.3.3.1.1.16 Activities of Daily Living/Instrumental Activities of Daily Living

10.3.3.1.2 Subrecipient shall enter the Client’s Initial Assessment data into the Management Information System within two (2) weeks of the initial contact with the Client and prior to the date that the Client begins receiving ENP Services. The Initial Assessment will be considered incomplete if any of the data listed above is missing.

10.3.3.1.3 Subrecipient shall assign an Employee to have the primary
responsibility for Client data entry into Management Information System. This person will be the primary contact person for Client data issues and problems. The individual will be assigned a password to log-in and enter Client information. A back-up Employee must be designated to act on behalf of the primary Management Information System contact person in the event of his or her absence.

10.3.3.1.4 Subrecipient shall provide County the name of Subrecipient’s Management Information System Employee and back-up Employee at the start of this Subaward and within two (2) weeks of any reassignment or substitution. Only those Subrecipient Employees who have been designated by Subrecipient and assigned a password by County shall be allowed to access Management Information System.

10.3.3.1.5 Subrecipient shall complete Attachment 13 (Home-Delivered Meal Program Priority of Service Screening Tool) for all Home-Delivered Meal Clients. Instructions for completing the form are provided in Attachment 14 (Home-Delivered Meal Program Priority of Service Screening Tool Instructions).

10.3.3.1.6 Home-Delivered Meal Clients shall also be assessed to determine their need for nutrition-related supportive services and be referred as necessary.

10.3.3.1.7 Subrecipient shall work with the DASS Program subrecipient identified in the AAA Provider List (as provided by County on an annual basis) to refer Home-Delivered Meal Clients that Subrecipient has assessed as diabetic, and/or have a
high nutrition risk score of ten (10) or higher, or a nutrition risk score of six (6) to nine (9) and meet a secondary criteria, according to the National Screening Initiative Checklist (refer to Subsection 10.9 (Mandatory Coordination with Dietary Administrative Support Services Program Subrecipient)).

10.3.3.1.8 Subrecipient shall implement criteria to assess the level of need for each eligible Home-Delivered Meal Service Client as outlined in Subsection 10.3.2 (Eligibility for Home-Delivered Meal Services), and in the appropriate section(s) of the most current edition of the Los Angeles County Area Agency on Aging Foodservice Standard Operating Procedures manual.

10.3.3.2 Home-Delivered Meal Reassessment Requirements

10.3.3.2.1 Subrecipient shall perform a Reassessment of a Client’s needs a minimum of once every three (3) months (on a quarterly basis) during the Fiscal Year. A minimum of one (1) Reassessment shall be entered into the Management Information System during the first quarter (July 1st to September 30th) of each Fiscal Year for all continuing Clients who will receive services that Fiscal Year.

10.3.3.2.2 Reassessments shall be conducted in the Client’s home at least every other quarter.

10.3.3.2.3 Subrecipient may schedule Reassessments according to the Home-Delivered Meal routes which is assigned to Client (i.e., all Clients on a Home-Delivered Meal route are assigned to receive telephone and/or In-Home Reassessments at the same
time). Subrecipient shall conduct Reassessments on the following schedule commencing three (3) months from when the Client first begins receiving Home-Delivered Meal Services:

10.3.3.2.3.1 Three (3) Month Reassessment:
Telephone the Client to determine if the need for Home-Delivered Meal Services still exists.

10.3.3.2.3.2 Six (6) Month Reassessment:
Conduct an In-Home visit to determine if the need for Home-Delivered Meal Services still exists. The visit may include an evaluation of the type of meal (i.e. hot and/or frozen) the Client receives. Also, ask the Client for the number of Emergency Meals the Client has remaining.

10.3.3.2.3.3 Nine (9) Month Reassessment:
Telephone the Client to determine if the need for Home-Delivered Meal Services still exists.

10.3.3.2.3.4 Twelve (12) Month Reassessment:
Perform a Reassessment by completing a new Attachment 4 (Universal Intake Form) as stated in
Subsection 10.3.3.1 (Home-Delivered Meal Initial Assessment Requirements of Potential Client).

10.3.3.2.4 This Reassessment shall be conducted in the Client’s home.

10.3.3.2.5 Subrecipient shall enter Client’s Reassessment into the Management Information System within two (2) weeks of completing the Reassessment.

10.3.3.2.6 Subrecipient shall thereafter conduct a quarterly update of Client’s needs based on the three (3), six (6), nine (9) and twelve (12) month schedule.

10.3.3.3 Home-Delivered Meal Waiting List Reassessment Requirements

10.3.3.3.1 Subrecipient shall conduct an in-home assessment for Clients who remain on the Home-Delivered Meal Waiting List on the third (3rd) and ninth (9th) month after the Initial Assessment (refer to Subsection 10.3.4 (Home-Delivered Meal Waiting List Requirements)).

10.3.3.3.2 Subrecipient shall make every effort to ensure that Home-Delivered Meal Clients that are removed from the Program are referred to and linked with other nutrition-related supportive services programs for Older Individuals.

10.3.4 Home-Delivered Meal Waiting List Requirements

10.3.4.1 Subrecipient must establish and maintain a monthly Home-Delivered Meal Waiting List in the Management Information System when it is unable to provide meals for all Clients who are waiting to receive Home-Delivered Meals.
10.3.4.2 A Client’s position on the Home-Delivered Meal Waiting List shall be prioritized based on the Client meeting criteria for the greatest economic/social need, being at risk for institutional placement if meals are not provided, and/or in accordance with policy established by Subrecipient and approved by the DASS Program subrecipient’s registered dietitian.

10.3.4.3 Subrecipient shall complete Attachment 13 (Home-Delivered Meal Program Priority of Service Screening Tool) for all Clients on the Home-Delivered Meal Waiting List.

10.3.4.4 The Home-Delivered Meal Program Priority of Service Screening Tool establishes a weight factor to determine priority placement on the Home-Delivered Meal Waiting List. Subrecipient shall give priority of Service to Clients with the greatest need and the highest overall score.

10.3.4.5 Subrecipient shall enter the name and demographic information of Clients placed on the Home-Delivered Meal Waiting List into the Management Information System.

10.3.4.6 Subrecipient shall provide a Telephone Reassurance call to Clients (age sixty (60) or older) on the Home-Delivered Meal Waiting List each month to ascertain whether Services are still needed.

10.3.4.7 If Services are no longer needed due to enrollment in the Home-Delivered Meal Program; Subrecipient shall change the Client’s status in the Management Information System from “waiting list” to “enrolled” and add an end date to the waiting list. If Services are no longer needed due to other factors such as the Client is no longer interested, etc., Subrecipient shall remove the Client’s name from waiting list and enter an end date.

10.3.4.8 Existence of Home Delivered Meals Waiting List deems justification for monitoring visits by the County’s Contract Compliance Division.

10.3.5 Each Home-Delivered Meal may consist of hot, cold, and/or frozen food.
10.3.6 Meal delivery to Home-Delivered Meal Clients requires that Subrecipient:

10.3.6.1 Subrecipient shall obtain County permission in writing prior to providing Home-Delivered frozen Meals to Clients.

10.3.6.2 Subrecipient shall set regular delivery schedules so meals will be delivered at a consistent time each day.

10.3.6.3 Subrecipient must provide written instructions for handling and re-heating Home-Delivered Meals in the language of the majority of Clients being served Home-Delivered Meals.

10.3.6.4 Must ship hot meals to Home-Delivered Meal Clients in insulated containers, heated containers, or heated truck to maintain a temperature of one hundred forty degrees Fahrenheit (140˚F) or above.

10.3.6.5 Must ship cold food to Home-Delivered Meal Clients in ice chests, insulated containers, or refrigerated trucks to maintain a temperature of forty-one degrees Fahrenheit (41˚F) or below. Food should not come in contact with ice.

10.3.6.6 Must ship frozen meals to Home-Delivered Meal Clients in an ice chest with ice, ice blanket or blue ice to maintain a solid, frozen state. Ice cream shall be at or below temperatures of seven – ten degrees Fahrenheit (7˚ - 10˚F).

10.3.6.7 May ship bread, whole fruits, cookies, cakes, and non-potentially hazardous foods to Home-Delivered Meal Clients at room temperature.

10.3.7 Home-Delivered Hot Prepackaged Meals

10.3.7.1 Home-Delivered hot prepackaged meals shall be delivered to Clients in a manner that maintains appropriate temperatures and that protects them from potential contamination from dust, insects, rodents, unclean equipment and utensils, and unnecessary handling.

10.3.7.2 Home-Delivered Meal routes must be completed in the shortest time possible to assure absence of contamination. Home-Delivered hot prepackaged
meals must be delivered to Clients within three (3) hours after food has left the central kitchen.

10.3.7.3 Subrecipient, central kitchen, or caterer must utilize a batch production cooking schedule (producing the product in multiple loads/batches) if the same drivers deliver meals on two (2) routes on the same day. Hot food may not be held for more than three (3) total combined hours in the central kitchen and in the delivery vehicle before delivery.

10.3.8 Home-Delivered Frozen Meals

10.3.8.1 Subrecipient shall obtain County permission in writing prior to providing Home-Delivered Frozen Meals to Clients.

10.3.8.2 Subrecipient shall conduct an assessment on a Client’s capability to receive a Home-Delivered Frozen Meal and ability to prepare a frozen meal prior to implementing Home-Delivered Frozen Meal service.

10.3.8.3 Frozen Home-Delivered Meals and any accompanying cold and room temperature items shall be delivered to Clients in a sanitary manner to assure absence of contamination and shall be packaged to assure temperature control.

10.3.8.4 Delivery of Frozen Home-Delivered Meals may extend beyond three (3) hours provided the frozen meals remain solidly frozen and do not rise above twenty-nine degrees Fahrenheit (29˚F), and any accompanying cold food must maintain a temperature of forty-one degrees Fahrenheit (41˚F) or below.

10.3.8.5 Meals must remain frozen until the final delivery is complete. Temperature should be no higher than twenty-nine degrees Fahrenheit (29˚F).

10.4 Emergency Meal Services Requirements for Home-Delivered Meal Clients

10.4.1 Subrecipient shall provide Emergency Meal Services, which include shelf stable meals provided to Older Individuals who are homebound by reason of illness, disability or who are otherwise isolated. These Services include provision of a minimum of three (3) shelf-stable meals per Fiscal Year. These meals are to be
used in the event of an emergency or natural disaster such as earthquakes, power outage, floods, or any disruption of regular meal service to ENP Clients who are receiving Home-Delivered Meal Services.

10.4.2 Eligibility for Emergency Meal Services

10.4.2.1 Individuals are eligible to become Clients and receive Emergency Meal Services when they meet the following criteria:

10.4.2.1.1 A Home-Delivered Meal Client (age sixty (60) or older) who is frail and homebound by reason of illness, disability, or isolation.

10.4.3 Subrecipient shall have emergency shelf-stable meals available for use during a power outage or any disruption of regular service.

10.4.4 Subrecipient must be able to continue the provision of food to homebound Clients for a minimum of three (3) days in the event that their usual deliveries are disrupted.

10.4.5 Subrecipient may work with the vendor of its choice to develop the menu for Emergency Meals. This menu must be approved/certified by DASS Program subrecipient’s Project Manager.

10.4.6 Each meal shall provide one-third (1/3) of the current Dietary Reference Intakes included in the current Dietary Guidelines for Americans. Meal components are detailed in the Los Angeles County Area Agency on Aging Foodservice Standard Operating Procedures manual.

10.4.7 All meals must have a minimum of a six (6) month shelf life from the date of purchase/issuance to the Client.

10.4.8 Subrecipient must provide Client with instructions on how and when to use and rotate the emergency food when meals are distributed to Client. Each Home-Delivered Meal Client must be informed of the purpose of the Emergency Meals. The Client or their designated representative must sign an acknowledgment form to indicate receipt of instructions at the time of delivery. Subrecipient must maintain the acknowledgement form in the Client’s files.

10.4.9 Emergency Meal distribution may occur during the Initial Assessment for new Home-Delivered Meal Clients or during the Reassessment for existing Home-Delivered Meal Clients.
10.4.10 Subrecipient must follow-up with all Home-Delivered Meal Clients during each in-home Reassessment to see if the Client still has Emergency Meals available. If the Client no longer has the Emergency Meals, this must be annotated, and Subrecipient may provide Client with an additional three (3) Emergency Meals contingent upon the availability of Subaward funding.

10.5 Telephone Reassurance Services Requirements for Home-Delivered Meal Clients

10.5.1 When Subrecipient provides Home-Delivered Meal Services, Subrecipient shall also provide Telephone Reassurance Services, which are defined as regular telephone contact and safety checks to reassure and support Home-Delivered Meal Services Clients (age sixty (60) or older) and any other Older Individual who is on a waiting list to receive Home-Delivered Meal Services.

10.5.2 Eligibility for Telephone Reassurance Services

10.5.2.1 Individuals are eligible to become Clients and receive Telephone Reassurance Services when they meet the following criteria:

10.5.2.1.1 An Older Individual; and

10.5.2.1.2 Must be either:

10.5.2.1.2.1 A Home-Delivered Meal Client (age sixty (60) or older).

10.5.2.1.2.2 An Older Individual who is on the Home-Delivered Meal waiting list as recorded in the Management Information System (refer to Subparagraph 9.18.4 (Information Technology Systems – Management Information System) of the Subaward).

10.5.2.2 Telephone Reassurance Services shall only be provided to Home-Delivered Meal Clients who meet
the age eligibility requirement of sixty (60) years of age or older.

10.5.3 Subrecipient that delivers Telephone Reassurance Services to individuals not meeting eligibility criteria will be required to repay County for those Services.

10.5.4 Subrecipient shall use trained Volunteers or its Employees to provide regular telephone contact and safety checks to reassure and support Clients who are homebound as specified herein:

10.5.5 Telephone Reassurance Service shall be provided to all Clients receiving Home-Delivered meals (frozen or hot) and to all Clients who are on a Home-Delivered Meal Waiting List in Management Information System for a Home-Delivered meal.

10.5.6 Telephone Call Frequency

10.5.6.1 At a minimum, Subrecipient must call Clients who receive Home-Delivered frozen meals one (1) day per week.

10.5.6.2 At the discretion of Subrecipient, Clients who receive Home-Delivered hot meals may be called one (1) day per week.

10.5.6.3 Subrecipient shall call Clients who are on a Home-Delivered Meal Waiting List in Management Information System to receive a Home-Delivered Meal one (1) day per month.

10.5.6.4 Subrecipient must establish and maintain a telephone log demonstrating the frequency of calls for hot, frozen, and wait-listed Home-Delivered Meal Clients by using Attachment 12 (Home-Delivered Meal Program Telephone Reassurance Log).

10.5.6.5 Subrecipient shall speak with Clients receiving frozen and/or hot meals and Clients who are on a waiting list for a Home-Delivered Meal. Telephonic attempts or leaving voicemail messages does not qualify as Telephone Reassurance Services.

10.6 Congregate and Home-Delivered Meals Quality Assurance Committee

10.6.1 Subrecipient shall establish a Quality Assurance Committee for both Congregate Meal Services and Home-Delivered Meal Services. This Committee’s purpose shall be: preventing
problems and constant quality improvement to ensure that proper food preparation and meal service procedures are being followed; that the quality of the food is consistent; and that Client satisfaction is being measured. Corrective action shall be taken for any issues identified.

10.6.2 The Quality Assurance Committee shall be appointed by the Subrecipient’s Project Manager and shall include: Project Manager, Site Manager(s), Home-Delivered Meal Coordinator, Food Service Manager or Caterer, Client representatives from the Congregate Meal site(s), and DASS Program subrecipient’s registered dietitians. Clients will be recruited selected and organized by Subrecipient to provide input and advice on Services and Program policies.

10.6.3 Meetings shall be held at least once a month or more frequently, if desired. The Food Service Manager from the Caterer or central kitchen must attend the Quality Assurance meetings.

10.6.4 Minutes detailing each committee meeting shall be kept on file for one (1) year, and shall include: date, time, members in attendance, and a brief summary of the month’s quality assurance meal evaluations and Congregate Sites Daily Meal Comments as detailed in Section QA-1 of the Los Angeles County Area Agency on Aging Foodservice Standard Operating Procedures manual. Focal point of the minutes shall be the resolution of problems related to quality food production and service. Problems shall be presented, and solutions proposed, tested, and evaluated.

10.6.5 Records shall also be kept of individual quality assurance audits done by committee members.

10.6.6 Quality Assurance meetings can also be included to discuss: Congregate Meal site audits, Home-Delivered Meal route audits, Caterer audits, central kitchen audits, menu changes, suggested donations, and problems occurring at Congregate Meal sites.

10.6.7 Committee members or other assigned Clients shall conduct meal evaluations at Congregate Meal sites at least once every two (2) weeks or more frequently, if desired. Problem meals or those that are outstanding may warrant unplanned, on-the-spot evaluations by committee members. These evaluations, along with written comments provide important data for the problem-solving process.

10.6.8 Two (2) times per month, Home-Delivered Meal route drivers shall complete a simple written quality assurance evaluation
while recording temperatures. The quality assurance evaluation shall be completed using a quality assurance evaluation form as provided in the Los Angeles County Area Agency on Aging Foodservice Standard Operating Procedures manual. This evaluation is to monitor the quality of the meal and to ensure that temperatures are within the required safety standards. Each time, the driver shall be assigned a different day to conduct the temperature monitor and evaluation so that all Home-Delivered Meal routes and meals are tested. An extra meal shall be included on this route and shall be evaluated after the last participant has received a meal.

10.7 **Meal and Quality Assurance Evaluations**

10.7.1 Congregate Meals shall be evaluated daily as part of quality assurance.

10.7.2 The Site Manager shall sample each meal and poll Clients every day to judge meal satisfaction.

10.7.3 On a daily basis, the Site Manager will fill out the Congregate Sites Daily Meal Comments form, which is provided in the Los Angeles County Area Agency on Aging Foodservice Standard Operating Procedures manual.

10.7.4 At a minimum of four (4) times per month, the Site Manager shall assign a Client(s) to complete a Quality Assurance Evaluation form, which is provided in the Los Angeles County Area Agency on Aging Foodservice Standard Operating Procedures manual. Subrecipient shall provide these completed forms to the Quality Assurance Committee Meeting for review.

10.7.5 Daily Client meal evaluations shall be made available for Clients at each Congregate Meal site. Clients will use these forms to communicate positive and negative comments regarding meal quality. These forms will be reviewed monthly at the Quality Assurance Committee meeting.

10.7.6 On a weekly basis, the Home-Delivered Meal Coordinator shall sample a hot Home-Delivered Meal once each week and complete the Hot Home-Delivered Meal Daily Meal Comments form, which is provided in the Los Angeles County Area Agency on Aging Foodservice Standard Operating Procedures manual.

10.7.7 The Home-Delivered Meal Coordinator shall assign a driver to complete a quality assurance meal evaluation a minimum of once per month. Subrecipient shall provide these completed forms to the Quality Assurance Committee Meeting for review.
10.7.8 Subrecipient shall adhere to requests for Corrective Action Plan (CAP) from DASS Program subrecipient and/or County. CAP shall be prepared by Subrecipient to address performance deficiencies at site, route, or caterer/central kitchen. DASS Program Subrecipient shall review and approve plan in addition to monitor remedial action.

10.8 Nutrition Services Incentive Program

10.8.1 For purposes of this Subaward, Subrecipient may receive additional funding to supplement the cost for food used in meals served, which is known as the Nutrition Services Incentive Program (NSIP) under Section 311 of the OAA. The purpose of the NSIP is to provide incentives that encourage and reward effective performance by Subrecipient in the efficient delivery of nutritious meals to Clients. NSIP reimbursement may be requested by Subrecipient for meals which:

10.8.1.1 Meet the dietary guidelines, as specified in Section 339 of the OAA (Title 42 United States Code Section 3030g-21).

10.8.1.2 Are served to Clients, as specified in Subsections 10.2.2 (Eligibility for Congregate Meal Services) and 10.3.2 (Eligibility for Home-Delivered Meal Services).

10.8.1.3 Are served to Volunteers of any age pursuant to Subsection 10.2.3 (Eligibility for Volunteer Meals).

10.8.1.4 All meals provided through the ENP that receive NSIP funds, whether prepared on-site, frozen, non-perishable (e.g. canned goods or pasta, products that do not spoil), boxed, or catered, must comply with the most recent DGAs and provide a minimum of one-third (1/3) of the DRIs, and meet the requirements outlined in Subsection 10.1 (General ENP Meal Requirements).

10.8.1.5 Follow the provisions of “Offer Versus Serve” as found in Title 7 Code of Federal Regulations Part 226.20(p). Congregate Meal Clients may be permitted to decline items due to preference or medical reasons. NSIP funds are not affected when a Client declines menu items.

10.9 Mandatory Coordination with Dietary Administrative Support Services Program Subrecipient
10.9.1 Subrecipient shall work with County’s DASS Program subrecipient identified in the AAA Provider List (as provided by County on an annual basis). DASS Program subrecipient provides the following services: oversight of ENP by DASS Program subrecipient’s registered dietitians; nutrition education for Congregate and Home-Delivered Meal Clients; nutrition counseling for Clients with high Nutrition Risk Scores; quality assurance reviews; monitoring of Congregate Meal sites and Home-Delivered Meal routes; in-service training for food service staff and Volunteers; menu analysis; and, technical assistance in areas such as menu development, Caterer selection, purchasing and problem-solving.

10.9.2 Subrecipient shall provide DASS Program subrecipient with the number of Nutrition Education materials needed for distribution to Home-Delivered Meal Clients during the Fiscal Year.

10.9.3 Subrecipient shall make Client referrals for Nutrition Counseling, either in person, by fax, phone or email, to DASS Program subrecipient for all Clients who are diabetic and/or have a Nutritional Risk score of ten (10) and above, or six (6) to nine (9) and meets a secondary criteria below:

10.9.3.1 The Client has an illness or condition that resulted in a change in the kind and/or amount of food that is consumed.

10.9.3.2 The Client consumes fewer than two (2) meals per day.

10.9.3.3 The Client has unintentionally lost or gained ten (10) pounds in the past six (6) months.

10.9.4 Subrecipient acknowledges that Subrecipient’s ENP Services will be monitored by DASS Program subrecipient on a monthly basis and shall cooperate with monitoring efforts. Subrecipient shall correct any problems noted in DASS Program subrecipient’s Monitoring Reports provided to Subrecipient each month. Subrecipient shall have fifteen (15) days from the receipt of the Monitoring Report to respond in writing to DASS Program subrecipient and County in writing with an action plan to correct the problem.

10.9.5 Subrecipient shall work with DASS Program subrecipient during the Elderly Nutrition Program Annual Assessment process. This includes scheduling visits and providing all requested Client records within required timeframe.
10.9.6 Subrecipient shall work with DASS Program subrecipient’s registered dietitians to develop menus for ENP. All menus must be reviewed, certified, and approved by DASS Program subrecipient. DASS Program subrecipient and Subrecipient will include input from food production staff, Caterer(s) and Subrecipient’s Quality Assurance Committee as described in Subsection 10.6 (Congregate and Home-Delivered Meals Quality Assurance Committee).

10.9.7 Subrecipient shall work with DASS Program subrecipient to complete the annual nutritional analysis with the designated caterer/central kitchen. Subrecipient will serve as liaison between DASS Program subrecipient and caterer/central kitchen.

10.9.8 Subrecipient’s project menus meeting Dietary Guidelines requirements (Section 339 of the OAA (Title 42 United States Code Section 3030g-21)) must be reviewed, approved and certified by DASS Program subrecipient’s registered dietitians and approved by County.

10.10 **Mandatory Coordination with SNAP-Ed/CalFresh Healthy Living Program Subrecipient**

10.10.1 Subrecipient shall provide support with planning and scheduling of SNAP-Ed/CalFresh Healthy Living sessions to County’s SNAP-Ed/CalFresh Healthy Living Program subrecipient.

10.11 **Mandatory Coordination with Disease Prevention and Health Promotion Program Subrecipient**

10.11.1 Subrecipient shall make referrals, as needed, either in person, by fax, phone or email, to Disease Prevention and Health Promotion (DPHP) Program subrecipient (identified in the AAA Annual Nutrition Program Provider list) for Clients who would benefit from disease prevention and health promotion programs.

10.11.2 Subrecipient may plan and schedule appropriate Health Promotion Clinics at Congregate Meal sites which are selected with input from Subrecipient’s Quality Assurance Committee and coordinated with the DPHP Program subrecipient.

10.12 **Central Kitchen/Caterer**

10.12.1 Subrecipient shall use either a central kitchen or Caterer to prepare meals and shall notify County which source Subrecipient will use to obtain meals.
10.12.1.1 Central Kitchen: Subrecipient asserts that Subrecipient will prepare meals at a certified commercial kitchen(s).

10.12.1.2 Caterer: Subrecipient asserts that it will procure a Caterer who will prepare meals and provide them to Subrecipient.

10.12.2 Subrecipient shall employ a Project Manager, Food Service Manager or a Caterer, and Site Manager who are certified Food Protection Managers by the National Restaurant Association-ServSafe® or other recognized organization. There must be a certified Food Protection Manager in-charge at each central kitchen and at each Congregate Meal site. The Project Manager and Food Service Manager/Caterer must obtain Hazard Analysis and Critical Control Points (HACCP) Program Training within six (6) months of hire.

10.12.3 Subrecipient shall ensure that the requirements of HACCP and quality assurance programs are enforced at all central kitchens and Congregate Meal sites, and that Caterer(s) maintains and utilizes operational HACCP and quality assurance programs.

10.12.4 Subrecipient shall adhere to the Program requirements outlined in Title 22 California Code of Regulations Sections 7630-7638.13 and in the most current edition of the Los Angeles County Area Agency on Aging Foodservice Standard Operating Procedures manual.

10.12.5 Subrecipient shall ensure that a pest control operator inspect the facility on a monthly basis. Subrecipient shall implement an integrated pest management program that provides procedures to prevent and to get rid of pests. These procedures shall include those performed both by central kitchen/catering staff and by the pest control operator. Pest Control Reports shall be kept on file and made available for review by County and DASS Program subrecipient’s registered dietitians.

10.13 Selection of Caterer

10.13.1 When Subrecipient elects to use the services of a Caterer to prepare/supply meals, Subrecipient shall procure that Caterer from a pool of caterers who are on the AAA Approved Caterer List. Such caterers have been inspected and certified by DASS Program subrecipient and have been approved by County. The AAA Approved Caterer List shall be provided by County on an annual basis.
10.13.2 Pursuant to Title 22 California Code of Regulations Sections 7352 – 7364, Subrecipient shall procure Caterer from the AAA Approved Caterer List using a competitive solicitation process. Subrecipient shall release a solicitation which can only be responded to by those caterers who are on the AAA Approved Caterer List. After evaluation of all bids/proposals and upon selection of the successful Caterer, Subrecipient shall enter into a Lower Tier Subaward with the successful Caterer. In accordance with Subparagraph 8.40 (Lower Tier Subaward) of the Subaward, Subrecipient must obtain approval from County prior to entering into the Lower Tier Subaward.

10.13.3 Noncompetitive awards may be made by Subrecipient when the award is infeasible for competitive bid as a result of any of the conditions outlined in Title 22 California Code of Regulations Section 7360 (Noncompetitive Awards).

10.14 Health and Fire Inspections

10.14.1 Subrecipient’s Congregate Meal sites, central kitchens and Caterer shall be inspected annually by the County of Los Angeles Department of Health Services (DHS). Subrecipient must maintain a grade of “B” or better from DHS based on the inspections conducted by DHS for food services. Subrecipient shall work with DASS Program subrecipient to seek assistance in correcting any violations in accordance with the Los Angeles County Area Agency on Aging Foodservice Standard Operating Procedures manual. In accordance with Subparagraph 9.22.3 (Subaward Compliance Documents) of the Subaward, Subrecipient must submit to County annual inspection reports from DHS for each Congregate Meal site, central kitchen and/or Caterer.

10.14.2 Subrecipient’s Congregate Meal sites and central kitchens shall be inspected annually by the Los Angeles County Fire Department or Subrecipient’s local fire department. In accordance with Subparagraph 9.22.3 (Subaward Compliance Documents) of the Subaward, Subrecipient must submit to County annual inspection reports from either the Los Angeles County Fire Department or Subrecipient’s local fire department for each Congregate Meal site and central kitchen.

10.15 Licenses and Certifications for ENP Services

10.15.1 Subrecipient shall obtain and maintain, all appropriate licenses, permits and certificates required by all applicable County, State of California and/or Federal laws, regulations, guidelines, and
directives for the operation of its facility(ies) and for the provision of ENP Services.

10.15.2 Prior to the execution of this Subaward, and, in cases of new staff or staff with updated licenses, permits or certifications, Subrecipient shall provide copies of all new or updated licenses, permits and certificates within ten (10) business days of the license, permit or certification award or update. Copies shall be sent to County’s Program Manager listed in Exhibit E (County’s Administration) of the Subaward.

10.15.3 If Subrecipient operates a central kitchen and/or engages the services of Caterer, Subrecipient must maintain current proof of the following:

10.15.3.1 Public health permit and business license.

10.15.3.2 Health Department/DHS inspection report (which shall be current within the most recent twelve (12) month period) for each central kitchen and/or Congregate Meal site.

10.15.3.3 Fire Department inspection report ((which shall be current within the most recent twelve (12) month period) for each central kitchen and/or Congregate Meal site).

10.15.3.4 Hazard Analysis Critical Control Point Certificate and Food Protection Manager Certificate (ServSafe Certificate) for Food Service Manager.

10.15.3.5 Subrecipient shall ensure that required Employees attend ServSafe training and successfully pass examination. Subrecipient shall absorb cost of training for Employees that fail examination and are required to take a remedial course.

10.16 Contributions and Fees for Cost of Meals

10.16.1 Subrecipient shall develop and implement a method to enable Clients to voluntarily contribute to the cost of the Program (i.e., Client who receives a meal shall be given the opportunity to contribute to the cost of the meal).

10.16.2 Subrecipient shall ensure that Clients are not required to contribute to the Program when they are requesting Services. Subrecipient’s solicitation of voluntary contributions shall not be coercive.
10.16.3 Subrecipient shall clearly inform Client that contributions are strictly voluntary and Subrecipient shall not pressure Client to contribute to the cost of the meal.

10.16.4 Subrecipient shall develop a suggested contribution with input from its Quality Assurance Committee. When developing this contribution amount, the income ranges of the Older Individuals in the community and Subrecipient’s additional sources of income shall be considered.

10.16.5 A sign indicating the suggested contribution for Clients, and the guest fee (amount charged to non-seniors), shall be posted by Subrecipient near the contribution container at each Congregate Meal site. The sign shall also state, “Your donation is voluntary and is not a requirement to receive a meal if you are eligible for the Elderly Nutrition Program.”

10.16.6 Volunteers and/or staff at the sign-in table must be trained on the donation policy emphasizing the confidential nature of the contributions.

10.16.7 Home-Delivered Meal agreements may have a suggested donation amount. The agreements shall not be coercive and shall state, “Your donation is voluntary and is not a requirement to receive a meal if you are eligible for the Elderly Nutrition Program.”

10.16.8 Client shall not be denied Services because of his/her failure or inability to contribute to the cost of Services.

10.16.9 Subrecipient shall establish procedures for soliciting donations that provide Clients with a confidential method for making donations.

10.16.10 Subrecipient shall ensure that Client’s decision to contribute as well as the amount of Client’s contribution is kept private and confidential.

10.16.11 Guest Fees

10.16.11.1 All guests under the age of sixty (60) shall pay for the full cost of a meal. The guest fee shall be sufficient to cover all meal costs.

10.16.11.2 There is no provision for a guest fee to be private.

10.16.11.3 Subrecipient shall serve meals to guests only if sufficient food is available after Clients are served.
10.16.12 The following practices pertaining to voluntary contributions/donations and/or share of cost are not allowed:

10.16.12.1 Requests from Clients to assist in the share of cost to the Program.

10.16.12.2 Tracking donations by accounts receivable.

10.16.12.3 Tracking donations by individual Clients.

10.16.12.4 Employing tactics, in any way, that could be viewed as embarrassing and/or obligatory requests for donations.

10.16.12.5 Employing tactics such as allowing Volunteers to guard the collection boxes or having Clients sign in and pay before receiving Services.

10.16.12.6 At the time of the Initial Assessment, compelling an eligible individual to pledge a particular amount as an agreed upon donation.

10.16.12.7 Using coercion to solicit voluntary contributions.

10.16.12.8 A donation request should not resemble a billing statement or invoice.

10.16.12.9 Imposing a suggested contribution rate based on an individual’s income.

10.16.12.10 Subrecipient shall not state in pamphlets or on websites that payment is required for ENP Services or state a monetary amount for ENP Services.

10.16.13 Subrecipient shall establish and adhere to written procedures to protect contributions and fees from loss, mishandling, and theft. Such procedures shall be kept on file at Subrecipient’s site.

10.16.14 Subrecipient shall separate collected contributions (donations/fees) from Subaward funding. All contributions shall be identified as Program Income and used to: increase the number of meals served, facilitate access to such meals, and to provide nutrition-related supportive services.

10.16.15 Contributions earned in excess of the amount(s) reported in the Budget(s) may be deferred for use in the first quarter of the next Fiscal Year and must be used to expand baseline Services. Such funds shall be recorded as Program Income.
10.16.16 All records of contributions, written procedures governing solicitation of funds, solicitation materials, or other contribution related records shall be held pursuant to record retention policies outlined in Subparagraph 8.38 (Record Retention, Inspection and Audit Settlement) of the Subaward.

10.17 Emergency and Disaster Preparedness

10.17.1 Notwithstanding Subrecipient’s and County’s contractual objective to provide Services to Clients, Subrecipient shall make Services available to any person impacted by a nationally or State-declared emergency event, contingent upon the availability and commitment of Federal Emergency Management Agency (FEMA) or State Office of Emergency Services funds with which to reimburse Subrecipient for funds expended.

10.17.2 In the event of extraordinary incidents, unusual occurrences, natural disasters or crime, including but not limited to repairs, modifications, refurbishment, fumigation, or replacement of facility(ies), vandalism, acts of nature, and third-party negligence, Subrecipient must have an emergency plan in place to ensure that there is no disruption in Services.

10.17.3 Subrecipient must have a written Emergency and Disaster Plan on file describing how Services will be maintained during and following the event of a disaster or emergency. Attachment 6 (Emergency and Disaster Plan Basic Requirements) details the minimum requirements of the plan.

10.17.3.1 The written plan must include the following sections:

- 10.17.3.1.1 Emergency and Disaster Plan Mission
- 10.17.3.1.2 Business Continuity Plan
- 10.17.3.1.3 Emergency Response Organization Chart
- 10.17.3.1.4 Roster of Critical Local Contacts
- 10.17.3.1.5 Communication Plan

10.17.3.2 The Emergency and Disaster Plan must be made available to Staff and any County-approved Lower Tier Subrecipients for reference before, during, and after the emergency or disaster. Subrecipient’s key
Staff members shall have a copy of the Emergency and Disaster Plan easily accessible at all times.

10.17.3.3 Annually, Subrecipient shall update the Emergency and Disaster Plan and submit it to County’s Emergency Coordinator as indicated in Exhibit E (County’s Administration) of the Subaward.

10.17.3.4 The Emergency and Disaster Plan shall be saved on an encrypted computer storage jump drive for easy access and transportability.

10.17.4 Subrecipient must maintain an updated hard copy registry of Clients with contact information for emergency and disaster purposes. Subrecipient shall use the registry to contact Clients to assess if Client is safe, needs a referral to an evacuation center or other assistance, and has a plan to stay in a safe and healthy environment.

10.17.5 Subrecipient must make arrangements for the availability of a minimum of three (3) meals to Clients during a major disaster, as defined in Title 42 United States Code Section 5122(2).

10.17.6 Subrecipient shall complete Attachment 7 (Site Emergency Resource Survey) on an annual basis to help identify and assess potential resources in the community to support the Service population following a large community emergency or disaster.

10.17.7 Subrecipient shall complete and submit Attachment 7 (Site Emergency Resource Survey) annually on the last business day in September to County’s Emergency Coordinator.

10.17.8 Subrecipient shall complete and submit Attachment 7 (Site Emergency Resource Survey) to County’s Emergency Coordinator anytime there is a change in information.

10.17.9 Subrecipient shall develop and have on file a written Business Continuity Plan (BCP) that describes how Subrecipient will reduce the adverse impact of any emergency event, as referenced in Subsection 10.17.3.1, to Clients as determined by both the scope of the event (e.g., who and what it affects, and to what extent), and also its duration (e.g., hours, days, months). Subrecipient shall make the BCP available to its Staff and any County-approved Lower Tier Subrecipients for reference before, during, and after such emergency event disruption.

10.17.10 The BCP must include a system to track emergency expenditures and emphasize the following:
10.17.10.1 Back-up systems for data
10.17.10.2 Emergency service delivery options
10.17.10.3 Community resources
10.17.10.4 Transportation

10.17.11 Subrecipient shall:

10.17.11.1 Designate an Emergency Coordinator to communicate with County’s Emergency Coordinator or designee in the event of an emergency or disaster and ensure that County’s Emergency Coordinator or designee has current contact information for Subrecipient’s Emergency Coordinator.

10.17.11.2 Coordinate emergency plans with respective City Emergency Plans and local Office of Emergency Services.

10.17.11.3 Establish alternate communication systems, such as cell phone or text messaging, in the event that the regular communication system is interrupted.

10.17.11.4 Identify lead and support agencies for emergencies and disasters in the local community so that response efforts are coordinated with the appropriate agency.

10.17.11.5 Maintain a current list of support agencies and services (in addition to AAA subrecipients) in local and neighboring communities to provide Information and Assistance for Clients, their families and representatives, and facility staff.

10.17.11.6 Maintain a current list of Subrecipient staff and Volunteers’ telephone numbers, e-mail addresses, and emergency contact information.

10.17.11.7 Maintain adequate emergency and disaster supplies on site, including emergency first aid supplies.

10.17.11.8 Ensure that there are adequate staff and resources to execute the emergency and disaster plan in the event of an emergency or disaster.
10.17.11.9 Maintain a written escape plan and route for Clients receiving on-site services during an emergency or disaster. The written escape plan and route shall include a diagram that is visibly posted at the site. Facilities must have evacuation procedures to facilitate the safe evaluation of individuals to secure locations.

10.17.11.10 When necessary and practical, use existing cash reserves to temporarily cover emergency and disaster assistance costs for things such as additional food, supplies, extra Home-Delivered Meals, home clean-up and safety, emergency medications, transportation, and other immediate needs including:

10.17.11.10.1 Assisting Older Individuals, disabled adults, and/or any other persons seeking refuge by linking them with medical or emergency services, family, friends, and community-based programs such as the Red Cross or the appropriate government agency(ies) that can provide assistance.

10.17.11.10.2 Coordinating services for Older Individuals and disabled adults who may be bedbound, dependent upon dialysis, or have life-threatening, chronic illnesses that require immediate emergency intervention.

10.17.11.10.3 Relocating homebound, high risk Clients to a safe location, and coordinating and arranging emergency transportation to a predetermined location.

10.17.11.11 Additional Emergency and Disaster Preparedness Policies and Procedures for Home-Delivered Meal Program Services

10.17.11.12 The Emergency and Disaster Plan must follow the instructions the Emergency Planning Policies and Procedures section of the Los Angeles County Area Agency on Aging Foodservice Standard Operating Procedures manual.
10.17.11.13 Subrecipient shall develop a prearranged agreement with local food vendor(s) or community-based organization(s) to assist with the provision of food to homebound Clients for a minimum of three (3) days in the event that their usual meal deliveries are disrupted as stated in Subsection 10.17.5. Food items should include water, frozen meals and non-perishable goods.

10.17.11.14 Subrecipient shall have on file a written plan for continuity of Service following an emergency for a minimum duration of 72 hours or longer if Client needing Service is frail or high risk.

10.17.12 Additional Emergency and Disaster Preparedness Policies and Procedures for Congregate Meal Program Services


10.17.12.2 Subrecipient shall develop a prearranged agreement with local food vendor(s) or community-based organization(s) to assist with the provision of food on site in the event of disruption to the usual meal service.

10.17.12.3 Subrecipient shall develop a written escape plan and route diagram for Clients receiving Congregate Meals. The written escape plan and route diagram shall be visible and posted at the meal site.

10.17.12.4 Subrecipient’s Congregate Meal site(s) must have evacuation procedures to facilitate the safe evacuation of Clients to secure locations.

10.17.12.5 Subrecipient shall develop a plan to feed 200 people per day for at least three (3) days if the Congregate Meal site is designated as a Disaster Site. Food items should include water, frozen meals and non-perishable goods. Instructions are provided in the Emergency Planning Policies and Procedures section of the Los Angeles County Area Agency on Aging Foodservice Standard Operating Procedures manual.

10.17.13 Communication Procedures with County
10.17.13.1 Subrecipient must provide a status update to County’s Emergency Coordinator or designee in the event of an emergency or disaster. The standard communication procedures during and after an emergency or disaster are as follows:

10.17.13.1.1 County’s Emergency Coordinator will provide information to Subrecipient and request feedback regarding the impact of the emergency or disaster on Clients, Program operations, facilities, and where feasible, the impact on Older Individuals, their family caregivers, individuals with disabilities, and any unmet needs in Los Angeles County (via text message, email, telephone, or any other method that is available).

10.17.13.1.2 Subrecipient will provide information to County’s Emergency Coordinator regarding the impact of the emergency or disaster and any unmet needs resulting from the event as soon as possible (via text message, email, telephone, or any other method that is available).

10.17.13.1.3 Information received by County’s Emergency Coordinator will be compiled into a report that will be submitted to the Los Angeles County Board of Supervisors and CDA Disaster Preparedness Coordinator.

10.18 Collaborations

10.18.1 Subrecipient must collaborate with County and City of Los Angeles network of providers and other similar community organizations, Adult Protective Services agencies, law enforcement agencies, and legal services providers in order to ensure comprehensive and coordinated Service delivery and to prevent unnecessary duplication of Services. Subrecipient is encouraged to share vital assessment information with other agencies providing Services to the Client in the home. However, in sharing information with other agencies, Subrecipient must
respect Client confidentiality rights, adhere to applicable confidentiality regulations, and follow appropriate protocols.

10.18.2 Subrecipient shall develop linkages with other community-based long-term care service providers, particularly those that see Clients at home.

10.18.3 Subrecipient shall establish procedures to protect all Client information consistent with the terms of this Subaward, any amendments thereto and all applicable laws, and shall not disclose Client information without written consent from County and Client.

10.19 **Community Outreach**

10.19.1 Subrecipient shall provide Community Outreach, which is defined as actively providing and disseminating Program information to the public on available Services for potential Clients. Subrecipient shall also market the Services to all ethnic groups in each Service area (i.e., Supervisory District, Region, etc.) in which the Services are being provided by Subrecipient. All materials must be presented in a culturally sensitive manner by Subrecipient.

10.19.2 Subrecipient shall ensure that information and assistance on Services are provided to all populations including, but not limited to, homeless, veterans and Lesbian-Gay-Bisexual-Transgender individuals.

10.20 **Customer Satisfaction Surveys**

10.20.1 Subrecipient shall conduct ongoing Customer Satisfaction Surveys with Clients and retain a copy of all surveys on file and accessible to County for review. The results of the surveys will be used by Subrecipient to make quality improvements in Services provided to all Clients. Subrecipient may be asked by County to comply with and develop other outcome measures.

10.20.2 Subrecipient shall disseminate the Customer Satisfaction Surveys to all Clients who receive Congregate and/or Home-Delivered Meals.

10.20.3 Subrecipient shall collect all Customer Satisfaction Survey responses, tally them during the closeout period, and submit forms to DASS Program subrecipient annually or as specified by County.

10.21 **Multipurpose Senior Centers**
10.21.1 If Subrecipient operates a Multipurpose Senior Center as defined under Title 42 United States Code Section 3002(36), Subrecipient must adhere to all applicable County, State and Federal guidelines and regulations, including, but not limited to, Title 22 California Code of Regulations Sections 7550 – 7562.

10.21.2 If Subrecipient operates a Multipurpose Senior Center, Subrecipient shall comply with the provisions contained in the following acts:

10.21.2.1 Copeland "Anti-Kickback" Act (Title 18 United States Code Section 874) (Title 29 Code of Federal Regulations Part 3)

10.21.2.2 Davis-Bacon Act (Title 40 United States Code Sections 3141-3142) (Title 29 Code of Federal Regulations Part 5)

10.21.2.3 Contract Work Hours and Safety Standard Act (Title 40 United States Code Sections 327-332) (Title 29 Code of Federal Regulations Part 5)


10.21.3 Subrecipient acknowledges that when an existing facility has been altered using Subaward Sums and is used as a Multipurpose Senior Center, the period of time in which such facility must be used as a Multipurpose Senior Center is as follows:

10.21.3.1 Not less than three (3) years from the date when this Subaward terminates or expires where the Subaward Sums, including the non-federal share, do not exceed thirty thousand dollars ($30,000).

10.21.3.2 If the Subaward Sums exceed thirty thousand dollars ($30,000), the fixed period of time shall not be less than three (3) years from the date when the Subaward terminates or expires, and increased one (1) year for each additional ten thousand dollars ($10,000), or part thereof, to a maximum adjustment factor of seventy-five thousand dollars ($75,000).
10.21.3.3 If the Subaward Sums exceed seventy-five thousand dollars ($75,000), the fixed period of time shall not be less than ten (10) years from the date when the Subaward expires or terminates.

10.22 **Adult Protective Services**

10.22.1 Subrecipient shall make referrals, as needed, to the Adult Protective Services Program (APS) via telephone (877) 477-3646 or online at [https://wdacs.lacounty.gov/programs/aps/](https://wdacs.lacounty.gov/programs/aps/). Subrecipient shall comply with all mandated reporting guidelines (Welfare and Institution Code (WIC) section 15630).

10.23 **Los Angeles Found Program**

10.23.1 Subrecipient shall make referrals, as needed, to the Los Angeles Found Program, a voluntary tracking system for individuals living with Alzheimer’s, dementia, autism or other cognitive impairments. Referrals are to be initiated by calling or e-mailing as follows: (833)569-7651 or LAFound@wdacs.lacounty.gov.

10.24 **Senior Farmers’ Market Nutrition Program**

10.24.1 Subrecipient shall participate in the annual Senior Farmers’ Market Nutrition Program (SFMNP). Subrecipient shall distribute SFMNP check booklets at all active Congregate Meal sites within the timeframe designated by County.

10.25 **Alternative Methods of Service Delivery During an Emergency**

10.25.1 In the event of an emergency (as determined by Federal authorities, State authorities, and/or County), County, at its sole discretion, may institute alternative methods that Subrecipient shall follow to deliver Services under this Subaward.

11.0 **GREEN INITIATIVES**

11.1 Subrecipient shall use reasonable efforts to initiate “green” practices for environmental and energy conservation benefits.

11.2 Subrecipient shall not use expanded polystyrene (Styrofoam) food and beverage containers in the delivery of food service for both Congregate and Home-Delivered Meals.

11.3 Subrecipient shall purchase products that minimize environmental impacts, toxins, pollution and hazards to worker and community safety to the greatest extent practicable.
11.4 Subrecipient shall purchase, to the extent possible, reusable and durable goods, biodegradable single-use products, products that include recycled content, conserve energy and water, use agricultural fibers and residues, reduce greenhouse gas emissions, use unbleached or chlorine free manufacturing processes, and use wood from sustainable harvested forests.

11.5 Subrecipient shall support strong recycling markets, reduce materials that are put into landfills, and increase the use and availability of environmentally preferable products that protect the environment.

11.6 To the extent practicable, Subrecipient shall not use cleaning or disinfecting products (i.e., for janitorial use) that contain carcinogens, mutagens, or teratogens. These include chemicals listed by the United States Environmental Protection Agency or the National Institute for Occupational Safety and Health on the Topics Release Inventory and those listed under Proposition 65 by the California Office of Environmental Health Hazard Assessment.

11.7 Subrecipient shall notify County’s Program Manager of Subrecipient’s new green initiatives seven (7) days prior to the commencement of this Subaward.

12.0 PERFORMANCE REQUIREMENTS SUMMARY

12.1 All listings of Services and requirements reflected in Attachment 1 (Performance Requirements Summary Chart) are intended to be completely consistent with this Subaward and this Statement of Work, and are not meant in any case to create, extend, revise, or expand any obligation of Subrecipient beyond this Subaward and this Statement of Work. In any case of apparent inconsistency between Services and requirements as stated in this Subaward, this Statement of Work, and the Performance Requirements Summary Chart, the meaning apparent in this Subaward and this Statement of Work will prevail. If Subrecipient initiates a request for a review and as a result, County determines any Services seems to be created in Attachment 1 (Performance Requirements Summary Chart) which is not clearly and forthrightly set forth in this Subaward and this Statement of Work then that apparent Service will be null and void and place no requirement on Subrecipient.
June 17, 2020

The Honorable Mayor and City Council
City of El Monte
11333 Valley Boulevard
El Monte, CA  91731

Dear Mayor and City Council:

CONSIDER AND AUTHORIZE A CONTRACT EXTENSION WITH TRIO COMMUNITY MEALS TO PROVIDE MEALS FOR THE ELDERLY NUTRITION PROGRAM FOR FISCAL YEAR 2020/2021

IT IS RECOMMENDED THAT THE CITY COUNCIL:

1. Consider and approve a one (1) year contract extension with Trio Community Meals, to continue to provide meals for the Elderly Nutrition Program. The value of the contract is approximately $103,000 and is dependent on the number of actual meals served; and

2. Authorize the City Manager, or her designee to execute the Food Service Agreement extension.

BACKGROUND

The City of El Monte has participated in the Elderly Nutrition Program for the last 41 years, with an average of 25,000 hot and cold meals served annually. The Elderly Nutrition Program is funded through the Los Angeles County Workforce Development Aging and Community Services - Older Americans Act. Based on the number of meals served in preceding years, the Parks, Recreation and Community Services Department will allocate $103,000 to purchase meals at $4.12 per meal from Trio Community Meals. The department anticipates serving approximately 480 meals per week for the 2020/2021 year.
PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Due to the current pandemic, the City along with the guidance of the County of Los Angeles was not able to complete its normal RFP procedures thus resulting in a recommendation to extend the contract for one (1) year.

Trio Community Meals (previously known as Morrison Management Specialist) has provided catered meals to the City of El Monte for approximately seventeen (17) years. In order to continue with seamless and uninterrupted services, staff is recommending the extension of Trio Community Living agreement for one (1) year. The term of the proposed contract extension is July 1, 2020 – June 30, 2021. Upon approval from the City Council, staff will execute the one (1) year extension and monitor the quality of food in collaboration with the Consulting Nutritional Services on a monthly basis.

FISCAL IMPACT/FINANCING

The Elderly Nutrition Program annual budget is approximately $178,750 which includes: operations, (including the cost of the meals), part-time and full-time staffing. The Elderly Nutrition Program has various funding sources including: $115,000 grant from Los Angeles County Workforce Development, Aging and Community Services; $17,750 from the Nutrition Services Incentive Program of the United States Department of Agriculture; approximately $25,000 from suggested participant meal donations; and $21,000 in City program funds. The $103,000 meal contract will be funded through the Elderly Nutrition Program grant allocation of $115,000.

CONCLUSION

It is recommended that the City Council consider and approve a one (1) year contract extension with Trio Community Meals, to continue to provide meals for the Elderly Nutrition Program. Authorize the City Manager, or her designee to execute the Food Service Agreement extension.
Respectfully submitted,

ALMA K. MARTINEZ
City Manager

SALVADOR MENDEZ
Parks, Recreation and Community Services Acting Director

ATTACHMENT
Attachment 1 – Trio Extension Contract
FY 2020-2021
FOOD SERVICE AGREEMENT
(Parties: City of El Monte – Trio Community Meals)

THIS LOWER TIER SUBAWARD (“Lower Tier Subaward” or “Agreement”) is dated this ___ day of ___________ 2020, but shall take effect on the date in which it is signed by all of the parties hereto (“Effective Date”), executed in duplicate at Los Angeles, California, is made by and between the City of El Monte (“Subrecipient”), and Trio Community Meals (“Lower Tier Subrecipient”). For the purposes of this Lower Tier Subaward, Subrecipient and Lower Tier Subrecipient may be referred to collectively by the capitalized term “Parties”. The capitalized term “Party” refers either to Subrecipient, or Lower Tier Subrecipient.

WITNESSETH

WHEREAS, the Subrecipient and the County of Los Angeles (“County”) have entered into a Subaward which authorizes the Subrecipient to provide certain services, said Subaward being Number _______ of County contracts, dated ____ July 1, 2020 (“County Agreement”, attached hereto as “Exhibit A”); and

WHEREAS, the aforesaid Subaward provides that the Subrecipient may subcontract for certain professional services subject to prior County approval, where subcontracts are referred to in general as lower tier subawards; and

WHEREAS, the Subrecipient desires to engage the Lower Tier Subrecipient to provide professional services as detailed elsewhere in this Lower Tier Subaward; and

WHEREAS, the Lower Tier Subrecipient desires to perform and provide such services.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

AGREEMENT

Section 1. Scope of Services

A. This Agreement is a Lower Tier Subaward, under the terms of a prime Subaward, identified as Subaward Number ______, with the County of Los Angeles Workforce Development, Aging and Community Services, and shall be subject to all of the provisions of this prime Subaward. All
representations and warranties under this Lower Tier Subaward shall inure to the benefit of the County of Los Angeles.

B. The Lower Tier Subrecipient shall perform and provide the services as set forth in the “Scope of Work,” attached hereto as “Exhibit B” and hereby incorporated herein by reference.

C. The rights and obligations of the Parties under this Lower Tier Subaward shall be subject to and governed by the Scope of Work, the County Agreement (attached hereto as “Exhibit A” and hereby incorporated herein), and by the provisions provided in this Lower Tier Subaward.

D. In the case of any conflict between the Lower Tier Subrecipient’s obligations under the County Agreement, the Scope of Work, and this Lower Tier Subaward, Lower Tier Subrecipient shall, to the extent possible, comply with all provisions in this Lower Tier Subaward, the Scope of Work, and the County Agreement.

Section 2. Representatives of the Parties and Service of Notice The representatives of the respective Parties who are authorized to administer this Lower Tier Subaward and to whom formal notices, demands and communications shall be given are as follows:

A. The representative of the Subrecipient shall be, unless otherwise stated in the Lower Tier Subaward:

Salvador Mendez, Acting Director
Parks, Recreation and Community Services
City of El Monte
3130 N Tyler Avenue
El Monte, CA 91731

and

Jessica Zuniga, Acting Recreation Supervisor
Parks, Recreation and Community Services
Community and Senior Services Division
3130 N Tyler Avenue
El Monte, CA 91731

B. The representative of the Lower Tier Subrecipient shall be:

John Kirk, Managing Director
Trio Community Meals
10 Canebrake Suite 120
Flowood, MS 39232
Section 3. Compensation to the Lower Tier Subrecipient. The Subrecipient shall pay the Lower Tier Subrecipient the following amounts per meal:

- Hot Meals: $4.12
- Box Lunches: $4.12
- Special Meals-Dinner: $6.73

Section 4. Time of Performance. The term of this Lower Tier Subaward shall commence on July 1, 2020 and end June 30, 2021 provided that said term is subject to the provisions of Section 14, Indemnity, Liability, and Insurance Requirements and Section 18, Termination, and availability of Federal funds through the Workforce Development, Aging and Community Services (AAA).

In the fiscal year there are 251 serving days including the following holidays and special occasions (special menus):

- Independence Day
- Labor Day
- St. Patrick’s Day
- Easter
- Cinco de Mayo
- Mother’s Day
- New Year’s

- Ash Wednesday
- Valentine’s Day
- Halloween
- Thanksgiving
- Christmas
- Father’s Day

Section 5. Notices, Demands, and Communications

A. Formal notices, demands, and communications to be given hereunder by either Party shall be made in writing and may be affected by personal delivery or by registered or certified mail, return receipt requested and shall be deemed effective as of the date of mailing.

B. Such notices, demands, and communications shall be addressed as set forth below:

   (1) For the Subrecipient: authorized signatory
       Salvador Mendez, Acting Director
       Parks, Recreation and Community Services
       City of El Monte
       3130 N Tyler Avenue
       El Monte, CA 91731

   With courtesy copies to:
       Jessica Zuniga, Acting Recreation Supervisor
       Parks, Recreation and Community Services
       Community and Senior Services Division
       3130 N Tyler Avenue
       El Monte, CA 91731

and
Alma K. Martinez, City Manager  
City of El Monte  
11333 Valley Boulevard  
El Monte, CA 91731

(2) For the Lower Tier Subrecipient:  
John Kirk, Managing Director  
Trio Community Meals  
10 Canebrake Suite 120  
Flowood, MS 39232

C. If the name of the person designated to receive the notices, demands, or communications or the address of such person is changed, written notice shall be given, in accord with this section, within five (5) working days of said change.

Section 6. Audit Records and Bonding

A. The Lower Tier Subrecipient shall maintain financial records and reports related to funds received under this Lower Tier Subaward.

B. Lower Tier Subrecipient shall remain fully responsible for all performance and fiscal monitoring required of it under this Lower Tier Subaward, including those that the Subrecipient has determined to sub-contract with, notwithstanding County’s approval of Subrecipient’s proposed sub-contract.

C. The Lower Tier Subrecipient shall maintain books, records, documents, and other accounting procedures and practices which reflect all costs of any nature, including cost of raw food and labor costs expanded in the performance of the Lower Tier Subaward.

D. These records shall be subject to audit or inspection by duly authorized County State or Federal Personnel.

E. The Lower Tier Subrecipient shall maintain all books, records, and other documents relative to the Lower Tier Subaward for three (3) years after final payment or audit by the United States Department of Health and Human Services. The California Department of Aging, the County of Los Angeles or five (5) years if no audit has occurred.

F. The Lower Tier Subrecipient shall provide to the Subrecipient, on an annual fiscal year basis, an Insurance Certification that all persons handling funds received or disbursed by this Lower Tier Subaward are covered by Fidelity Insurance, Liability Insurance, Workman’s Compensation Insurance and applicable Automobile Insurance.

G. The Lower Tier Subrecipient shall provide, on an annual basis, an official
copy of the Certified Public Accountant audit which shall be conducted following generally accepted audit practices, to determine that there has been a proper accounting for and use of Subaward funds. All records of the Lower Tier Subrecipient bearing upon food purchases, storage, and food preparation directly related to said program under this Lower Tier Subaward shall be made available to the Subrecipient upon request.

H. The Lower Tier Subrecipient shall furnish reports as required by the Subrecipient, Los Angeles County Workforce Development, Aging, and Community Services and the U.S. Administration on Aging.

I. The Lower Tier Subrecipient shall use standardized recipes which meet Hazard Analysis and Critical Control Point ("HACCP") requirements as part of their HACCP Program and which shall be available to Subrecipient and the Los Angeles County Los Angeles County Workforce Development, Aging, and Community Services for review.

J. The Lower Tier Subrecipient shall supply raw food and labor costs to the Subrecipient as needed.

K. The Lower Tier Subrecipient shall permit periodic monitoring of contracted activities by the Subrecipient, Dietary Administrative Support Services Subrecipient, County, State, or Federal personnel.

Section 7. Permit and Licenses. The Lower Tier Subrecipient shall hold valid permits, licenses, certificates, and other documents as are required by the State, County, City, or other governmental or regulatory bodies to legally engage in and perform the services to be provided under this Lower Tier Subaward such as business license, public health license, Los Angeles County Health Department Inspection Reports, annual Fire Inspection Certificates, and other documents attached for the County’s approval. The Lower Tier Subrecipient shall notify the Subrecipient of any suspension, termination, lapses, non-renewals, or restrictions of required licenses, certificates, or other documents which may be cause for termination of this this Lower Tier Subaward.

Section 8. Conflict of Interest

A. The Lower Tier Subrecipient, during the period to be covered by this Lower Tier Subaward, shall have no interest, direct or indirect, with respect to the Subrecipient which would create a conflict of interest.

B. No member, officer, or employee of the Subrecipient and no official, officer, or employee of the County of Los Angeles who exercises any responsibilities or functions with respect to the Subrecipient during his tenure or for one year thereinafter, shall have any interest direct or indirect, in this Lower Tier Subaward or the proceeds thereof.

C. The Lower Tier Subrecipient warrants that no person has been employed to solicit or secure this Lower Tier Subaward upon any agreement for a commission, percentage, brokerage, or contingent fee. Breach of this
warranty shall give the Subrecipient the right to terminate this Lower Tier Subaward or, at the discretion of Subrecipient, to deduct from the Lower Tier Subrecipient’s fees the amount of such commission, percentage, brokerage or contingent fee.

Section 9. Independent Subrecipient Status of the Lower Tier Subrecipient The Parties agree that the performance of the Lower Tier Subrecipient’s services hereunder shall be in the capacity of an independent subrecipient and that no employees of the Lower Tier Subrecipient have been, are, or shall be employees of the Subrecipient or County by virtue of this Lower Tier Subaward, and the Lower Tier Subrecipient shall so inform each employee organization and each employee who is hired or retained under this Lower Tier Subaward.

Section 10. Assignment or Transfer of Interest The Lower Tier Subrecipient shall not assign or transfer any interest in this Lower Tier Subaward, except that claims for monies due or to become due from the Subrecipient under this Lower Tier Subaward may be assigned to a bank, trust company, or other financial institution, or withheld by the County.

Section 11. Applicable Sections of Subaward Between the County of Los Angeles and the Subrecipient The Subrecipient and Lower Tier Subrecipient agree that all conditions set forth in the Subaward between the County and the Subrecipient, as applicable in the performance of this Lower Tier Subaward, are hereby included herein by reference as though set forth fully herein, and that the Lower Tier Subrecipient shall adhere to all terms and conditions therein. (A true and correct copy of the agreement between the County and the Subrecipient is attached and incorporated hereto as Exhibit “A”.)

Section 12. Discrimination Prohibited

A. The Lower Tier Subrecipient shall not discriminate against any employee or person served on account of race, color, sex, religious background, ancestry, national origin, or disability in its performance of this Lower Tier Subaward, and hereby agrees to comply with all Federal, State, and County laws or regulations pertaining hereto, including the Americans with Disabilities Act and applicable Civil Rights Acts.

B. It is expressly understood that upon receipt of evidence such discrimination, the Subrecipient shall have the right to terminate this Lower Tier Subaward.

C. Affirmative Action: A written affirmative action plan, embodying both (1) goals and timetables of minority manpower utilization and (2) specific affirmative action steps directed at increasing minority utilization by means of applying good faith efforts to carry out such steps is to be included.

Section 13. Indemnity, Liability and Insurance Requirements

A. The Lower Tier Subrecipient agrees to indemnify and hold harmless the
Subrecipient and the County of Los Angeles, their officers, employees and assigns, against any and all claims arising from acts, omissions, or negligence of the Lower Tier Subrecipient, its officers or employees. The Lower Tier Subrecipient shall defend any suit against the Subrecipient and County alleging personal injury, sickness, or disease arising out of meals served at the project sites provided food is served within two (2) hours after delivery.

B. The Subrecipient shall promptly notify the Lower Tier Subrecipient in writing of any claims against the Lower Tier Subrecipient or Subrecipient and, in the event of a suit being filed. The Lower Tier Subrecipient shall promptly forward to the Subrecipient all papers in connection therewith. The Subrecipient shall not incur any expenses or make any settlement without the Lower Tier Subrecipient's consent. However, if Lower Tier Subrecipient refuses or neglects to defend any such suit, the Subrecipient may defend, adjust, or settle any such claim, and the cost of such defense, adjustment, or settlement, including reasonable attorney’s fees, shall be charged to the Lower Tier Subrecipient.

C. The Lower Tier Subrecipient shall furnish proof in the form of a hand-signed certificate of insurance that he/she carries insurance in the minimum amounts listed below prior to commencement or performance under this this Lower Tier Subaward. Such coverage shall be maintained currently effective until receipt of final payment under terms of this Lower Tier Subaward.

1) General Liability Insurance with limits of not less than the following:
   - General Aggregate: $2 million
   - Products/Completed Operations Aggregate: $1 million
   - Personal and Advertising Injury: $1 million
   - Each Occurrence: $1 million

2) Professional Liability: Insurance covering liability arising from any error omission, negligent or wrongful act of the Lower Tier Subrecipient, its officers or employees with limits of not less than $1 million per occurrence and $3 million aggregate.

3) Workers Compensation and Employer's Liability Insurance providing workers compensation benefits in accordance with Section 3700 and 3800 of the Labor Code of the State of California.

The above insurance also shall include Employer's Liability coverage with limits of not less than the following:

   - Each Accident: $1 million
   - Disease-policy limit: $1 million
   - Disease-each employee: $1 million
4) Automobile Liability Insurance with a limit of liability of not less than $1 million for each accident. Such insurance shall include coverage for all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto."

D. In the event of any new or additional meal locations are started, the insurance carrier shall name all new or additional sites as insured under the policy.

E. Failure on the part of the Lower Tier Subrecipient to procure or maintain required insurance shall constitute a material breach of agreement and Subrecipient may immediately terminate or suspend this Lower Tier Subaward.

Section 14. Completion with Statutes and Regulations

A. In the performance of this Lower Tier Subaward, the Lower Tier Subrecipient shall obey all laws of the United States, the State of California, and the ordinances, regulations, policies, codes and provisions of the County of Los Angeles County Workforce Development, Aging, and Community Services.

B. The Lower Tier Subrecipient shall conform to the nutrition requirements under Title III-C of the Older Americans Act of 1965, as amended, including providing the minimum Title III-C requirement per person of one third of the Recommended Daily Allowance (RDA).

C. The Lower Tier Subrecipient shall comply with the California Uniform Retail Food Facilities Law (CURFFL), the HACCP requirements and Los Angeles County Workforce Development, Aging, and Community Services Policies and Procedures for Senior Nutrition Sites, Central Kitchens, and Home Delivered Meals.

Section 15. Federal, State and Local Taxes Federal, State, and local taxes shall be the responsibility of the Lower Tier Subrecipient as an independent subrecipient, and not as Subrecipient's employee.

Section 16. Renewal Options This Lower Tier Subaward will be automatically renewed annually in the form of an amendment, unless either Party has given thirty (30) days advance notice. However, all agreements must be put out to bid during the Los Angeles County Workforce Development, Aging, and Community Services RFP period. Subrecipients must publicly bid on subsequent project year food contract. Bids will be awarded based on cost, capacity to provide service, proven competency, quality of product, proximity of meal locations, or other justifiable reasons subject to review and acceptance by the Los Angeles County Workforce Development, Aging, and Community Services.
Section 17. Termination
This Lower Tier Subaward may be terminated by the Subrecipient at any time within the period of its duration upon not less than thirty (30) days written notice by the Subrecipient to the Lower Tier Subrecipient or immediately for cause. The Lower Tier Subrecipient may not terminate this Lower Tier Subaward upon not less than thirty (30) days written notice to the Subrecipient. Notice shall be as provided in Section 5 herein.

In addition, this Lower Tier Subaward may be terminated because of lack of funds, repeated citations by the Los Angeles County Workforce Development, Aging, and Community Services, and failure to make corrective actions required by the Area Agency on Aging. In the event funds to finance this Lower Tier Subaward, or part of this Lower Tier Subaward, become unavailable, the obligations of each Party hereunder may be terminated upon no less than ten (10) days written notice to the other Party. Said notice shall be delivered by certified mail, telegram or in person. The Los Angeles County Workforce Development, Aging, and Community Services shall be the final authority as to the availability of Federal or State funds. Waivers of breach of any provision of this Lower Tier Subaward shall be construed to be a modification of terms of the Lower Tier Subaward.

Section 18. Negotiations of Disputes
Any disputes of law or fact between the Subrecipient and the Lower Tier Subrecipient shall settle between the Parties concerned in such a manner that it will not delay or adversely affect the performance of the Subrecipient. Should any questions still remain unresolved, the dispute will be submitted to the Director of the Los Angeles County Workforce Development, Aging, and Community Services or his/her designee to render a decision. Said decision will be binding upon the Subrecipient and Lower Tier Subrecipient.

Section 19. Prior Approval of Lower Tier Subrecipients
The Lower Tier Subrecipient shall not enter into any lower tier subawards, for all or part of the services contemplated under this Lower Tier Subaward without obtaining prior written approval of the Subrecipient and the Los Angeles County Workforce Development, Aging, and Community Services which shall then be made a part of the original Agreement. No lower tier subawards shall be approved which would incur an obligation higher than the original agreed upon price.

Section 20. Fair Labor standards Compliance
Lower Tier Subrecipient agrees to indemnify, defend, and hold harmless the County of Los Angeles and Subrecipient, its agents, officers, and employees from any and all liability including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorney’s fees arising under any wage and hour law including, but not limited to, the Federal Fair Labor Standards Act, for services performed by the Lower Tier Subrecipient’s employees for which the Subrecipient or County may be found jointly or solely liable.

Section 21. Citizenship Laws
Lower Tier Subrecipient and Subrecipient warrants their full compliance with all laws regarding employment of aliens and others, and that all its employees performing services hereunder meet the citizenship or alien status requirements contained in the Federal Immigration Reform and Control Act of 1986. Lower Tier Subrecipient and Subrecipient shall obtain, from all covered employees
services hereunder, all verification and other documentation of employment eligibility status required by Federal statutes and regulations as they currently exist and as they may be hereafter amended. Lower Tier Subrecipient and Subrecipient shall indemnify, defend and hold harmless the County, its officers, and employees from employer sanctions and any other liability which may be assessed against Lower Tier Subrecipient and Subrecipient or County or both in connection with any alleged violation of Federal statues or regulations pertaining to the eligibility for employment of persons performing services under this Lower Tier Subaward.

Section 22. Lower Tier Subrecipient Staffing Requirements To assure all meals are prepared in a safe, sanitary environment, in compliance with the California Health and Safety Code, the Los Angeles County Workforce Development, Aging, and Community Services Standard Operating Procedures Manual, the Lower Tier Subrecipient shall comply with the following requirements:

A. The Lower Tier Subrecipient shall hire a part-time Registered Dietician (minimum 20 hours a week) who possesses a Bachelor's Degree and/or Master's Degree in Nutrition/Dietetic with an institutional food management emphasis from an accredited college or university, for supervision of the food services operation within the catering company and/or central kitchen; or

B. The Lower Tier Subrecipient shall hire a qualified Food Service Manager who possesses a B.S. Degree in Food and Nutrition with emphasis on food service management or restaurant management from an accredited college or university, plus two (2) years professional experience as a food services supervisor; no less than six (6) years of experience in the food service industry at a supervising level can be substituted for the 4-year degree requirements.

C. The Lower Tier Subrecipient must submit, to the Subrecipient, the registration I.D. number and expiration date of the Registered Dietician along with complete verifiable resumes of the Registered Dietician or Food Service manager for the Los Angeles County Workforce Development, Aging, and Community Services approval.

D. The City may, at its sole discretion, waive this requirement or, for repeated deficiencies of non-compliance, require the Lower Tier Subrecipient to fill both positions, and/or expand the required positions to full time positions.

E. The County’s consent to sub-contract shall not waive County’s right to prior and continuing approval by the County’s Contract Manager of the hiring of a Food Services Manager responsible for the direct administration of food services for seniors.

Section 23. Date of Execution The Parties hereto agree that the first Party to execute this Lower Tier Subaward shall enter the date executed in the blank provided herein on both duplicate originals, which date shall be the date this Lower Tier Subaward is made, provided, however, that the term shall be the period set forth in Section 4 herein.
Section 24. Complete Agreement This Lower Tier Subaward and Exhibits A and B contain the full and complete agreement between the Parties and incorporated herein by reference. No verbal agreement or conversation with any officer or employee of either Party shall affect or modify any terms and conditions of this this Lower Tier Subaward.

Section 25. Counterparts This Lower Tier Subaward shall be executed in three (3) original counterparts each of which shall be of equal force and effect. One counterpart shall be delivered to the Lower Tier Subrecipient, one counterpart shall be delivered to the City Clerk for archiving and one counterpart shall be delivered to Parks, Recreation and Community Services for day-to-day reference. No handwritten or typewritten amendment, modification or supplement to any one counterpart shall be valid or binding unless made to all three counterparts in conformity with Section 31, below.

Section 26. Compliance With all Laws Lower Tier Subrecipient shall at its own cost and expense comply with all statutes, ordinances, regulations and requirements of all governmental entities, including federal, state, county or municipal, whether now in force or hereinafter enacted.

Section 27. Waiver A waiver by either Party of any breach, of any term, covenant or condition contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition contained herein, whether of the same or a different character.

Section 28. Conflicts or Inconsistencies In the event there are any conflicts or inconsistencies between this Lower Tier Subaward, and any attachments attached hereto, the terms of this Lower Tier Subaward shall govern, subject to the conditions of Section 1(C) above.

Section 29. Interpretation The terms of this Lower Tier Subaward shall be construed in accordance with the meaning of the language used and shall not be construed for or against either Party by reason of the authorship of the Lower Tier Subaward or any other rule of construction which might otherwise apply.

Section 30. Amendments All changes in the terms of this Lower Tier Subaward, including any changes to the scope of services or compensation amount, require prior written approval from the County and must be incorporated into this Lower Tier Subaward by a formal written amendment executed by both Parties and approved as to form by the City Attorney.

Section 31. Severability If any term or portion of this Lower Tier Subaward is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Lower Tier Subaward shall continue in full force and effect.

Section 32. Controlling Law and Venue The laws of the State of California shall govern this Lower Tier Subaward and all matters relating to it and any action brought relating to this Lower Tier Subaward shall be adjudicated in a court of competent jurisdiction in the County of Los Angeles County.
IN WITNESS WHEREOF, the Subrecipient and the Lower Tier Subrecipient have caused this Lower Tier Subaward to be executed by their duly authorized representatives.

Executed this ____________ day of _________________, 2020

For:
City of El Monte

__________________________________________________________
Salvador Mendez
Acting Director of Parks Recreation & Community Services

Executed this ____________ day of _________________, 2020

For:
Trio Community Meal

__________________________________________________________
John Kirk
Managing Director

APPROVED AS TO FORM:

__________________________________________________________
City Attorney
EXHIBIT "A"
COUNTY AGREEMENT
SUBAWARD

BY AND BETWEEN

COUNTY OF LOS ANGELES

WORKFORCE DEVELOPMENT, AGING AND COMMUNITY SERVICES

AND


FOR

ELDERLY NUTRITION PROGRAM

SUBAWARD NUMBER __________

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RECITALS

This agreement for services ("Subaward" or "Contract") is made and entered into this [@Contract_Date@] by and between the parties identified below:

County of Los Angeles through its Department of
Workforce Development, Aging and Community Services
("County")

County's Business Address:
3175 West Sixth Street
Los Angeles, CA 90020

and

[@Supplier Name@]
("Subrecipient" or "Contractor")

Subrecipient's Business Address:
[@Supplier Address Line1@]
[@Supplier City@], CA  [@Supplier Zip Code@]

WHEREAS, pursuant to the provisions of the Older Americans Act Title 42 United States Code Section 3001 et seq. ("OAA") and the Mello-Granlund Older Californians Act California Welfare and Institutions Code Section 9000 et seq.("OCA"), the California Department of Aging ("CDA" or "State") is authorized to administer elements of the OAA and OCA as it relates to the provision of nutrition services; and

WHEREAS, County may operate programs which are determined to serve public purposes and County may contract with agencies for the provision of such services; and

WHEREAS, County has established its Elderly Nutrition Program ("ENP" or "Program"), and County and Subrecipient agree to engage contractually whereby Subrecipient shall provide ENP Services as specified in Exhibit A (Statement of Work) and elsewhere herein in exchange for County's reimbursement to Subrecipient for those Services;

WHEREAS, Subrecipient warrants that it possesses and shall maintain the competence, expertise and personnel necessary to provide such ENP Services within County's jurisdictional boundaries for Supervisorial District [@SupDistrict@] throughout the term of this Subaward; and

WHEREAS, Subrecipient further warrants that throughout the entirety of this Subaward, Subrecipient shall establish and implement written administrative, management and personnel policies and procedures to govern the management and administration of ENP in order to ensure that all goals and objectives are achieved as contracted; and

WHEREAS, County and Subrecipient recognize and agree that specific terms (including, but not limited to, Subrecipient, Contractor, Subaward, Contract, etc.) which are used throughout this agreement for Services are required to be used interchangeably in order to comply with Federal, State and County regulations as stated in Subparagraph 2.2.

NOW therefore, in consideration of the mutual promises, covenants and conditions set forth herein, the
parties County and Subrecipient hereto agree as follows:

1.0 APPLICABLE DOCUMENTS

1.1 Exhibits A, D, E, F, G1, H, I, N, O, P, Q, R, S, U, V, W1, W2, W3, X1, X2, X3, Y, AA, BB, and CC are attached to and form a part of this Subaward. This Subaward constitutes the complete and exclusive statement of understanding between the parties, which supersedes all previous agreements, written or oral, and all other communications between the parties relating to the subject matter of this Subaward. No change to this Subaward shall be valid unless prepared pursuant to Subparagraph 8.1 (Amendments) and signed by both parties.

1.2 Intentionally Omitted

1.3 The headings, page numbers, Paragraph and Subparagraph numbers contained in this Subaward are for convenience and reference only and are not intended to define the scope of any provision here in.

1.4 References in this Subaward to Federal, State, County and/or other governmental laws, rules, regulations, ordinances, guidelines, directives and Program memoranda shall mean such laws, rules, regulations, ordinances, guidelines, directives and Program memoranda as amended, revised and/or modified from time to time. To access current County directives, contact your assigned Contract Analyst or visit County’s website at: http://wdacs.lacounty.gov/programs/program-directives/.

1.5 Unless expressly stated otherwise, all approvals, consents and determinations made by or on behalf of County, under this Subaward, shall be in writing, and shall be given or made in the sole discretion of the person or County agent authorized to provide such approval or consent.

1.6 In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, Service, or other work, or otherwise between the base Subaward and the Exhibits, or between Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the terms and conditions of the Subaward and then to the Exhibits according to the following priority:

1.6.1 Exhibit A (Statement of Work)

1.6.2 Exhibit D (Subrecipient’s Equal Employment Opportunity Certification)

1.6.3 Exhibit E (County’s Administration)

1.6.4 Exhibit F (Subrecipient’s Administration)

1.6.5 Exhibit G1 (Subrecipient Acknowledgement and Confidentiality Agreement)

1.6.6 Exhibit H (Jury Service Ordinance)

1.6.7 Exhibit I (Safely Surrendered Baby Law)
1.6.8 Exhibit N (Business Associate Agreement Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA))

1.6.9 Exhibit O (Charitable Contributions Certification)

1.6.10 Exhibit P (Definitions)

1.6.11 Exhibit Q (Accounting, Administration and Reporting Requirements)

1.6.12 Exhibit R (Joint Funding Revenue Disclosure)

1.6.13 Exhibit S (Purchase, Inventory and Disposal Requirements for Fixed Assets, Non-Fixed Assets and Supplies)

1.6.14 Exhibit U (Certification of Compliance with County’s Defaulted Property Tax Reduction Program)

1.6.15 Exhibit V (Contract Management System - Contractor's Gateway Terms and Conditions of Use)

1.6.16 Exhibit W1 (Budget)

1.6.17 Exhibit W2 (Budget)

1.6.18 Exhibit W3 (Budget)

1.6.19 Exhibit X1 (Mandated Program Services)

1.6.20 Exhibit X2 (Mandated Program Services)

1.6.21 Exhibit X3 (Mandated Program Services)

1.6.22 Exhibit Y (List of Lower Tier Subawards)

1.6.23 Exhibit AA (Subrecipient’s Compliance with Encryption Requirements)

1.6.24 Exhibit BB (Criteria and Standards for Letters of Credit and Certificates of Deposit)

1.6.25 Exhibit CC (FEMA Provisions)

1.7 In addition to the terms and conditions listed herein, Subrecipient shall comply with the State's terms and conditions and shall obtain the most current version of the CDA contract and any amendments thereto which are available online as follows: https://wdacs.lacounty.gov/doing-business-with-wdacs/.

1.8 All forms of written communications (including but not limited to letters (i.e., allocation letters, etc.), notices, directives, e-mails, etc.) provided to Subrecipient pertaining to Program Services, operations, funding, budgeting, and the like are hereby incorporated by reference and shall form a part of this Subaward. Subrecipient shall comply with all directions and instructions issued by County through these forms of communication.
2.0 DEFINITIONS AND HEADINGS

2.1 The headings herein contained are for convenience and reference only and are not intended to define the scope of any provision thereof. Exhibit P (Definitions) provides the meaning of key words used herein. These definitions shall be construed to have the meaning provided, unless otherwise apparent from the context in which they are used, or specifically noted herein.

2.2 In order to comply with the requirements of Title 45 Code of Federal Regulations Part 75 et seq. and Title 2 Code of Federal Regulations Part 200 et seq., throughout the entirety of this Subaward, specific terms are used to refer to this agreement which is identified as "Subaward By and Between County of Los Angeles Workforce Development, Aging and Community Services and [Supplier Name @] for [Program Name @] Services Subaward Number [PO Document Number @] Subaward Period [Subaward Period @]" ("Subaward"), the party to this agreement who is identified as [Supplier Name @] ("Subrecipient"), a third-party agreement ("Lower Tier Subaward") and a third-party ("Lower Tier Subrecipient"). In order to comply with County of Los Angeles statutes and Board mandates, in some instances, other similar terms are also used to refer to this agreement which is identified as "Subaward By and Between County of Los Angeles Workforce Development, Aging and Community Services and [Supplier Name @] for [Program Name @] Services Subaward Number [PO Document Number @] Subaward Period [Subaward Period @]" ("Contract"), the party to this agreement who is identified as [Supplier Name @] ("Contractor"), a third-party agreement ("Subcontract") and/or a third-party ("Subcontractor"). In all cases, when the terms Subaward, Subrecipient, Lower Tier Subaward and Lower Tier Subrecipient are used then these shall have the meaning provided herein and as noted in Exhibit P (Definitions).

3.0 WORK

3.1 Pursuant to the provisions of this Subaward, Subrecipient shall fully perform, complete and deliver on time, all tasks, deliverables, Services and other work as set forth herein.

3.2 If Subrecipient provides any tasks, deliverables, goods, Services, or other work, other than as specified in this Subaward, the same shall be deemed to be a gratuitous effort on the part of Subrecipient, and Subrecipient shall have no claim whatsoever against County.

3.3 In the performance of this Subaward, Subrecipient shall comply with the following (which may be amended, modified or revised from time to time by County and/or other funding authorities): all terms and conditions of this Subaward (including all terms contained in the Exhibits hereto) as well as those imposed and required by County and/or other funding authorities; all Program memoranda; implementing regulations; grant requirements; and, all relevant rules and policies.

3.4 Subrecipient acknowledges that time is of the essence in the provision and completion of the Work provided to County as stipulated in this Subaward, as is the timely conveyance of reporting deliverables to County, as also stipulated in this Subaward.

3.5 Subrecipient's performance under the requirements of this Subaward will be evaluated during each Fiscal Year (hereafter "Fiscal Year" or "Program Year"). Subrecipient shall provide Services and expend the Subaward Sum allocated for any Fiscal Year under this Subaward as stated in: Paragraph 5.0 (Subaward Sum); Exhibit A (Statement of Work), Attachment 1
At County’s request, Subrecipient shall complete a new Budget exhibit(s) and Mandated Program Services exhibit(s) and submit them to County prior to the beginning of the Fiscal Year or as directed by County. Such documents shall be completed in accordance with the requirements noted on each such document, as directed by County, and pursuant to Program guidelines.

Subrecipient acknowledges that this Subaward includes Performance Requirements and Standards which are provided in Exhibit A (Statement of Work), Attachment 1 (Performance Requirements Summary Chart). These Requirements will be used to measure Subrecipient’s performance of the Subaward and the Work. Subrecipient shall adhere to the Performance Requirements, Standards and the corresponding Acceptable Quality Level identified in Exhibit A (Statement of Work), Attachment 1 (Performance Requirements Summary Chart).

The Subaward Sum allocated for any Fiscal Year under this Subaward and the Services associated with those funds may be reduced from Subrecipient’s allocation and reallocated to other ENP subrecipients that are performing and/or expending at a higher level and qualify for increases if Subrecipient fails to provide at least ninety-five percent (95%) of the Services and/or expend at least ninety-five percent (95%) of the Subaward Sum allocated during the Fiscal Year as provided in Paragraph 5.0 (Subaward Sum).

Subrecipient agrees that the performance of Work and Services pursuant to the requirements of this Subaward shall conform to accepted professional standards.

**4.0 TERM OF SUBAWARD**

The term of this Subaward shall be one (1) year commencing on July 1, 2020, upon execution by the parties, and shall continue through June 30, 2021, unless sooner terminated or extended in writing by County, in whole or in part, as provided in this Subaward. The term of this Subaward will operate on County’s Fiscal Year period as defined in Exhibit P (Definitions).

Following the initial term as set forth in Subparagraph 4.1 above, County shall have the sole option to extend the Contract term for up to three (3) additional one-year periods for a maximum total Contract term of four (4) years. Each such option and extension shall be exercised at the sole discretion of County’s Department Head or his/her designee as authorized by the Board of Supervisors.

Subrecipient acknowledges County maintains databases that track/monitor Subrecipient’s performance history. Information entered into such databases may be used for a variety of purposes, including determining whether County will exercise a Subaward term extension option.

Subrecipient shall notify County when this Subaward is within six (6) months of the expiration of the term as provided for hereinabove. Upon occurrence of this event, Subrecipient shall send written notification to County’s Contract Manager at the address herein provided in Exhibit E (County’s Administration).

**5.0 SUBAWARD SUM**

**5.1 TOTAL SUBAWARD SUM**

5.1.1 Cost Reimbursement Subaward
5.1.1.1 County and Subrecipient agree that this is a cost reimbursement Subaward based on the firm-fixed unit rate(s) set forth in Budget exhibit(s) and Mandated Program Services exhibit(s) for the Fiscal Year or Program Year identified in each such document. This unit rate(s) shall remain firm and fixed throughout the entire term of such Fiscal Year or Program Year under this Subaward. County and Subrecipient further agree that the unit rate(s) represents Subrecipient's true, actual and supported costs which are incurred solely for providing Services hereunder. For purposes of this Subaward, such true/actual costs are those costs which are net of any applicable credits including, but not limited to, discounts, refunds, adjustments, rebates, allowances, etc. and are inclusive of any taxes, delivery/shipping charges, etc.

5.1.1.2 County shall reimburse Subrecipient for supplying the Services as set forth in Exhibit A (Statement of Work), Budget exhibit(s) and Mandated Program Services exhibit(s). In the event that County or any of its duly authorized representatives (including, but not limited to, Federal, State and other County agents) notes any discrepancy(ies) between Subrecipient's true/actual costs and the costs which have been reimbursed to Subrecipient then County shall remedy such discrepancy(ies) at County's sole discretion.

5.1.1.3 Subrecipient shall track Subaward Sums and contributions. Subrecipient shall provide a tracking of Subaward Sums during an audit as indicated in Subparagraph 8.38 (Record Retention, Inspection and Audit Settlement).

5.1.2 Funding Allocations

5.1.2.1 During the term of this Subaward, Subrecipient shall receive funding for providing the Services outlined in this Subaward. The funding allocation for the initial term of this Subaward is $[@ Maximum Annual Contract Sum (Year 1) @] ("Subaward Sum Year 1") and the year-to-date funding allocation is $[@ Maximum Contract Sum @] ("Maximum Subaward Sum"). Any additional funding that is allocated under this Subaward will increase the Maximum Subaward Sum.

5.1.2.2 In the event that County exercises its renewal options under this Subaward, the projected funding will be allocated to Subrecipient annually for each Fiscal Year that this Subaward is renewed as follows: $[@ Maximum Annual Contract Sum (Year 2) @] ("Subaward Sum Year 2"); $[@ Maximum Annual Contract Sum (Year 3) @] ("Subaward Sum Year 3"); and, $[@ Maximum Annual Contract Sum (Year 4) @] ("Subaward Sum Year 4"). If County exercises all renewal options.
options under this Subaward, the Maximum Subaward Sum is projected to be $1@ Maximum Contract Sum (Alternate) @.

5.1.2.3 Pursuant to Subparagraph 8.1 (Amendments), County may amend this Subaward upon occurrence of any changes to the Subaward Sum. Future allocations of the Subaward Sums will be contingent upon Subrecipient's level of performance/expenditure and the availability and appropriation of funds from Federal, State, and/or local authorities and such funds may be subsequently adjusted to reflect available funding.

5.1.3 Subaward Sum Year 1 Funding Source(s)

5.1.3.1 The Subaward Sum Year 1 for this Subaward is comprised of monies which are identified by the funding source(s) or governing statute(s) listed below. The funding source(s) and governing statute(s) authorize County to use these monies to provide Program Services.

5.1.3.2 Older Americans Act Title III B (Supportive Services and Senior Centers) original baseline funds available for use for Supervisory District [@ SupDistrict @] for contracted ENP Title III B Services identified in the "Fiscal Year 2020-21 Original Baseline Funding Allocation for Elderly Nutrition Program Services" funding allocation letter for the term of July 1, 2020 through June 30, 2021: $1@ Year 1 Annual Sum (III B) @

5.1.3.3 Older Americans Act Title III C-1 (Nutrition Services) original baseline funds available for use for Supervisory District [@ SupDistrict @] for contracted ENP Title III C-1 Services identified in the "Fiscal Year 2020-21 Original Baseline Funding Allocation for Elderly Nutrition Program Services" funding allocation letter for the term of July 1, 2020 through June 30, 2021: $1@ Year 1 Annual Sum (C-1) @

5.1.3.4 Older Americans Act Title III C-2 (Nutrition Services) original baseline funds available for use for Supervisory District [@ SupDistrict @] for contracted ENP Title III C-2 Services identified in the "Fiscal Year 2020-21 Original Baseline Funding Allocation for Elderly Nutrition Program Services" funding allocation letter for the term of July 1, 2020 through June 30, 2021: $1@ Year 1 Annual Sum (C-2) @

5.2 WRITTEN APPROVAL FOR REIMBURSEMENT

5.2.1 Subrecipient shall not be entitled to payment or reimbursement for any tasks or Services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein. Assumption
or takeover of any of Subrecipient's duties, responsibilities, or obligations, or performance of same by any person or entity other than Subrecipient, whether through assignment, Lower Tier Subaward, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever, shall not occur except with County's express prior written approval.

5.3 NOTIFICATION OF 75% OF SUBAWARD SUM

5.3.1 Subrecipient shall maintain a system of record keeping that will allow Subrecipient to determine when it has incurred seventy-five percent (75%) of the Subaward Sum allocated for any Fiscal Year under this Subaward. Upon occurrence of this event, Subrecipient shall send written notification to County's Contract Manager at the address provided in Exhibit E (County's Administration).

5.4 NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION OR TERMINATION OF SUBAWARD

5.4.1 Subrecipient shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any Service provided by Subrecipient after the expiration or other termination of this Subaward. Should Subrecipient receive any such payment, Subrecipient shall immediately notify County's Contract Manager and shall immediately repay all such funds to County. Payment by County for Services rendered after expiration or termination of this Subaward shall not constitute a waiver of County's right to recover such payment from Subrecipient. This provision shall survive the expiration or other termination of this Subaward.

5.5 INVOICES AND PAYMENTS

5.5.1 Subrecipient shall invoice County only for providing the tasks, deliverables, goods, Services, and other work specified in Exhibit A (Statement of Work), Mandated Program Services exhibit(s) and elsewhere hereunder. Subrecipient shall prepare invoices, which shall include the charges owed to Subrecipient by County under the terms of this Subaward. Each invoice shall be based on actual expenditures and Subrecipient shall not submit an invoice based on budgeted or estimated costs (i.e., Subrecipient shall not submit an invoice based on 1/12th of the Subaward Sum allocated for any Fiscal Year under this Subaward). Payments to Subrecipient shall be based on the information provided by Subrecipient as established in Budget exhibit(s) and Mandated Program Services exhibit(s) for the Fiscal Year (or Program Year) identified therein, and Subrecipient shall be paid only for the tasks, deliverables, goods, Services, budgeted items and other work approved in writing by County. If County does not approve the Work in writing, no payment shall be due to Subrecipient for that Work.

5.5.2 Subrecipient's invoices shall be priced in accordance with the information provided in Budget exhibit(s) and Mandated Program Services exhibit(s) for the Fiscal Year (or Program Year) identified therein.

5.5.3 Subrecipient's invoices shall contain the information set forth in Exhibit A (Statement of Work), Budget exhibit(s) and Mandated
Submission of Invoices

5.5.4.1 Subrecipient shall prepare monthly invoices, along with any necessary supporting documentation for each invoice, for Subrecipient's Work performed under the requirements of this Subaward. Upon direction of County, Subrecipient shall provide all support documentation required by County, including, but not limited to, vendor invoices, receipts of payment, bank statements, and/or bank registers. All supporting documentation must be able to justify the costs invoiced and be submitted to County within thirty (30) days following the date the corresponding monthly invoice is submitted. County reserves the right to require Subrecipient to upload all required support documentation using County's Information Technology Systems (ITS) which may include the Contract Management System (CMS) - Contractor's Gateway or via other ITS identified by County. Subrecipient shall submit all invoices to County in the form and manner as directed by County by the 10th calendar day of the month following the month of Service (e.g., Subrecipient shall submit an invoice for Services provided in October by November 10th for reimbursement). Subrecipient shall also submit the final, year-end invoice to County no later than the 10th calendar day of the month following the month in which final Services were provided during the Fiscal Year or Program Year. In both instances, when the 10th calendar day falls on a non-business day (Saturday, Sunday or Los Angeles County holiday), Subrecipient shall submit the invoice by the following business day. County reserves the right to modify in writing the due date(s) for the submission of invoices as needed in order to meet regulatory deadlines.

5.5.4.2 Subrecipient shall submit an invoice for each month of Service as directed above and invoices shall be submitted in chronological order (e.g., July, August, September, etc.). For example, Subrecipient shall not submit the September invoice unless the August invoice was previously submitted by the 10th calendar day following the month of August. County will not be under any obligation to pay any invoice that is submitted out of chronological order until Subrecipient takes the appropriate measures to adhere to these requirements.

5.5.4.3 When Subrecipient does not incur any expenditures for the month of Service, Subrecipient shall prepare an invoice as directed by County so
that the invoice reflects zero dollars ($0) expenditures. Subrecipient shall submit the invoice according to the procedures outlined herein and as further directed by County.

5.5.4.4 Subrecipient is responsible for the accuracy of invoices submitted to County. Subrecipient shall reconcile its invoices and correct inaccuracies or inconsistencies in the invoices it submits to County. Subrecipient and County agree as follows:

5.5.4.4.1 When County or its designee discovers that Subrecipient has been overpaid, County will send Subrecipient written notification to request return of the overpayment. Overpayment includes, but is not limited to, payment(s) made to Subrecipient that exceeds the Subaward Sum allocated for any Fiscal Year under this Subaward. Subrecipient shall return such overpayment to County's Compliance Manager within thirty (30) days of receiving County's written notification.

5.5.4.4.2 When Subrecipient receives or discovers any overpayment from County, Subrecipient shall immediately notify County's Compliance Manager in writing of such overpayment. Subrecipient shall immediately return such overpayment to County's Compliance Manager within thirty (30) days of receiving or discovering the overpayment.

5.5.4.4.3 At County's sole election, overpayment made to Subrecipient may be used to offset future payments due Subrecipient.

5.5.4.5 Subrecipient shall submit a complete, accurate, verifiable and timely invoice for each month of Servico as directed above. Subrecipient shall also submit a complete, accurate, verifiable and timely final year-end invoice as also directed above. Subrecipient's failure to comply with these requirements may result in delayed processing of payment(s). Any invoice which does not adhere to County's requirements may be rejected at County's sole discretion. Subrecipient's continued non-compliance with County's invoicing policies and procedures may lead Subrecipient to remedies which County may impose at County's sole discretion.

5.5.5 County Approval of Invoices
5.5.5.1 All invoices submitted by Subrecipient for payment must have the written approval of County's Contract Manager or designee prior to any payment thereof. In no event shall County be liable or responsible for any payment prior to such written approval. Approval for payment will not be unreasonably withheld.

5.5.5.2 County will review Subrecipient's supporting documentation for its invoice and reconcile between the invoice and the supporting documentation. County will also use the supporting documentation to confirm that all of Subrecipient's costs reported on the invoice have been paid. County will communicate any discrepancies with Subrecipient to acquire additional information, if needed. This will ensure that any questioned cost(s) is addressed before the cost(s) becomes disallowed. In the event Subrecipient is not able to substantiate the cost(s), Subrecipient will have to repay County for all unsubstantiated costs. Subrecipient may be removed from eligibility for future cash advances (if cash advances are allowec under this Subaward). Subrecipient's payments may be suspended, and/or County may impose other remedies deemed appropriate by County.

5.5.6 Payments to Subrecipient

5.5.6.1 In accordance with the invoicing policies and procedures set forth in this Subaward as well as those provided by County, County agrees to pay Subrecipient for the satisfactory provision of the Services identified in Exhibit A (Statement of Work) and any amendments, addendums or modifications thereto. Such payment shall not exceed the amount(s) indicated in Subparagraph 5.1.2 (Funding Allocations). All payments to Subrecipient will be made in arrears on a monthly basis for Services performed, provided that Subrecipient is not in default under any provision of this Subaward. County has no obligation to pay for any work except those Services expressly authorized by this Subaward.

5.5.6.2 Payments to Subrecipient will be made within thirty (30) calendar days after receipt of an "undisputed invoice". For purposes of this Subparagraph 5.5.6, an undisputed invoice shall mean an invoice which does not contain errors and has been completed and submitted by Subrecipient pursuant to the requirements outlined herein and as directed by County. County has the final authority to determine whether or not an invoice is an undisputed invoice. Subrecipient shall promptly adhere to County's instructions for correcting an invoice in order to prevent any delays in processing payment(s). Until Subrecipient submits an undisputed invoice, County will not be under any obligation to pay any invoice.
that is not submitted pursuant to the requirements outlined herein and as directed by County.

5.5.6.3 All payments for Services provided under the terms of this Subaward shall be made to Subrecipient using Subrecipient's legal name and tax payer identification number. Subrecipient shall not request payments to be made to third-party vendors or any vendor which Subrecipient may use in the performance of this Subaward (i.e., Lower Tier Subrecipients). For purposes of this Subaward, Subrecipient's legal name is identified as the name on Subrecipient's articles of incorporation, charter or other legal document that was used to create Subrecipient's organization.

5.5.6.4 Past Due Invoice

5.5.6.4.1 Any invoice submitted more than thirty (30) days after the last day of the month in which the Services were rendered shall constitute a "past due invoice". Notwithstanding any other provision of this Subaward, Subrecipient and County agree that County shall have no obligation whatsoever to pay any past due invoices. County may, in its sole discretion, pay some or all of a past due invoice which Subrecipient has submitted, provided that sufficient funds remain available under this Subaward.

5.5.6.5 Method of Compensation Adjustment

5.5.6.5.1 During any Fiscal Year period within the term of this Subaward, County, at its sole discretion, has the option of altering the monthly method of compensation/payment from full reimbursement for Services completed to an amount equal to one-twelfth (1/12) of the Subaward Sum allocated for any Fiscal Year under this Subaward. County may pursue this method of compensation if Subrecipient is providing Services to more Clients than anticipated and it appears that the Subaward Sum will be completely depleted before the end of a Fiscal Year. County will provide Subrecipient with at least two (2) weeks advance written notice of its decision to alter the method of compensation.

5.5.6.5.2 In no event shall County's decision to alter the method of compensation affect the Term, the Subaward Sum
allocated for any Fiscal Year under this Subaward, Work, or any other provision under this Subaward unless such change is made pursuant to a validly executed Amendment to this Subaward noting any such change(s).

5.5.7 Subaward-Related Documents

5.5.7.1 Subrecipient shall complete all Subaward-related documents in accordance with the requirements noted in each such document, as directed by County, and pursuant to Program guidelines. Subrecipient's failure to timely submit Subaward-related documents that are accurate and complete, as requested or required by County, may result in suspension of payments to Subrecipient or other remedies provided by law or under this Subaward. Such documents shall include, but are not limited to, the documents outlined in Subparagraph 9.22 (Subaward Document Deliverables), Subparagraph 9.23 (Fiscal Reporting Requirements) and the following: Exhibit A (Statement of Work), Attachment H (Site Summary for Title III C-1 Program Services); Exhibit A (Statement of Work), Attachment I (Route Summary for Title III C-2 Program Services); Exhibit D (Subrecipient's Equal Employment Opportunity Certification); Exhibit F (Subrecipient's Administration); Exhibit G1 (Subrecipient Acknowledgement and Confidentiality Agreement); Exhibit O (Charitable Contributions Certification); Exhibit R (Joint Funding Revenue Disclosure); Exhibit U (Certification of Compliance with County's Defaulted Property Tax Reduction Program); Budget exhibit(s); Mandated Program Services exhibit(s); Exhibit Y (List of Lower Tier Subawards); Exhibit AA (Subrecipient's Compliance with Encryption Requirements); and, Exhibit CC (FEMA Provisions) (applicable only when Subaward Sums include FEMA Funds).

5.5.8 Local Small Business Enterprise (Local SBE) - Prompt Payment Program

5.5.8.1 It is the intent of County that Certified Local SBEs will receive prompt payment for Services they provide to County. Prompt payment is defined as fifteen (15) calendar days after receipt of an undisputed invoice that has been properly matched against a receiving or shipping document, service deliverable or payment schedule, or any other validation of receipt document.

5.6 UNIT RATE ADJUSTMENTS

5.6.1 In the event that County exercises its renewal option(s), Subrecipient may request a unit rate increase for the following Fiscal Year, where such increase(s) shall only be based on the occurrence of any of the following and shall include the
information noted herein:

5.6.1.1 Increase in food costs (e.g., Caterer's costs, raw food costs, etc.): the amount (dollars/cents) of the increase and its impact on the unit rate(s); increase in the total cost of food; number of units; food cost per unit, and, any other relevant information that will facilitate County's review.

5.6.1.2 Increase in fuel costs (Home-Delivered Meal Services only): the amount (dollars/cents) of the increase and its impact on the unit rate(s); increase in the total fuel cost, number of miles; increased cost per mile; and, any other relevant information that will facilitate County's review.

5.6.1.3 Increase in wages (e.g., minimum wage): the amount (dollars/cents) of the increase and its impact on the unit rate(s); the number of staff affected by minimum wage increase(s); hourly rate increase(s); number of hours; and, any other relevant information that will facilitate County's review.

5.6.2 Subrecipient's request shall be provided in writing and shall include a detailed justification for the increase based on meeting one or more of the conditions noted in Subparagraph 5.6.1. Subrecipient shall be able to provide supporting documentation to substantiate any request for a unit rate increase. The written request shall be submitted to County's Contract Manager no later than April 1 of the of the Fiscal Year preceding the Fiscal Year in which the unit rate(s) adjustment is expected to take effect.

5.6.3 County has the sole discretion to approve or reject Subrecipient's request.

5.6.3.1 All such requests shall not cause or authorize exceeding the maximum annual Subaward Sum or the Maximum Subaward Sum.

5.6.4 County may negotiate with Subrecipient to decrease its unit rate(s) for the following Fiscal Year in which the unit rate(s) decrease is expected to take effect when County determines that Subrecipient's unit rate(s) exceeds the actual costs to provide Program Services. In the event that the unit rate(s) is increased or decreased for any Fiscal Year after the first Fiscal Year, County shall provide Subrecipient written confirmation of the final unit rate(s); otherwise the unit rate(s) will remain the same as that which is reflected for the first Fiscal Year of this Subaward.

5.7 LIMITATIONS ON USE OF SUBAWARD SUMS

5.7.1 Subaward Sums may only be used for the purposes set forth herein, and must be consistent with the statutory authority for the Program.

5.7.2 Expenditures made by Subrecipient in the operation of this Subaward shall be in compliance and in conformity with Title 45 Code of Federal Regulations Part 75 et seq. and Title 2 Code of
Federal Regulations Part 200 et seq. Subrecipient shall comply with the Administrative Requirements and Cost Principles which are outlined in Exhibit Q (Accounting, Administration and Reporting Requirements), and shall adhere to the strict administrative and fiscal standards described therein. Subrecipient shall be responsible for obtaining Title 45 Code of Federal Regulations Part 75 et seq. and Title 2 Code of Federal Regulations Part 200 et seq., which are available via the Internet at http://www.ecfr.gov/cgi-bin/text-idx?node=pt45.1.75 and http://www.ecfr.gov/cgi-bin/text-idx?ti=ecfrbrowse/Title02/2cfr2 00_main_02.tpl. Subrecipient shall also comply with the applicable requirements and standards referred to in Title 45 Code of Federal Regulations Part 1321.5 (Grants to State and Community Programs on Aging).

5.7.3 Limitations on Subaward Sums

5.7.3.1 Subrecipient shall not be paid for any Subaward expenditures that exceed the Subaward Sum allocated for any Fiscal Year under this Subaward. County has no obligation, whatsoever, to pay for any expenditures that exceed this Subaward Sum. Any expenditures that exceed such Subaward Sum shall become the sole fiscal responsibility of Subrecipient.

5.7.3.2 Subrecipient shall only expend the Subaward Sum during the Fiscal Year for which it is allocated. Should County exercise its option to extend this Subaward and Subrecipient does not expend funding up to the Subaward Sum appropriated for the Fiscal Year, that unspent amount will not carry forward (or roll-over) to the following Fiscal Year.

5.7.4 Prohibitions on Subaward Sums

5.7.4.1 Subrecipient shall comply with Public Law (PL) 101-121 (Title 31 United States Code Section 1352), its amendments or revisions, and any implementing regulations, prohibiting the use of Federal money to influence or attempt to influence a member of Congress, Congressional staff, or a Federal employee to award, make or amend any Federal subaward, grant, loan or cooperative agreement. Subrecipient shall also comply with all certification and disclosure requirements of PL 101-121, its amendments, revisions, and implementing regulations, and shall provide assurance that all Lower Tier Subrecipients under this Subaward also fully comply with such certification and disclosure requirements.

5.7.4.2 No materials, property, or Services contributed to County or Subrecipient under this Subaward shall be used in the performance of any of the following: any political activity; the election of any candidate or the defeat of any candidate for public office; and, the transportation of any voters or
prospective voters to polls or other similar assistance in connection with an election or any voter registration activity.

5.7.4.3 Subaward Sums may not be used for matching funds for any Federal, State, County or local grants/cooperative agreements, lobbying or intervention in Federal regulatory or adjudicatory proceedings.

5.7.4.4 Subaward Sums may not be used to sue the Federal government or any other government entity.

5.7.4.5 Pre-award costs are not an allowable use for Subaward Sums.

5.7.4.6 Subrecipient and its Lower Tier Subrecipient(s) shall comply with Governor’s Executive Order 2-18-2011, which bans expenditures on promotional and marketing items colloquially known as "S.W.A.G." or "Stuff We All Get".

5.8 OTHER SUBAWARDS

5.8.1 Subrecipient shall immediately notify County’s Contract Manager in writing of any contracts between Subrecipient and other public or private organizations which directly impact activities funded under this Subaward. A copy of any such contracts shall be kept on file at Subrecipient’s offices and shall be provided to County upon request. Subrecipient shall also immediately notify County’s Contract Manager in writing of any default, termination, or finding of withheld payments under such contracts between Subrecipient and other public or private organizations which directly impact activities funded under this Subaward.

5.8.2 Subrecipient warrants that no other funding source will be billed for Services that are provided to and paid for by County under this Subaward.

5.9 JOINT FUNDING REVENUES

5.9.1 Funds made available under this Subaward shall supplement and not supplant any other Federal, State or local funds expended by Subrecipient to provide Program Services. Subrecipient certifies that it has applied, or expects to apply, to offset in whole or in part, any of the costs incurred by Subrecipient 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 Subaward. To this end, Subrecipient shall complete Exhibit R (Joint Funding Revenue Disclosure) prior to the commencement of this Subaward (and annually thereafter). Subrecipient shall submit the completed Exhibit R (Joint Funding Revenue Disclosure) to County’s Contract Manager in the time and manner as designated by County.

5.10 FEDERAL AWARD INFORMATION

5.10.1 Subaward Sums, either in whole or in part, are identified as Federal monies. The Federal portion(s) of the Subaward Sums
is (are) identified by several key pieces of information including, but no limited to, the following: Federal Award Identification Number (FAIN), Catalog of Federal Domestic Assistance (CFDA) Program Number(s) (which identifies and describes the Federal assistance that is available to various entities) and a Federal Grantor office (which provides oversight and administration for these Federal monies). When Subrecipient and its Lower Tier Subrecipient(s), if any, are being audited by an independent auditor, Subrecipient shall provide the information identified in this Subparagraph 5.10 to the independent auditor. The information outlined herein is only provided for the Federal portion(s) of the Subaward Sums. In the event that the information is not listed herein for all of the monies included in the Subaward Sums then the excluded amounts are not Federal monies and therefore the information is not applicable to them.

5.10.2 Subrecipient Name: [@ Supplier Name @]

5.10.3 Subrecipient's DUNS Number: [@ Subrecipient's DUNS Number @]

5.10.4 Federal Award Identification Number (FAIN): [@ FAIN Number @]

5.10.5 Federal Award Date: [@ Federal Award Date @]

5.10.6 Subaward Period of Performance Start and End Date: [@ Subaward Period of Performance @]

5.10.7 Amount of Federal Funds Obligated by this Action: $[@ Amount of Federal Funds Obligated @]

5.10.8 Total Amount of Federal Funds Obligated to Subrecipient (Subaward Sum Year 1): $[@ Total Amount of Federal Funds Obligated to Subrecipient @]

5.10.9 Total Amount of Federal Award (Maximum Subaward Sum): $[@ Total Amount of Federal Award @]

5.10.10 Federal Award Project Description: Federal Title III B (3BSL); Federal Title III C1 (3C1L); NSIP C1 (NC1L); Federal Title III C2 (3C2L); and, NSIP C2 (NC2L).

5.10.11 Name of Federal Award Agency, Pass-Through Entity(ies), and Contact Information for Awarding Official: United States Department of Health and Human Services, Administration for Community Living; California Department of Aging; and, County. Refer to Exhibit E (County's Administration) for County contact information.

5.10.12 CFDA Number and Name: 93.044 - Special Programs for the Aging Title III Part B (Grants for Supportive Services and Senior Centers); 93.045 - Special Programs for the Aging Title III Part C (Nutrition Services); 93.053 - Nutrition Services Incentive Program.

5.10.13 Identification of whether the award is research and development (R&D): Award is not R&D.

5.10.14 Indirect Cost Rate for Federal Award: Not to exceed 10% unless
there is an accepted negotiated rate accepted by all Federal awarding agencies.

**5.11 SUBRECIPIENT INDIRECT COSTS**

5.11.1 The maximum amount of indirect costs that is reimbursable under this Subaward is ten percent (10%) of Subrecipient's modified total direct costs for Title III C-1 Program Services and ten percent (10%) of Subrecipient's modified total direct costs for Title III C-2 Program Services (direct costs including Subaward Sums and other cash contributions but excluding any in-kind contributions and nonexpendable equipment).

5.11.2 Subrecipient shall ensure that it has an approved indirect cost rate accepted by all Federal awarding agencies or an allocation plan approved by County, which documents the methodology used to determine the indirect costs, prior to reporting any indirect costs on Budget exhibit(s) and/or requesting reimbursement for such costs. Subrecipient shall maintain documentation of its approved indirect cost rate/allocation plan in accordance with the requirements noted under Subparagraph 8.38 (Record Retention, Inspection and Audit Settlement).

5.11.3 Subrecipient shall not charge indirect costs exceeding the ten percent (10%) maximum to this Subaward. Indirect costs in excess of the ten percent (10%) maximum may be budgeted as match in-kind for purposes of meeting matching requirements. Subrecipient must receive an approved indirect cost rate accepted by all Federal awarding agencies prior to budgeting the excess indirect costs as match in-kind.

5.11.4 For major institutes of higher education and major nonprofit organizations, indirect costs must be classified within two (2) broad categories: Facilities and Administration. "Facilities" is defined as depreciation on buildings, equipment and capital improvement, interest on debt associated with certain buildings, equipment and capital improvements, and operations and maintenance expenses. "Administration" is defined as general administration and general expenses such as the director's office, accounting, personnel, and all other types of expenditures not listed specifically under one of the subcategories of "Facilities" (including cross allocations from other pools, where applicable) [Title 2 Code of Federal Regulations Part 200.414(a)] [Title 45 Code of Federal Regulations Part 75.414(a)].

5.11.5 The requirements for indirect costs are further outlined in Exhibit Q (Accounting, Administration and Reporting Requirements) and WDACS directive CCD-18-01 (Cost Allocation and Indirect Cost Requirements for WDACS Subawards) which is available on-line at https://wdacs.lacounty.gov/doing-business-with-wdacs/program-directives/.

**5.12 MATCH CONTRIBUTION**

5.12.1 Subrecipient shall provide a required match contribution to offset the total cost of providing Program Services for the Fiscal Year. Subrecipient's match contribution shall be reflected in Budget exhibit(s). The match contribution is the non-Federal share of funding provided by Subrecipient to support the Subaward activities and it may take the form of a cash match contribution.
and/or an in-kind match contribution. This match is calculated as a percentage of the Subaward Sum allocated for any Fiscal Year under this Subaward as reflected in Paragraph 5.0 (Subaward Sum).

5.12.2 The required match contribution for OAA Title III C-1 is twelve percent (12%) of the Subaward Sum allocated for any Fiscal Year under this Subaward. County may in its sole discretion adjust this percentage as necessary.

5.12.3 The required match contribution for OAA Title III C-2 is twelve percent (12%) of the Subaward Sum allocated for any Fiscal Year under this Subaward. County may in its sole discretion adjust this percentage as necessary.

5.12.4 The required match contribution for OAA Title III B is twelve percent (12%) of the Subaward Sum allocated for any Fiscal Year under this Subaward. County may in its sole discretion adjust this percentage as necessary.

5.12.5 Forms of Match Contributions

5.12.5.1 Match Cash Contribution

5.12.5.1.1 A match cash contribution is a monetary donation which is provided by Subrecipient (such as general funds), non-Federal third-parties (such as partner organizations) and/or non-Federal grants and is given to Subrecipient to accomplish the goals of the Program Services.

5.12.5.2 Match In-Kind Contribution

5.12.5.2.1 A match in-kind contribution is a non-monetary donation of goods, properties or services which are provided by either Subrecipient or non-Federal entities without charge to the Program Services for which they are donated; it is the value of non-cash contributions donated to support Program Services. In-kind contributions typically take the form of the value of personnel, goods and/or services which may include donations of volunteer services, space, equipment, etc. and this value is determined by using the fair market value method. Using sales of comparable property or the cost of comparable services is a method which can be used to determine the fair market value of an in-kind match contribution.

5.12.5.3 Determination of In-Kind Volunteer Services

5.12.5.3.1 Volunteer services may be used to meet the match contribution requirement and shall be reported as
match in-kind. However, when using volunteer services to meet the match contribution requirement, this in-kind match shall not exceed more than fifty percent (50%) of the required match contribution.

5.12.5.3.2 The monthly salary equivalent for volunteer services should be commensurate with the work/services being provided by volunteer. As such, the salary equivalent for volunteer services shall be determined by using the regular salaries paid for similar work in other activities of Subrecipient's organization. In cases where the kinds of skills involved are not found in other activities of the organization then the salary equivalent shall be determined by using the salaries paid for similar work in the labor market in which Subrecipient competes for such skills.

5.13 DEFAULT METHOD OF PAYMENT: DIRECT DEPOSIT OR ELECTRONIC FUNDS TRANSFER

5.13.1 County, at its sole discretion, has determined that the most efficient and secure default form of payment for goods and/or services provided under an agreement/ Subaward (that is, "Contract") with County shall be Electronic Funds Transfer ("EFT") or direct deposit, unless an alternative method of payment is deemed appropriate by the Auditor-Controller ("A-C").

5.13.2 Subrecipient (that is, "Contractor") shall submit a direct deposit authorization request via the website https://directdeposit.lacounty.gov with banking and Contractor information, and any other information that the A-C determines is reasonably necessary to process the payment and comply with all accounting, record keeping, and tax reporting requirements.

5.13.3 Any provision of law, grant, or funding agreement requiring a specific form or method of payment other than EFT or direct deposit shall supersede this requirement with respect to those payments.

5.13.4 At any time during the duration of the agreement/Contract, Contractor may submit a written request for an exemption to this requirement. Such request must be based on specific legal, business or operational needs and explain why the payment method designated by the A-C is not feasible and an alternative is necessary. The A-C, in consultation with County, shall decide whether to approve exemption requests.

6.0 ADMINISTRATION OF SUBAWARD - COUNTY

6.1 COUNTY ADMINISTRATION

6.1.1 A listing of all County Administration referenced in the following Subparagraphs is provided in Exhibit E (County's
Administration). County will notify Subrecipient in writing of any change in the names or addresses shown. Said changes do not require an amendment to this Subaward.

6.2 COUNTY'S CONTRACT MANAGER

6.2.1 The role of County's Contract Manager or his/her designee may include:

6.2.1.1 Coordinating with Subrecipient and ensuring Subrecipient's performance of the Subaward. However, in no event shall Subrecipient's obligation to fully satisfy all of the requirements of this Subaward be relieved, excused or limited thereby.

6.2.1.2 Upon request of Subrecipient, providing direction to Subrecipient, as appropriate in areas relating to County policy, information requirements, and procedural requirements. However, in no event shall Subrecipient's obligation to fully satisfy all of the requirements of this Subaward be relieved, excused or limited thereby.

6.2.1.3 Making revisions which do not materially affect the terms and conditions of this Subaward in accordance with Subparagraph 9.9 (Modifications).

6.2.1.4 Acting on behalf of County with respect to approval of Lower Tier Subawards and Lower Tier Subrecipient employees working on this Subaward.

6.3 COUNTY'S PROGRAM MANAGER

6.3.1 The role of County's Program Manager or his/her designee may include:

6.3.1.1 Meeting with Subrecipient's Project Manager on a regular basis.

6.3.1.2 Inspecting any and all tasks, deliverables, goods, Services, or other work provided by or on behalf of Subrecipient. However, in no event shall Subrecipient's obligation to fully satisfy all of the requirements of this Subaward be relieved, excused or limited thereby.

6.3.2 County's Program Manager is not authorized to make any changes in any of the terms and conditions of this Subaward and is not authorized to further obligate County in any respect whatsoever.

6.4 COUNTY'S COMPLIANCE MANAGER

6.4.1 The role of County's Compliance Manager or his/her designee may include:

6.4.1.1 Verifying Subrecipient's compliance with the requirements of this Subaward.
6.4.1.2 Overseeing and monitoring the delivery of Services. However, in no event shall Subrecipient's obligation to fully satisfy all of the requirements of this Subaward be relieved, excused or limited thereby.

6.4.1.3 Ensuring that the objectives of this Subaward are met.

6.5 COUNTY'S BUSINESS HOURS

6.5.1 County's business hours are 8:00 a.m. to 5:00 p.m., Monday through Friday (excluding County recognized holidays).

6.5.2 County recognizes specific holidays during which time its offices shall be closed for business. A listing of these holidays are provided in Exhibit A (Statement of Work), Attachment 2 (County Recognized Holidays).

7.0 ADMINISTRATION OF SUBAWARD - SUBRECIPIENT

7.1 SUBRECIPIENT ADMINISTRATION

7.1.1 A listing of all of Subrecipient's administration referenced in the following Subparagraphs is provided in Exhibit F (Subrecipient's Administration). Subrecipient will notify County's Contract Manager in writing of any change in the names or addresses shown. Said changes do not require an amendment to this Subaward.

7.2 SUBRECIPIENT'S PROJECT MANAGER

7.2.1 Subrecipient's Project Manager is designated in Exhibit F (Subrecipient's Administration). Subrecipient shall notify County's Contract Manager in writing of any change in the name or address of Subrecipient's Project Manager immediately upon occurrence of the change but no later than five (5) business days after the change is effective.

7.2.2 Subrecipient's Project Manager shall be responsible for Subrecipient's day-to-day activities as related to this Subaward and shall meet and coordinate with County's Contract Manager, County's Program Manager and County's Compliance Manager on a regular basis.

7.2.3 Subrecipient's Project Manager must have the qualifications and experience identified in Exhibit A (Statement of Work).

7.3 APPROVAL OF SUBRECIPIENT'S STAFF

7.3.1 County has the absolute right to approve or disapprove all of Subrecipient's staff performing Work hereunder and any proposed changes in Subrecipient's staff, including, but not limited to, Subrecipient's Project Manager. Subrecipient shall provide County's Program Manager with a resume of each proposed substitute and an opportunity to interview such person prior to any staff substitution.

7.4 SUBRECIPIENT'S STAFF IDENTIFICATION

7.4.1 Subrecipient shall provide, at Subrecipient's expense, all
staff/employees providing Services under this Subaward with a photo identification badge ("badge"). The badge shall be developed in accordance with County's specifications. Subrecipient shall obtain approval for the format and content of the badge from County's Program Manager prior to Subrecipient creating, issuing, or implementing use of the badge.

7.4.2 Subrecipient's staff, while on duty or when entering County facilities or grounds, shall prominently display the badge on the upper part of the body. Subrecipient's staff may be asked by a County representative to leave a County facility if Subrecipient's staff does not have the photo identification badge on his/her person and Subrecipient's staff must immediately comply with such request.

7.4.3 Subrecipient shall notify County's Contract Manager within five (5) days when staff is terminated from working under this Subaward. Subrecipient shall retrieve and immediately destroy the employee's badge upon the employee's termination of employment with Subrecipient.

7.4.4 If County requests the removal of Subrecipient's staff, Subrecipient shall retrieve and immediately destroy an employee's badge at the time the employee is removed from working on this Subaward.

7.5 BACKGROUND AND SECURITY INVESTIGATIONS

7.5.1 Each of Subrecipient's or Lower Tier Subrecipient's, as applicable, staff/employees providing Services under this Subaward who is in a designated sensitive position, as determined by County in County's sole discretion, shall undergo and pass a background investigation to the satisfaction of County as a condition of beginning and continuing to provide Services under this Subaward. This background investigation shall be conducted on an annual basis throughout the entire term of this Subaward. Such background investigation must be obtained through fingerprints submitted to the California Department of Justice to include State, local, and Federal-level review, which may include, but shall not be limited to, criminal conviction information. The fees associated with the background investigation shall be at the expense of Subrecipient, regardless of whether the member of Subrecipient's staff passes or fails the background investigation. For purposes of this Subaward, a sensitive position is one in which the duties pose a potential threat or risk to Client when performed by persons who have a criminal history incompatible with those duties, whether those persons are employees of Subrecipient or other individuals who provide Services on behalf of Subrecipient pursuant to this Subaward. For Work performed under this Subaward, sensitive positions include (but is not limited to) the following:

7.5.1.1 Positions that involve the care, oversight, or protection of persons through direct contact with such persons (e.g., social worker, case manager, etc.).
7.5.1.2 Positions having direct or indirect access to funds or negotiable instruments (e.g., finance manager, accountant, bookkeeper, etc.).

7.5.1.3 Positions that require State and/or professional licensing (e.g., Certified Public Accountant, etc.).

7.5.1.4 Positions that have access to confidential or classified information including criminal conviction information (e.g., human resources manager, etc.).

7.5.1.5 Positions that involve the care, oversight, or protection of County, public, or private property (e.g., property custodian, etc.).

7.5.1.6 Positions that require access to Client’s home/residence (e.g., home-delivered meals drivers, etc.).

7.5.2 If a member of Subrecipient’s staff does not pass the background investigation, County may request that the member of Subrecipient’s staff be immediately removed from providing Services under this Subaward. Subrecipient shall comply with County’s request at any time during the term of this Subaward. County will not provide to Subrecipient or to Subrecipient’s staff any information obtained through County’s background investigation.

7.5.3 County, in its sole discretion, may immediately deny or terminate facility access to any member of Subrecipient's staff who does not pass such investigation to the satisfaction of County or whose background or conduct is incompatible with County facility access.

7.5.4 No member of Subrecipient's staff providing Services under this Subaward shall be on active probation, currently on parole or have been on probation or parole within the last three (3) years.

7.5.5 Subrecipient and its staff, including all current and prospective employees, independent contractors, volunteers or Lower Tier Subrecipients who may come in contact with people in the course of their Work, volunteer activity, or performance of a Lower Tier Subaward, providing Services under this Subaward shall be under a continuing obligation to disclose any prior or subsequent criminal conviction record or any pending criminal trial to County's Program Manager. Subrecipient shall inform its staff, including all current and prospective employees, independent contractors, volunteers or Lower Tier Subrecipients who may come in contact with people in the course of their Work, volunteer activity, or performance of a Lower Tier Subaward, providing Services under this Subaward of said obligation. Subrecipient shall maintain records of criminal convictions and/or pending criminal trials in the file of each such person.

7.5.6 Subrecipient shall immediately notify County’s Program Manager of any arrest and/or subsequent conviction, other than for minor
traffic offenses, of any Subrecipient staff, independent contractor, volunteer or Lower Tier Subrecipient who may come in contact with children, elderly individuals or dependent adults while providing Services under this Subaward when such information becomes known to Subrecipient. Subrecipient shall not engage or continue to engage the services of any person convicted of any crime involving harm to minors, or any crime involving conduct inimical to the health, morals, welfare or safety of others, including but not limited to, the offenses specified in the California Health and Safety Code Section 11590 (i.e., offenses requiring registration as a controlled substance offender) and those crimes listed in the California Penal Code which involve murder, rape, kidnap, abduction, assault and lewd and lascivious acts.

7.5.7 Disqualification of any member of Subrecipient's staff pursuant to this Subparagraph 7.5 shall not relieve Subrecipient of its obligation to complete all Work in accordance with the terms and conditions of this Subaward.

7.6 CONFIDENTIALITY

7.6.1 Subrecipient shall maintain the confidentiality of all records and information in accordance with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies, Program memoranda and procedures relating to confidentiality, including, without limitation, County policies concerning information technology security and the protection of confidential records and information.

7.6.2 Subrecipient shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting, or professional fees, arising from, connected with, or related to any failure by Subrecipient, its officers, employees, agents, or Lower Tier Subrecipients, to comply with this Subparagraph 7.6, Exhibit G1 (Subrecipient Acknowledgement and Confidentiality Agreement) and Exhibit N (Business Associate Agreement Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA)), as determined by County in its sole judgment. Any legal defense pursuant to Subrecipient's indemnification obligations under this Subparagraph 7.6 shall be conducted by Subrecipient and performed by counsel selected by Subrecipient and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Subrecipient fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and to reimbursement from Subrecipient for all such costs and expenses incurred by County in doing so. Subrecipient shall not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of County without County's prior written approval.

7.6.3 Subrecipient shall inform all of its officers, employees, agents and Lower Tier Subrecipients providing Services hereunder of
the confidentiality provisions of this Subaward.

7.6.4 Subrecipient shall sign and also adhere to the provisions of Exhibit G1 (Subrecipient Acknowledgement and Confidentiality Agreement).

7.6.5 Unauthorized Disclosure

7.6.5.1 Subrecipient and its Lower Tier Subrecipient shall ensure that all confidential, sensitive and/or personal, identifying information is protected from inappropriate or unauthorized access or disclosure in accordance with applicable laws, regulations and State policies. The requirement to protect information shall remain in force until superseded by laws, regulations, or policies.

7.6.5.2 Subrecipient and its Lower Tier Subrecipient shall protect from unauthorized disclosure, confidential, sensitive and/or personal identifying information such as names and other identifying information, concerning Clients receiving Program Services pursuant to this Subaward, except for statistical information that does not identify any Client.

7.6.5.3 Subrecipient and its Lower Tier Subrecipient shall not use confidential, sensitive and/or personal identifying information for any purpose other than carrying out Subrecipient's obligations under this Subaward. Personal Identifying information shall include, but is not limited to the following: name; identifying number; social security number; State driver's license or State identification number; financial account numbers; and symbol or other identifying characteristic assigned to Client, such as finger print, voice print or a photograph.

7.6.5.4 Subrecipient and its Lower Tier Subrecipient shall not, except as otherwise specifically authorized or required by this Subaward or court order, divulge to any unauthorized person any data or identifying information obtained while performing Work pursuant to this Subaward without prior written authorization from County. Subrecipient shall forward all requests for the release of any data or identifying information received to County's Program Manager. Subrecipient may be authorized, in writing, by Client to disclose identifying information specific to the authorizing Client.

7.6.5.5 Subrecipient and its Lower Tier Subrecipient may allow Client to authorize the release of information to specific entities, but shall not request or encourage Client to give a blanket authorization or sign a blank release, nor shall Subrecipient accept such blanket authorization from Client.

8.0 STANDARD TERMS AND CONDITIONS

8.1 AMENDMENTS
8.1.1 For any change which materially affects the Scope of Work, Subaward Term, Subaward Sum, payments, or any other term or condition included under this Subaward, an Amendment to this Subaward shall be prepared by County and executed by Authorized Representative and by County's Department Head or his/her designee.

8.1.2 County's Board of Supervisors, Chief Executive Officer or designee may require the addition and/or change of certain terms and conditions in this Subaward during the term of this Subaward. County reserves the right to add and/or change such provisions as required by County's Board of Supervisors or Chief Executive Officer. To implement such changes, an Amendment to this Subaward shall be prepared by County and executed by Authorized Representative and by County's Department Head or his/her designee.

8.1.3 County's Department Head or his/her designee may, at his/her sole discretion, authorize extensions of time as defined in Paragraph 4.0 (Term of Subaward). Subrecipient agrees that such extensions of time shall not change any other term or condition of this Subaward during the period of such extensions. To implement an extension of time, an Amendment to this Subaward shall be prepared by County and executed by Authorized Representative and by County's Department Head or his/her designee.

8.1.4 The following events shall also warrant an Amendment to this Subaward as described in this Subparagraph 8.1:

8.1.4.1 County may initiate a unilateral Amendment to this Subaward at any time when required by Federal, State or County laws or policies, and shall immediately notify Subrecipient of said Amendment and the justification therefor.

8.1.4.2 To the extent that funding for the Program is eliminated or otherwise reduced, the Program is terminated or the Program is modified for any reason (such that funding is reduced or the Scope of Work is changed), County may in its sole discretion amend this Subaward accordingly or move to terminate pursuant to the provisions in Subparagraph 8.42 (Termination for Convenience) without further liability for Services yet to be rendered by Subrecipient.

8.1.5 Change Notice

8.1.5.1 For any change which does not affect the Scope of Work performed under this Subaward, the Subaward Term or Subaward Sum, and does not otherwise materially change any other term or condition under this Subaward, County reserves the right to initiate such change(s) through a Change Notice Program memorandum or an administrative directive which shall all have the same effect as an Amendment. Such Change Notice shall be a
written document that is prepared by County at its sole discretion and is signed by County's Contract Manager or designee. A Change Notice will be used to communicate changes which do not warrant an amendment to this Subaward. Such Change Notice shall be provided to Subrecipient at least ten (10) days prior to its effective date and Subrecipient shall adhere to the requirements as specified therein. Subrecipient's failure to comply with the Change Notice(s) may result in County imposing remedies including suspension of payment(s), termination of Subaward or other remedies under this Subaward as determined by County at its sole discretion.

8.2 ASSIGNMENT AND DELEGATION/MERGERS OR ACQUISITIONS.

8.2.1 Subrecipient (that is, "Contractor") shall notify County of any pending acquisitions/mergers of its company unless otherwise legally prohibited from doing so. If Contractor is restricted from legally notifying County of pending acquisitions/mergers, then it should notify County of the actual acquisitions/mergers as soon as the law allows and provide to County the legal framework that restricted it from notifying County prior to the actual acquisitions/mergers.

8.2.2 Contractor shall not assign its rights, delegate its duties under this Subaward (that is, "Contract"), or both, whether in whole or in part, without the prior written consent of County, in its sole discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this Subparagraph 8.2, County consent shall require a written Amendment to this Contract, which is formally approved and executed by the parties. Any payments by County to any approved delegatee or assignee on any claim under this Contract shall be deductible, at County's sole discretion, against the claims, which Contractor may have against County.

8.2.3 Shareholders, partners, members, or other equity holders of Contractor may sell, transfer, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of this Contract, such disposition is an assignment requiring the prior written consent of County in accordance with applicable provisions of this Contract.

8.2.4 Any assumption, assignment, delegation, or takeover of any of Contractor's duties, responsibilities, obligations, or performance of same by any person or entity other than Contractor, whether through assignment, Lower Tier Subaward (that is, "Subcontract"), delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of this Contract which may result in the termination of this Contract. In the event of such termination,
County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

8.3 AUTHORIZATION WARRANTY

8.3.1 Subrecipient represents and warrants that the person executing this Subaward for Subrecipient is an authorized agent who has actual authority to bind Subrecipient to each and every term, condition, and obligation of this Subaward and that all requirements of Subrecipient have been fulfilled to provide such actual authority ("Authorized Representative").

8.3.2 Authorized Representative must be available to County and/or County's duly authorized representatives during the days and times specified in Exhibit A (Statement of Work). In the event that Authorized Representative is not available during these specified days and times, he/she shall ensure that an appropriate designee is identified in writing to County's Contract Manager. Such designee shall have the ability and authority to act as a proxy on behalf of Authorized Representative, and this authority must also be evidenced in writing by Authorized Representative. Authorized Representative shall further ensure that he/she can be contacted by his/her designee when Authorized Representative is not available during the days and times specified in Exhibit A (Statement of Work).

8.3.3 Board of Directors' Resolution

8.3.3.1 Subrecipient shall submit its Board of Directors' resolution, which provides written evidence to support the delegated authority that Subrecipient's organization has vested in Authorized Representative, who will act on behalf of Subrecipient pursuant to Subparagraph 8.3 (Authorization Warranty). Such written evidence shall adhere to the following requirements outlined in this Subparagraph 8.3.3.

8.3.3.2 If Subrecipient is a public entity (defined as the government of the United States; the government of a State or political subdivision of a State; or any interstate governmental agency), Subrecipient shall submit to County a copy of its resolution, order, or motion which has been approved by its Governing Body (e.g., City Council) and signed by the presiding chairperson/president of the Governing Body. If Subrecipient is a private non-profit entity, Subrecipient shall submit a copy of written authorization from its Governing Body (e.g., Board of Directors) and signed by the presiding chairperson/president to County.

8.3.3.3 Subrecipient's resolution, order, motion, or other authorization shall contain the following elements: reference to this Subaward by name and number; authorize execution of this Subaward; identify Authorized Representative and any designee who will execute the original Subaward and any subsequent amendments to this Subaward.
(Authorized Representative and any designee shall be specified in Exhibit F (Subrecipient's Administration)); and, approve and accept Subaward Sums. In the event that there is a change in Authorized Representative, Subrecipient shall provide County a revised resolution, order, motion, or other authorization which reflects the new Authorized Representative within five (5) days of being approved by the Governing Body.

8.4 BUDGET REDUCTIONS

8.4.1 In the event that County's Board of Supervisors adopts, in any Fiscal Year or Program Year, a County budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County contracts, County reserves the right to reduce its payment obligation under this Subaward correspondingly for that Fiscal Year or Program Year and any subsequent Fiscal Year or Program Year during the term of this Subaward (including any extensions), and the Services to be provided by Subrecipient under this Subaward shall also be reduced correspondingly. County's notice to Subrecipient regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such actions. Except as set forth in the preceding sentence, Subrecipient shall continue to provide all of the Services set forth in this Subaward.

8.5 COMPLAINTS

8.5.1 Subrecipient shall develop, maintain and utilize procedures for receiving, investigating and responding to complaints. Within fifteen (15) business days after the Subaward effective date, Subrecipient shall provide County's Program Manager with Subrecipient's policy for receiving, investigating and responding to Client complaints.

8.5.2 County will review Subrecipient's policy and provide Subrecipient with approval of said plan or with requested changes.

8.5.3 If County requests changes in Subrecipient's policy, Subrecipient shall make such changes and resubmit the plan within five (5) business days for County approval.

8.5.4 If, at any time, Subrecipient wishes to change Subrecipient's policy, Subrecipient shall submit proposed changes to County's Program Manager for approval before implementation.

8.5.5 Subrecipient shall preliminarily investigate all complaints and notify County's Program Manager of the status of the investigation within ten (10) business days of receiving the complaint.

8.5.6 When complaints cannot be resolved informally, a system of follow-through shall be instituted which adheres to formal plans for specific actions and strict time deadlines.

8.5.7 Copies of all written responses shall be sent to County's Program Manager within five (5) business days of mailing to the
complainant.

8.5.8 Subrecipient shall provide Client an opportunity to anonymously submit a grievance directly to County's Compliance Manager. Subrecipient shall ensure that the contact information of County's Compliance Manager is posted in a publicly accessible area and also provided to Client in writing.

8.5.9 Subrecipient shall provide County an opportunity to consider any grievance whether it is anonymously submitted to County by Client or if it's a grievance that cannot be resolved by Subrecipient. At County's sole discretion, County's written decision regarding the grievance shall be final and irrevocable.

8.5.10 At a minimum, Subrecipient shall incorporate the procedures and provisions of this Subparagraph 8.5 in its written grievance policies.

8.6 COMPLIANCE WITH APPLICABLE LAWS

8.6.1 In the performance of this Subaward, Subrecipient shall comply with all applicable Federal, State, County and local laws, rules, regulations, ordinances, directives, guidelines, policies, Program memoranda and procedures. Subrecipient shall also comply with all subsequent revisions, modifications, and administrative and statutory changes made thereto by Federal, State and County authorities. All provisions required thereby to be included in this Subaward are hereby incorporated herein by reference.

8.6.2 Subrecipient shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs, and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting or professional fees, arising from, connected with, or related to any failure by Subrecipient, its officers, employees, agents, or Lower Tier Subrecipients, to comply with any such laws, rules, regulations, ordinances, directives, guidelines, policies, Program memoranda or procedures, as determined by County in its sole judgment. Any legal defense pursuant to Subrecipient's indemnification obligations under this Subparagraph 8.6 shall be conducted by Subrecipient and performed by counsel selected by Subrecipient and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Subrecipient fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and to reimbursement from Subrecipient for all such costs and expenses incurred by County in doing so. Subrecipient shall not have the right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of County without County's prior written approval.

8.6.3 Subrecipient's compliance with applicable laws and regulations includes, but is not limited to, adherence to the mandatory standards and policies relating to the following: Title 45 Code of
Federal Regulations Part 75 et seq. and Title 2 Code of Federal Regulations Part 200 et seq.; State's energy efficiency regulations (Title 24 California Code of Regulations); and, Pilot Program for Enhancement of Contractor Employee Whistleblower Protections (Title 48 Code of Federal Regulations Subpart 3.908 and Title 41 United States Code Section 4712).

In addition to these standards and policies, when the Maximum Subaward Sum is one hundred thousand dollars ($100,000) or more, Subrecipient shall also adhere to the following policies: Clean Air Act, as amended (Title 42 United States Code Section 7401 et seq.); Federal Water Pollution Control Act, as amended (Title 33 United States Code Section 1251 et seq.); Environmental Protection Agency Regulations (Title 40 Code of Federal Regulations Part 29 and Executive Order 11738); State Contract Act (California Public Contract Code Section 10295 et seq.); and, Unruh Civil Rights Act (California Public Contract Code Section 2010).

County reserves the right to review Subrecipient's procedures to ensure that they comply with the statutes, ordinances, regulations, rules, rulings, policies and procedures of the Federal, State and County authorities, as applicable.

8.6.4 Subrecipient certifies that throughout the entirety of this Subaward it shall comply with all Federal and State payroll tax rules and employer tax guides; Subrecipient shall pay all Federal and State payroll taxes; and, Subrecipient shall make all tax deposits required by Federal and State laws within the time limits required.

8.6.5 Subrecipient’s failure to comply with such regulations, rules, ordinances, court rules, municipal laws, directives, policies, Program memoranda and procedures outlined in this Subparagraph 8.6 and/or the provisions, requirements or conditions of this Subaward, including but not limited to, performance documentation, reporting, audit and evaluation requirements shall be material breach of this Subaward and may result in termination of this Subaward or other remedies available herein.

8.7 COMPLIANCE WITH CIVIL RIGHTS LAWS

8.7.1 Subrecipient hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964 (as amended) (Title 42 United States Code Sections 2000e (1) - 2000e (17), Title 42 United States Code Section 2000d and Title 45 Code of Federal Regulations Part 80) and the Americans with Disabilities Act (ADA) of 1990, to the end that no person shall, on the grounds of race, creed, color, sex, religion, ancestry, age, condition of physical handicap, marital status, political affiliation, or national origin, be excluded from participation in be denied the benefits of, or be otherwise subjected to discrimination under this Subaward or under any project, program or activity supported by this Subaward. Subrecipient shall comply with Exhibit D (Subrecipient’s Equal Employment Opportunity Certification).

Prior to the commencement of this Subaward, Subrecipient shall submit the completed Exhibit D to County’s Contract Manager in the time and manner as designated by County.
8.7.2 Notwithstanding any other provision of law and pursuant to the requirements outlined in California Public Contract Code Section 10295.3, when the Maximum Subaward Sum is one hundred thousand dollars ($100,000) or more, Subrecipient shall not discriminate in the provision of benefits between employees with spouses and employees with domestic partners, or discriminate between employees with spouses or domestic partners of a different sex and employees with spouses or domestic partners of the same sex, or discriminate between same-sex and different-sex domestic partners of employees or between same sex and different-sex spouses of employees. For purposes of this Subparagraph 8.7.2, "subaward" includes subawards and contracts awarded by County to Subrecipient with a cumulative amount of one hundred thousand dollars ($100,000) or more for the Fiscal Year or Program Year (where the subaward or contract funds originate from the State).

8.7.3 Subrecipient shall ensure compliance with the requirements of California Public Contract Code Section 2010 by submitting a completed California Civil Rights Laws Certification as directed by County and as a condition of executing this Subaward. The California Civil Rights Laws Certification ensures Subrecipient's compliance with the Unruh Civil Rights Act (California Civil Code Section 51) and the Fair Employment and Housing Act (California Government Code Section 12980), and further ensures that Subrecipient's internal policies are not used in violation of California Civil Rights Laws.

8.8 COMPLIANCE WITH COUNTY'S JURY SERVICE PROGRAM

8.8.1 Jury Service Program

8.8.1.1 This Subaward (that is, "Contract") is subject to the provisions of County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Los Angeles County Code Sections 2.203.010 through 2.203.090, a copy of which is attached as Exhibit H (Jury Service Ordinance) and incorporated by reference into and made a part of this Contract.

8.8.2 Written Employee Jury Service Policy

8.8.2.1 Unless Subrecipient (that is, "Contractor") has demonstrated to County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Los Angeles County Code Section 2.203.020) or that Contractor qualifies for an exception to the Jury Service Program (Los Angeles County Code Section 2.203.070), Contractor shall have and adhere to a written policy that provides that its employees shall receive from Contractor, on an annual basis, no less than five (5) days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with Contractor or that Contractor deduct from the employee's regular pay the fees received for jury service.
8.8.2.2 For purposes of this Subparagraph 8.8, "Contractor" means a person, partnership, corporation or other entity which has a contract with County or a subcontract with a County contractor and has received or will receive an aggregate sum of fifty thousand dollars ($50,000) or more in any twelve (12) month period under one (1) or more County contracts or subcontracts. "Employee" means any California resident who is a full-time employee of Contractor. "Full-time" means forty (40) hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of ninety (90) days or less within a twelve (12) month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any Lower Tier Subrecipient (that is, "Subcontractor") to perform Services for County under this Contract, the Subcontractor shall also be subject to the provisions of this Subparagraph 8.8. The provisions of this Subparagraph 8.8 shall be inserted into any such Lower Tier Subaward (that is, "Subcontract") agreement and a copy of the Jury Service Program shall be attached to the agreement.

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

8.8.2.4 Contractor's violation of this Subparagraph 8.8 of this Contract may constitute a material breach of this Contract. In the event of such material breach, County may, in its sole discretion, terminate this Contract and/or bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

8.9 CONFLICT OF INTEREST
8.9.1 No County employee whose position with County enables such employee to influence the granting of this Subaward or any competing contract, and no spouse or economic dependent of such employee, shall be employed in any capacity by Subrecipient or have any other direct or indirect financial interest in this Subaward. No officer or employee of Subrecipient who may financially benefit from the performance of Work hereunder shall in any way participate in County’s approval, or ongoing evaluation, of such Work, or in any way attempt to unlawfully influence County’s approval or ongoing evaluation of such Work.

8.9.2 Subrecipient shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Subaward. Subrecipient warrants that it is not now aware of any facts that create a conflict of interest. If Subrecipient hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to County’s Compliance Manager. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this Subparagraph 8.9 shall be a material breach of this Subaward.

8.10 CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFFS OR ON RE-EMPLOYMENT LIST

8.10.1 Should Subrecipient (that is, “Contractor”) require additional or replacement personnel after the effective date of this Subaward (that is, “Contract”) to perform the Services set forth herein, Contractor shall give first consideration for such employment openings to qualified permanent County employees who are targeted for layoff or to qualified former County employees who are on a re-employment list during the life of this Contract.

8.11 CONSIDERATION OF HIRING GAIN AND GROW PARTICIPANTS

8.11.1 Should Subrecipient (that is, “Contractor”) require additional or replacement personnel after the effective date of this Subaward (that is, “Contract”), Contractor shall give consideration for any such employment openings to participants in County of Los Angeles Department of Public Social Services (DPSS) Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet Contractor’s minimum qualifications for the open position. For this purpose, consideration shall mean that Contractor will interview qualified candidates. County will refer GAIN/GROW participants by job category to Contractor. Contractor shall report all job openings with job requirements to: GAINGROW@dpss.lacounty.gov and BSERVICES@wdacs.lacounty.gov and DPSS will refer qualified GAIN/GROW job candidates.

8.11.2 In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority.

8.12 CONTRACTOR RESPONSIBILITY AND DEBARMENT

8.12.1 Responsible Contractor
8.12.1.1 A responsible Subrecipient (that is, "Contractor") is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform this Subaward (that is, "Contract"). It is County's policy to conduct business only with responsible contractors.

8.12.2 Los Angeles County Code Chapter 2.202

8.12.2.1 Subrecipient (that is, "Contractor") is hereby notified that, in accordance with Los Angeles County Code Chapter 2.202, if County acquires information concerning the performance of Contractor on this Subaward (that is, "Contract") or other contracts which indicates that Contractor is not responsible, County may, in addition to other remedies provided in this Contract, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County 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 the circumstances, and terminate any or all existing contracts which Contractor may have with County.

8.12.3 Non-responsible Contractor

8.12.3.1 County may debar Subrecipient (that is, "Contractor") if the Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated a term of a contract with County or a non-profit corporation created by County, (2) committed an act or omission which negatively reflects on Contractor's quality, fitness or capacity to perform a contract with County, any other public entity, or a non-profit corporation created by 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 County or any other public entity.

8.12.4 Contractor Hearing Board

8.12.4.1 If there is evidence that Subrecipient (that is, "Contractor") may be subject to debarment, County will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

8.12.4.2 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Contractor and/or 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 Contractor should be debarred, and, if so, the appropriate length of time of the debarment. Contractor and County shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

8.12.4.3 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 Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

8.12.4.4 If Contractor has been debarred for a period longer than five (5) years, 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. County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of County.

8.12.4.5 The Contractor Hearing Board will consider a request for review of a debarment determination only where: (1) 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 debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

8.12.4.6 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 Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

8.12.5 Subcontractors of Contractor

8.12.5.1 These terms shall also apply to Lower Tier Subrecipients (that is, "Subcontractors") of County contractors.

8.12.6 Contractor hereby acknowledges that County is prohibited from contracting with parties that are suspended, debarred, ineligible or excluded from securing State-funded or Federally-funded contracts. By executing this Contract, Contractor certifies that neither it nor any of its owners, officers, partners, directors, or other principals is currently suspended, debarred, ineligible or excluded from securing State-funded or Federally-funded contracts. Further by executing this Contract, Contractor certifies that, to its knowledge, none of its subcontractors, at any tier, or any owner, officer, partner, director or other principal of any subcontractor is currently suspended, debarred, ineligible or excluded from securing State-funded or Federally-funded contracts. During the term of this Contract, Contractor shall immediately notify County's Compliance Manager in writing should it or any of its subcontractors or any principals of either be suspended, debarred, ineligible or excluded from securing State-funded or Federally-funded contracts. Failure of Contractor to comply with this provision shall constitute a material breach of this Contract upon which County may immediately terminate or suspend this Contract.

8.13 CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW

8.13.1 Subrecipient (that is, "Contractor") acknowledges that County places a high priority on the implementation of the Safely Surrendered Baby Law. Contractor understands that it is County's policy to encourage all County contractors to voluntarily post County's "Safely Surrendered Baby Law" poster, in Exhibit I, in a prominent position at Contractor's place of business. Contractor will also encourage its Lower Tier Subrecipients (that is, "Subcontractors"), if any, to post this poster in a prominent position in the Subcontractor's place of business. Information and posters for printing are available at www.babysafeela.org.

8.14 CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

8.14.1 Subrecipient (that is, "Contractor") acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through contracts are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County of Los Angeles and its taxpayers.

8.14.2 As required by County's Child Support Compliance Program (Los Angeles County Code Chapter 2.200) and without limiting
Contractor's duty under this Subaward (that is, "Contract") to comply with all applicable provisions of law, Contractor 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 Social Security Act (Title 42 United States Code Section 653(a)) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family or Spousal Support, pursuant to the California Code of Civil Procedure Section 706.031 and the California Family Code Section 5246(b).

8.15 COUNTY'S QUALITY ASSURANCE PLAN

8.15.1 County or its agent will monitor Subrecipient's (that is, "Contractor's") performance under this Subaward (that is, "Contract") on not less than an annual basis. Such monitoring will include assessing Contractor's compliance with all Contract terms and conditions and performance standards, in addition to the regulations outlined in Subparagraph 8.38.3 (Monitoring Reviews). Contractor deficiencies which County determines are significant or continuing and that may place performance of this Contract in jeopardy if not corrected will be reported to the Board of Supervisors and listed in the appropriate Contractor performance database. The report to the Board will include improvement/corrective action measures taken by County and Contractor. If improvement does not occur consistent with the corrective action measures, County may terminate this Contract or impose other penalties as specified in this Contract.

8.16 DAMAGE TO COUNTY FACILITIES, BUILDINGS OR GROUNDS

8.16.1 Subrecipient shall repair, or cause to be repaired, at its own cost, any and all damage to County facilities, buildings or grounds caused by Subrecipient or employees or agents of Subrecipient. Such repairs shall be made immediately after Subrecipient has become aware of such damage, but in no event later than thirty (30) days after the occurrence.

8.16.2 If Subrecipient fails to make timely repairs, County may make any necessary repairs. All costs incurred by County, as determined by County, for such repairs shall be repaid by Subrecipient by cash payment upon demand.

8.17 EMPLOYMENT ELIGIBILITY VERIFICATION

8.17.1 Subrecipient warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all of its employees performing Work under this Subaward meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. Subrecipient shall obtain, from all employees performing Work hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986 (Public Law 99-603) as they currently exist and as they may be hereafter amended. Subrecipient shall retain all such documentation for all covered employees for the period.
prescribed by law.

8.17.2 Subrecipient shall indemnify, defend, and hold harmless, County, its agents, officers and employees from employer sanctions and any other liability which may be assessed against Subrecipient or County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing Work under this Subaward.

8.18 FACSIMILE REPRESENTATIONS

8.18.1 County and Subrecipient hereby agree to regard facsimile representations of original signatures (including but not limited to electronic and/or digital signatures) of authorized officers of each party, when appearing in appropriate places on the Subaward and any Amendments prepared pursuant to Subparagraph 8.1 (Amendments) and received via electronic communications media, as legally sufficient evidence that such original signatures have been affixed to these documents, such that the parties need not follow up facsimile or other electronic transmissions of such documents with subsequent (non-facsimile/electronic) transmissions of "original" versions of such documents.

8.19 FAIR LABOR STANDARDS

8.19.1 Subrecipient shall comply with all applicable provisions of the Federal Fair Labor Standards Act and shall indemnify, defend, and hold harmless County and its agents, officers and employees from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs and attorneys' fees arising under any wage and hour law, including, but not limited to, the Federal Fair Labor Standards Act, for Work performed by Subrecipient's employees for which County may be found jointly or solely liable.

8.20 FORCE MAJEURE

8.20.1 Neither party shall be liable for such party's failure to perform its obligations under and in accordance with this Subaward, if such failure arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by such party or any of such party's lower tier subrecipients), freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of such party (such events are referred to in this Subparagraph 8.20 as "force majeure events").

8.20.2 Notwithstanding the foregoing, a default by a Lower Tier Subrecipient of Subrecipient shall not constitute a force majeure event, unless such default arises out of causes beyond the control of both Subrecipient and such Lower Tier Subrecipient, and without any fault or negligence of either of them. In such case, Subrecipient shall not be liable for failure to perform, unless the goods or Services to be furnished by the Lower Tier Subrecipient were obtainable from other sources in sufficient time to permit Subrecipient to meet the required performance schedule. As used in this Subparagraph 8.20, the term "Lower
Tier Subrecipient” and “Lower Tier Subrecipients” mean Lower Tier Subrecipients at any tier.

8.20.3 In the event Subrecipient’s failure to perform arises out of a force majeure event, Subrecipient agrees to use commercially reasonable best efforts to obtain goods or Services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such force majeure event.

8.21 GOVERNING LAW, JURISDICTION, AND VENUE

8.21.1 This Subaward shall be governed by, and construed in accordance with, the laws of the State of California. Subrecipient agrees and consents to the exclusive jurisdiction, including personal jurisdiction, of the courts of the State of California for all purposes regarding this Subaward, and further agrees and consents that venue of any action brought hereunder shall be exclusively in County of Los Angeles.

8.22 INDEPENDENT CONTRACTOR STATUS

8.22.1 This Subaward is by and between County and Subrecipient and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between County and Subrecipient. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.

8.22.2 Subrecipient shall be solely liable and responsible for providing to, or on behalf of, all persons performing Work pursuant to this Subaward all compensation and benefits. County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of Subrecipient.

8.22.3 Subrecipient understands and agrees that all persons performing Work pursuant to this Subaward are, for purposes of Workers’ Compensation liability, solely employees of Subrecipient and not employees of County. Subrecipient shall be solely liable and responsible for furnishing any and all Workers’ Compensation benefits to any person as a result of any injuries arising from or connected with any Work performed by or on behalf of Subrecipient pursuant to this Subaward.

8.22.4 Subrecipient shall adhere to the provisions stated in Subparagraph 7.6 (Confidentiality).

8.23 INDEMNIFICATION

8.23.1 Subrecipient shall indemnify, defend and hold harmless County, its Special Districts, elected and appointed officers, employees, agents and volunteers ("County Indemnitees") from and against any and all liability, including but not limited to demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from and/or relating to this Subaward, except for such loss or damage arising from the sole negligence or willful misconduct of County Indemnitees.

8.24 GENERAL PROVISIONS FOR ALL INSURANCE COVERAGE
8.24.1 Without limiting Subrecipient's indemnification of County, and in the performance of this Subaward and until all of its obligations pursuant to this Subaward have been met, Subrecipient shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in this Subparagraph 8.24 and Subparagraph 8.25 (Insurance Coverage) of this Subaward. These minimum insurance coverage terms, types and limits ("Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Subrecipient pursuant to this Subaward. County in no way warrants that the Required Insurance is sufficient to protect Subrecipient for liabilities which may arise from or relate to this Subaward.

8.24.2 Evidence of Coverage and Notice to County

8.24.2.1 Certificate(s) of insurance coverage ("Certificate") satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) have been given Insured status under Subrecipient's General Liability policy, shall be delivered to County's Contract Manager at the address shown below and provided prior to commencing Services under this Subaward.

8.24.2.2 Renewal Certificates shall be provided to County's Contract Manager not less than ten (10) days prior to Subrecipient's policy expiration dates. County reserves the right to obtain complete, certified copies of any required Subrecipient and/or Lower Tier Subrecipient insurance policies at any time.

8.24.2.3 Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Subaward by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of Subrecipient identified as the contracting party in this Subaward. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand dollars ($50,000), and list any County required endorsement forms.

8.24.2.4 Neither County's failure to obtain, nor County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by Subrecipient, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

8.24.2.5 Certificates and copies of any required endorsements shall be sent to:
County of Los Angeles
Workforce Development, Aging and Community Services
Contracts Management Division
Attention: County's Contract Manager
3175 West Sixth Street
Los Angeles, CA 90020

8.24.2.6 Subrecipient also shall promptly report to County's Program Manager any injury or property damage accident or incident, including any injury to a Subrecipient employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Subrecipient. Subrecipient also shall promptly notify County's Program Manager of any third-party claim or suit filed against Subrecipient or any of its Lower Tier Subrecipients which arises from or relates to this Subaward, and could result in the filing of a claim or lawsuit against Subrecipient and/or County.

8.24.3 Additional Insured Status and Scope of Coverage
8.24.3.1 County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, employees and volunteers (collectively County and its Agents) shall be provided additional insured status under Subrecipient's General Liability policy with respect to liability arising out of Subrecipient's ongoing and completed operations performed on behalf of County. County and its Agents' additional insured status shall apply with respect to liability and defense of suits arising out of Subrecipient's acts or omissions, whether such liability is attributable to Subrecipient or to County. The full policy limits and scope of protection also shall apply to County and its Agents as an additional insured, even if they exceed County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

8.24.4 Cancellation of or Change(s) in Insurance
8.24.4.1 Subrecipient shall provide County with, or Subrecipient's insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County's Contract Manager at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance
may constitute a material breach of this Subaward, in the sole discretion of County, upon which County may suspend or terminate this Subaward.

0.24.5 Failure to Maintain Insurance
8.24.5.1 Subrecipient’s failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of this Subaward, upon which County immediately may withhold payments due to Subrecipient, and/or suspend or terminate this Subaward. County, at its sole discretion, may obtain damages from Subrecipient resulting from said breach. Alternatively, County may purchase the Required Insurance, and without further notice to Subrecipient, deduct the premium cost from sums due to Subrecipient or pursue Subrecipient reimbursement.

8.24.6 Insurer Financial Ratings
8.24.6.1 Coverage shall be placed with insurers acceptable to County with A.M. Best ratings of not less than A:VII unless otherwise approved by County.

8.24.7 Subrecipient’s Insurance Shall Be Primary
8.24.7.1 Subrecipient’s insurance policies, with respect to any claims related to this Subaward, shall be primary with respect to all other sources of coverage available to Subrecipient. Any County maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Subrecipient coverage.

8.24.8 Waivers of Subrogation
8.24.8.1 To the fullest extent permitted by law, Subrecipient hereby waives its rights and its insurer(s)’ rights of recovery against County under all the Required Insurance for any loss arising from or relating to this Subaward. Subrecipient shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

8.24.9 Lower Tier Subrecipient Insurance Coverage Requirements
8.24.9.1 Subrecipient shall include all Lower Tier Subrecipients as insureds under Subrecipient’s own policies, or shall provide County with each Lower Tier Subrecipient’s separate evidence of insurance coverage. Subrecipient shall be responsible for verifying that each Lower Tier Subrecipient complies with the Required Insurance provisions herein, and shall require that each Lower Tier Subrecipient name County and Subrecipient as additional insureds on the Lower Tier Subrecipient’s General Liability policy. Subrecipient shall obtain County’s prior review and approval of any Lower Tier Subrecipient request for modification of the
Required Insurance.

8.24.10 Deductibles and Self-Insured Retentions (SIRs)
8.24.10.1 Subrecipient's policies shall not obligate County to pay any portion of any Subrecipient deductible or SIR. County retains the right to require Subrecipient to reduce or eliminate policy deductibles and SIRs as respects County, or to provide a bond guaranteeing Subrecipient's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

8.24.11 Claims Made Coverage
8.24.11.1 If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the effective date of this Subaward. Subrecipient understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Subaward expiration, termination or cancellation.

8.24.12 Application of Excess Liability Coverage
8.24.12.1 Subrecipient may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

8.24.13 Separation of Insureds
8.24.13.1 All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

8.24.14 Alternative Risk Financing Programs
8.24.14.1 County reserves the right to review, and then approve, Subrecipient use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. County and its Agents shall be designated as an Additional Covered Party under any approved program.

8.24.15 County Review and Approval of Insurance Requirements
8.24.15.1 County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County's determination of changes in risk exposures.

8.25 INSURANCE COVERAGE
8.25.1 Commercial General Liability
8.25.1.1 Insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming County and its Agents as an additional insured, with limits of not less than:

- General Aggregate: $4 million
- Products/Completed Operations Aggregate: $2 million
- Personal and Advertising Injury: $1 million
- Each Occurrence: $1 million

8.25.2 **Automobile Liability**

8.25.2.1 Insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than one million dollars ($1,000,000) for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of Subrecipient's use of autos pursuant to this Subaward, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

8.25.3 **Workers Compensation and Employers' Liability**

8.25.3.1 Insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than one million dollars ($1,000,000) per accident. If Subrecipient will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization ("PEO"), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming County as the Alternate Employer. The written notice shall be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. If applicable to Subrecipient's operations, coverage also shall be arranged to satisfy the requirements of any Federal workers or workmen's compensation law or any Federal occupational disease law.

8.25.4 **Intentionally Omitted**

8.25.5 **Intentionally Omitted**

8.25.6 **Property Coverage**

8.25.6.1 Subrecipient who is given exclusive use of County owned or leased property shall carry property coverage at least as broad as that provided by the ISO special causes of loss (ISO policy form CP 10 30). County and its Agents shall be named as an Additional Insured and Loss Payee on Subrecipient's insurance as its interests may appear. Automobiles and mobile equipment shall be insured for their actual cash value. Real property and all other personal property shall be
insured for their full replacement value.

8.25.7 Sexual Misconduct Liability
8.25.7.1 Insurance covering actual or alleged claims for sexual misconduct and/or molestation with limits of not less than two million dollars ($2,000,000) per claim and two million dollars ($2,000,000) aggregate, and claims for negligent employment, investigation, supervision, training or retention of, or failure to report to proper authorities, a person(s) who committed any act of abuse, molestation, harassment, mistreatment or maltreatment of a sexual nature.

8.25.8 Privacy and Network Security Coverage
8.25.8.1

8.25.9 Intentionally Omitted

8.26 LIQUICATED DAMAGES
8.26.1 If, in the judgment of County's Department Head, or his/her designee, Subrecipient is deemed to be non-compliant with the terms and obligations assumed hereby, County's Department Head, or his/her designee, at his/her option, in addition to, or in lieu of, other remedies provided herein, may withhold the entire monthly payment or deduct pro rata from Subrecipient's invoice for Work not performed. A description of the Work not performed and the amount to be withheld or deducted from payments to Subrecipient from County, will be forwarded to Subrecipient by County's Department Head, or his/her designee, in a written notice describing the reasons for said action.

8.26.2 If County's Department Head or his/her designee determines that there are deficiencies in the performance of this Subaward that County's Department Head or his/her designee deems are correctable by Subrecipient over a certain time span, County's Department Head or his/her designee will provide a written notice to Subrecipient to correct the deficiency within specified time frames. Should Subrecipient fail to correct deficiencies within said time frame, County's Department Head or his/her designee may take any of the actions identified in Subparagraph 8.26.3.

8.26.3 Remedies for Non-Performance of Subaward
8.26.3.1 County may deduct from Subrecipient's payment, pro rata, those applicable portions of the monthly Subaward Sum at County's sole discretion.

8.26.3.2 County may deduct liquidated damages at County's sole discretion. The parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of Subrecipient to correct a deficiency within the specified time frame. The parties hereby agree that under the current circumstances a reasonable estimate of such damages per day per infraction shall be one hundred dollars ($100) or as specified in Exhibit A (Statement of Work), Attachment 1
8.26.4 The action noted in Subparagraph 8.26.3 shall not be construed as a penalty, but as adjustment of payment to Subrecipient to recover County cost due to the failure of Subrecipient to complete or comply with the provisions of this Subaward.

8.26.5 This Subparagraph 8.26 shall not, in any manner, restrict or limit County's right to damages for any breach of this Subaward provided by law or as specified in Exhibit A (Statement of Work), Attachment G (Performance Requirements Summary Chart) or Subparagraph 8.26.3, and shall not, in any manner, restrict or limit County's right to terminate this Subaward as agreed to herein. This Subparagraph 8.26 may be assessed as an option. It does not preclude utilizing Exhibit A (Statement of Work), Attachment G (Performance Requirements Summary Chart) or assessing actual costs of the damage.

8.27 MOST FAVORED PUBLIC ENTITY

8.27.1 If Subrecipient's prices decline, or should Subrecipient at any time during the term of this Subaward provide the same goods or Services under similar quantity and delivery conditions to the State of California or any county, municipality, or district of the State at prices below those set forth in this Subaward, then such lower prices shall be immediately extended to County.

8.28 NON-DISCRIMINATION AND AFFIRMATIVE ACTION

8.28.1 Subrecipient (that is, "Contractor") certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and shall be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations.

8.28.2 Contractor shall certify to, and comply with, the provisions of Exhibit D (Subrecipient's Equal Employment Opportunity Certification).

8.28.3 Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such
action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

8.28.4 Contractor certifies and agrees that it will deal with its Lower Tier Subrecipients (that is, "Subcontractors''), bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation.

8.28.5 Contractor certifies and agrees that it, its affiliates, subsidiaries or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Subaward (that is, "Contract") or under any project, program or activity supported by this Contract.

8.28.6 Contractor shall allow County representatives access to Contractor's employment records during County's business hours to verify compliance with the provisions of this Subparagraph 8.28 when so requested by County.

8.28.7 If County finds that any provisions of this Subparagraph 8.28 have been violated, such violation shall constitute a material breach of this Contract upon which County may terminate or suspend this Contract. While County reserves the right to determine independently that the anti-discrimination provisions of this Contract have been violated, in addition, a determination by the California Fair Employment and Housing Commission or the Federal Equal Employment Opportunity Commission that Contractor has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by County that Contractor has violated the anti-discrimination provisions of this Contract.

8.28.8 The parties agree that in the event Contractor violates any of the anti-discrimination provisions of this Contract, County shall, at its sole option, be entitled to the sum of five hundred dollars ($500) for each such violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating or suspending this Contract.

8.29 NON-EXCLUSIVITY

8.29.1 Nothing herein is intended nor shall be construed as creating any exclusive arrangement with Subrecipient. This Subaward shall not restrict County from acquiring similar, equal or like goods and/or Services from other entities or sources.

8.30 NOTICE OF DELAYS

8.30.1 Except as otherwise provided under this Subaward, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Subaward, that party shall, within one (1) business day, give notice thereof, including all relevant information with respect
thereto, to the other party.

8.31 NOTICE OF DISPUTES
8.31.1 Subrecipient shall bring to the attention of County's Program Manager and/or County's Contract Manager any dispute between County and Subrecipient regarding the performance of Services as stated in this Subaward. If County's Program Manager or County's Contract Manager is not able to resolve the dispute, County's Department Head or his/her designee shall resolve it.

8.32 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT
8.32.1 Subrecipient shall notify its employees, and shall require each Lower Tier Subrecipient 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 (IRS) Notice 1015. Subrecipient shall obtain the most current version of IRS Notice 1015 on-line at the IRS website: www.irs.gov.

8.33 NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW
8.33.1 Subrecipient (that is, "Contractor") shall notify and provide to its employees, and shall require each Lower Tier Subrecipient (that is, "Subcontractor") to notify and provide to its employees, information regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The information is set forth in Exhibit I (Safely Surrendered Baby Law) of this Subaward (that is, "Contract"). Additional information is available at www.babysafela.org.

8.34 NOTICES
8.34.1 All notices or demands required or permitted to be given or made under this Subaward shall be in writing and shall be hand-delivered with signed receipt or mailed by first-class registered or certified mail, postage prepaid, addressed to the parties as identified in Exhibit E (County's Administration) and Exhibit F (Subrecipient's Administration). Addresses may be changed by either party giving ten (10) days' prior written notice thereof to the other party. County's Contract Manager or his/her designee shall have the authority to issue all notices or demands required or permitted by County under this Subaward.

8.35 PROHIBITION AGAINST INDUCEMENT OR PERSUASION
8.35.1 Notwithstanding the above, Subrecipient and County agree that, during the term of this Subaward and for a period of one (1) year thereafter, neither party shall in any way intentionally induce or persuade any employee of one party to become an employee or agent of the other party. No bar exists against any hiring action initiated through a public announcement.

8.36 PUBLIC RECORDS ACT
8.36.1 Any documents submitted by Subrecipient, all information obtained in connection with County's right to audit and inspect Subrecipient's documents, books, and accounting records pursuant to Subparagraph 8.38 (Record Retention, Inspection and Audit Settlement), as well as those documents which were required to be submitted in response to the solicitation used to procure this Subaward, become the exclusive property of County. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code Section 6250 et seq. (California Public Records Act) and which are marked "trade secret", "confidential" or "proprietary". County shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.

8.36.2 In the event County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a proposal marked "trade secret", "confidential" or "proprietary", Subrecipient agrees to defend and indemnify County from all costs and expenses, including reasonable attorney's fees, in an action or liability arising under the California Public Records Act.

8.37 PUBLICITY

8.37.1 Subrecipient shall not disclose any details in connection with this Subaward to any person or entity except as may be otherwise provided hereunder or required by law. However, in recognizing Subrecipient's need to identify its Services and related Clients to sustain itself, County shall not inhibit Subrecipient from publishing its role under this Subaward within the following conditions:

8.37.1.1 Subrecipient shall develop all publicity material in a professional manner; and

8.37.1.2 During the term of this Subaward, Subrecipient shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of County without the prior written consent of County's Contract Manager. County shall not unreasonably withhold written consent.

8.37.2 Without the prior written consent of County, Subrecipient may indicate in its proposals and sales materials that it has been granted this Subaward with County of Los Angeles, provided that the requirements of this Subparagraph 8.37 shall apply.

8.37.3 Subrecipient shall not use or display the official seal of County of Los Angeles or the logo of Workforce Development, Aging and Community Services on any of its letterhead or other communications with any debtor, or for any other reason, unless each form of usage has prior written approval of the Los Angeles County Board of Supervisors.

8.38 RECORD RETENTION, INSPECTION AND AUDIT SETTLEMENT
8.38.1 Record Retention Requirements

8.38.1.1 Subrecipient shall maintain accurate and complete financial records (such as bank statements, cancelled checks or other proof of payment) of its activities and operations relating to this Subaward in accordance with Generally Accepted Accounting Principles. Subrecipient shall also maintain all materials, including, but not limited to, complete employment records (such as timecards, sign-in/sign-out sheets and other time and employment records), supporting Program documents and proprietary data and information relating to its performance of this Subaward. Subrecipient shall further maintain on file the entirety of this Subaward, its amendments and/or addendums, modifications and all applicable laws, regulations, directives, Program memoranda and guidance which are hereby incorporated by reference. Subrecipient shall ensure that the security and integrity of all records are maintained throughout the entire term of this Subaward and during the authorized retention period as outlined below.

8.38.1.2 Subrecipient shall adhere to the requirements of the authorized retention period, which shall be the greater of the following: throughout the entire term of this Subaward and until an audit of this Subaward by County and/or its duly authorized representative(s) has occurred and a written audit resolution has been issued or unless otherwise authorized in writing by County; or, for such longer period, if any, as required by applicable statute, by any other provision of this Subaward by Subparagraphs 8.38.2.2 and 8.38.2.3 or as County deems necessary (which shall be communicated to Subrecipient in writing).

8.38.1.3 All such material shall be maintained by Subrecipient at a location in Los Angeles County, provided that if any such material is located outside Los Angeles County, then, at County's option, Subrecipient shall pay County for travel, per diem, and other costs incurred by County to examine, audit, excerpt, copy, or transcribe such material at such other location.

8.38.1.4 After the authorized retention period has expired, Subrecipient shall dispose of, shred or destroy all confidential records in a manner that will maintain confidentiality. Subrecipient shall obtain a certificate of destruction to substantiate that all confidential records have been securely destroyed. Subrecipient shall notify County's Contract Manager in writing within thirty (30) days after such records are destroyed. The certificate of destruction shall be provided to County's Contract Manager upon County's request.
8.38.2 Access to Records

8.38.2.1 Subrecipient agrees that County and any of its duly authorized representatives (which may include State authorities, Federal agencies (including, but not limited to, Comptroller of the United States, Office of the Inspector General and General Accounting Office) and/or any of their duly authorized representatives), shall have both access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating to this Subaward, any books, documents, papers and records of Subrecipient that are directly pertinent to this Subaward (as determined by County and its duly authorized representatives). The rights of access which are outlined in this Subaward shall not be limited to the authorized retention period but shall last as long as the records are retained.

8.38.2.2 If this Subaward (or any part thereof) is terminated, Subrecipient shall preserve and make all records, relating to the Work terminated, available during the authorized retention period of this Subaward. Subrecipient shall ensure that any resource directories and all Client records remain the property of County upon termination of this Subaward, and that they are returned to County or transferred to another subrecipient as instructed by County in writing.

8.38.2.3 In the event of any litigation, claim, negotiation, audit exception or other action involving the records, Subrecipient shall maintain all records relative to such action and shall make them available to County and/or its duly authorized representatives until every action has been cleared to the satisfaction of County and/or its duly authorized representatives and such clearance must be evidenced to Subrecipient in writing.

8.38.2.4 County reserves the right to take physical custody of Subrecipient's records when any of the following situations occur: in the event that a potential litigation may be levied against Subrecipient for its Work performed under this Subaward; when County determines that Subrecipient is at a high risk of ceasing its operations during any time within the Subaward term or prior to the end of the retention period; when County determines that the records have long-term value; and/or, in the event that County and Subrecipient terminate the contractual relationship. For purposes of this Subaward, high risk is determined by County using criteria which includes but is not limited to the following: history of unsatisfactory contractual performance; financial instability or insolvency; documented evidence of an inadequate management system and lack of
internal controls; non-conformance to the terms and conditions of previous awards; non-responsible; and/or history of disallowed costs.

8.38.3 Monitoring Reviews

8.38.3.1 Subrecipient shall provide the Services herein under the general supervision of County's Department Head and his/her authorized administrators who are designated in Paragraph 6.0 (Administration of Subaward-County). County shall supervise, monitor and specify the kind, quality, appropriateness, timeliness and amount of the Services to be provided by Subrecipient as well as the criteria for determining the persons to be served (Clients). Subrecipient shall extend to County and to representatives authorized by County (including, but not limited to, State and Federal representatives) the right to observe, review and monitor Subrecipient's facilities, programs, records, procedures, performance, activities, or documents, which are used under this Subaward. Subrecipient shall provide County (or other designated authorities) the right to conduct such reviews at any time during County's business hours. County (or other designated authorities) shall not unreasonably interfere with Subrecipient's performance. The requirements of this Subparagraph 8.38 shall also apply to Lower Tier Subrecipients providing Services on behalf of Subrecipient.

8.38.3.2 County will monitor Subrecipient's Services provided under this Subaward on a regular basis and County may conduct unannounced site visits to ensure Subrecipient's compliance with this Subaward. County will summarize the results of the monitoring efforts in written reports, which shall be supported with documented evidence of follow-up actions taken to correct areas of non-compliance. Monitoring activities may include, but are not limited to interviewing Subrecipient employees and, when applicable, Clients; entering any premises or any site in which any of the Services or activities funded are being conducted or in which any records of Subrecipient are kept; etc. All information will be maintained in a confidential manner in accordance with any and all Federal, State and local laws.

8.38.3.3 Subrecipient shall be responsible for monitoring the activities of its Lower Tier Subrecipient(s) providing Services under this Subaward. Subrecipient shall conduct on-site fiscal and program monitoring reviews which shall be documented and maintained on file according to the record retention requirements provided in this Subparagraph 8.38. Subrecipient shall ensure that Lower Tier Subrecipient(s) adheres to all requirements for correcting areas of non-compliance, and implements the corrective action plan which has
been approved by Subrecipient.

8.38.4 Independent Audit Requirements

8.38.4.1 Title 45 Code of Federal Regulations Part 75.500 et seq. and Title 2 Code of Federal Regulations Part 200.500 et seq. requires that organizations which expend seven hundred fifty thousand dollars ($750,000) or more in a year in Federal awards, including pass-through awards, shall obtain an annual single audit. When Subrecipient's organization meets this requirement (as specified in Title 45 Code of Federal Regulations Part 75.500 et seq. and Title 2 Code of Federal Regulations Part 200.500 et seq.), Subrecipient shall ensure that such audit shall be conducted by an independent auditor in accordance with the requirements outlined in Title 45 Code of Federal Regulations Part 75.500 et seq. and Title 2 Code of Federal Regulations Part 200.500 et seq. (and any amendments or supplements thereto). Subrecipient shall submit an audit engagement letter as confirmation of the audit to be conducted by the independent auditor and such letter shall be submitted to County's Compliance Manager in the time and manner as directed by County. Upon auditor's completion of the single audit, Subrecipient shall obtain both the data collection form and the reporting package (i.e., auditor's report), as described in Title 45 Code of Federal Regulations Part 75.500 et seq. and Title 2 Code of Federal Regulations Part 200.500 et seq., from the auditor for each audit period (i.e., each Fiscal Year or Program Year). Subrecipient shall submit a copy of the auditor's report to County's Compliance Manager within thirty (30) days after receipt of auditor's report but no later than nine (9) months following the end of the audit period.

8.38.4.2 When the requirements provided above for obtaining an annual audit do not apply to Subrecipient for any Fiscal Year (or Program Year), Subrecipient shall make its records available for review or audit by County and any of its duly authorized representatives (which may include State authorities, Federal agencies (including, but not limited to, Comptroller of the United States, Office of the Inspector General and General Accounting Office) and/or any of their duly authorized representatives). Such review or audit may include but is not limited to financial audits, performance audits, evaluations, inspections, monitoring, etc. as determined by County and/or by any other oversight agency that is responsible for overseeing Subaward Sums, the Program and Services. Subrecipient shall comply with the review and audit requirements which shall be identified in writing by County and/or its duly authorized representatives.
8.38.4.3 In the event that an audit of Subrecipient is conducted specifically regarding this Subaward by any Federal or State auditor, or by any auditor or accountant employed by Subrecipient or otherwise, then Subrecipient shall file a copy of such audit report with County’s Compliance Manager within thirty (30) days of Subrecipient’s receipt thereof, unless otherwise provided by applicable Federal or State law or under this Subaward. Subject to applicable law, County shall make a reasonable effort to maintain the confidentiality of such audit report(s).

8.38.4.4 If, at any time during the term of this Subaward or during the authorized retention period of this Subaward as noted in Subparagraph 8.38.1, representatives of County conduct an audit of Subrecipient regarding the Work performed under this Subaward, and if such audit finds that County’s dollar liability for any such Work is less than payments made by County to Subrecipient, then the difference shall be either: a) repaid by Subrecipient to County by cash payment upon demand; or, b) at the sole option of County of Los Angeles Department of Auditor-Controller, deducted from any amounts due to Subrecipient from County, whether under this Subaward or otherwise. If such audit finds that County’s dollar liability for such Work is more than the payments made by County to Subrecipient, then the difference shall be paid to Subrecipient by County by cash payment, provided that in no event shall County’s maximum obligation for this Subaward exceed the funds appropriated by County for the purpose of this Subaward.

8.38.5 Failure to Comply With Requirements
8.38.5.1 Failure on the part of Subrecipient to comply with any of the provisions of this Subparagraph 8.38 shall constitute a material breach of this Subaward upon which County may terminate or suspend this Subaward.

8.39 RECYCLED BOND PAPER
8.39.1 Consistent with the Board of Supervisors’ policy to reduce the amount of solid waste deposited at Los Angeles County landfills, Subrecipient agrees to use recycled-content paper to the maximum extent possible on this Subaward.

8.40 LOWER TIER SUBAWARD
8.40.1 Subrecipient shall not delegate the requirements of this Subaward to a third-party ("Lower Tier Subrecipient") without the advance written approval of County. Any attempt by Subrecipient to enter into a Lower Tier Subaward for that purpose without the prior written consent of County shall be deemed a material breach of this Subaward. Subrecipient shall provide a draft copy of the proposed Lower Tier Subaward to County’s Contract Manager, and shall allow County up to sixty
(60) days to complete its review process. As such, Subrecipient shall ensure that it provides the Lower Tier Subaward to County well in advance of its intended date to execute the Lower Tier Subaward (i.e., in order for Subrecipient to meet its target date for executing the Lower Tier Subaward, Subrecipient shall factor up to sixty (60) days into its timeline to account for County's review process).

8.40.2 If Subrecipient desires to enter into a Lower Tier Subaward for the purpose of delegating any of the requirements of this Subaward, Subrecipient shall complete Exhibit Y (List of Lower Tier Subawards) and at County’s request shall promptly provide the following information either on or along with Exhibit Y (List of Lower Tier Subawards):

8.40.2.1 Lower Tier Subrecipient's name and contact information; a description of the Work to be performed by Lower Tier Subrecipient; Lower Tier Subaward number; and Lower Tier Subaward amount.

8.40.2.2 A draft copy of the proposed Lower Tier Subaward.

8.40.2.3 Other pertinent information and/or certifications requested by County.

8.40.3 Subrecipient shall indemnify, defend, and hold County harmless with respect to the activities of each and every Lower Tier Subrecipient in the same manner and to the same degree as if such Lower Tier Subrecipient(s) was Subrecipient's employee.

8.40.4 Subrecipient shall remain fully responsible for all performances required of it under this Subaward, including those that Subrecipient has determined to grant through a Lower Tier Subaward, notwithstanding County's approval of Subrecipient's proposed Lower Tier Subaward.

8.40.5 County's consent to allow Subrecipient to enter into a Lower Tier Subaward with a third-party shall not waive County's right to prior and continuing approval of any and all personnel, including Lower Tier Subrecipient employees, providing Services under this Subaward. Subrecipient is responsible for notifying its Lower Tier Subrecipients of this County right.

8.40.6 County's Contract Manager is authorized to act for and on behalf of County with respect to approval of any Lower Tier Subaward and Lower Tier Subrecipient employees. After County's approval of the Lower Tier Subaward, Subrecipient shall forward a copy of the fully executed Lower Tier Subaward to County's Contract Manager within five (5) days of its execution.

8.40.7 Subrecipient shall be solely liable and responsible for all payments or other compensation to all Lower Tier Subrecipients and their officers, employees, agents, and successors in interest arising through Services performed hereunder, notwithstanding County's consent to allow Subrecipient to enter into such Lower Tier Subaward(s).
8.40.8 Subrecipient shall obtain current valid certificates of insurance, which establish that each Lower Tier Subrecipient maintains all the programs of insurance required by County in accordance with Subparagraph 8.24.9 (Lower Tier Subrecipient Insurance Coverage Requirements). In addition to meeting the requirements noted in Subparagraph 8.24 (General Provisions for All Insurance Coverage) and Subparagraph 8.25 (Insurance Coverage), such certificates of insurance shall also indicate the Lower Tier Subaward number for each Lower Tier Subrecipient. Before any Lower Tier Subrecipient employee performs any Work hereunder, Subrecipient shall ensure delivery of all such documents to County’s Contract Manager or designee.

8.40.9 Amending a Lower Tier Subaward may be initiated by either Subrecipient or County. When an amendment is initiated by County, County shall outline the reason(s) for the amendment and Subrecipient shall comply with County’s request. All Lower Tier Subaward amendments are subject to review and must be approved in writing by County before they are executed. Subrecipient shall provide a draft copy of the proposed amendment to County’s Contract Manager, and shall allow County up to thirty (30) days to complete its review process. After County’s approval of Subrecipient’s amendment, Subrecipient shall forward a copy of the fully executed amendment to County’s Contract Manager within five (5) days of its execution.

8.40.10 Subrecipient shall adhere to all applicable Federal, State and/or County requirements for the procurement of a Lower Tier Subrecipient(s) and/or vendor services using Subaward Sums.

8.40.11 In the event County approves Subrecipient’s request to delegate any part of the requirements of this Subaward through a Lower Tier Subaward, all applicable provisions and requirements of this Subaward shall be made applicable to such Lower Tier Subaward. To this end, Subrecipient shall include the following provision in the Lower Tier Subaward. This agreement is a Lower Tier Subaward under the terms of a prime Subaward (identified as Subaward Number [@ PO Document Number @]) with County of Los Angeles Workforce Development, Aging and Community Services and shall be subject to all of the provisions of such prime Subaward. All representations and warranties under this Lower Tier Subaward shall inure to the benefit of County of Los Angeles.

8.40.12 Pursuant to the provisions of this Subaward, County has the right to review and consent (or not consent) to Subrecipient’s use of Lower Tier Subrecipients that have been procured in compliance with State and/or federal guidelines applicable to the funding source(s) identified in Subparagraph 5.1.2 (Funding Allocations). County’s approval of the proposed Lower Tier Subaward shall not be deemed as validation of the procurement method used by Subrecipient, and only reflects County’s approval as to the form of the Lower Tier Subaward terms and conditions as well as the services being provided under such agreement.

8.40.13 When entering into a Lower Tier Subaward with a qualified organization, Subrecipient shall maintain documentation that
supports/justifies the procurement method and evaluation process used by Subrecipient to select the qualified vendor for a Lower Tier Subaward. County's continuing consent to a Lower Tier Subaward is contingent upon Subrecipient's assurance that the procurement process was compliant with the requirements noted herein as well as all other Subaward requirements, and that the Lower Tier Subrecipient continues to retain staff and infrastructure experienced with providing the necessary services.

8.40.14 This Subaward and any approved Lower Tier Subaward are subject to monitoring and/or review by County, State, and/or federal funding authorities. If Subrecipient executes a Lower Tier Subaward that is deemed non-compliant with the requirements of this Subaward or applicable federal, State, or County regulations, any costs incurred under that Lower Tier Subaward may be disallowed, resulting in Subrecipient's liability to County for the repayment of any charged costs and/or not being reimbursed for any of those incurred costs yet to be billed.

8.40.15 Subrecipient shall ensure that its Lower Tier Subrecipient(s) complies with the requirements of California Public Contract Code Section 2010 by submitting a completed California Civil Rights Laws Certification as a condition of executing this Subaward. The certificate is available at: https://wdacs.lacounty.gov/doing-business-with-wdacs/.

8.41 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM
8.41.1 Failure of Subrecipient (that is, "Contractor") to maintain compliance with the requirements set forth in Subparagraph 8.14 (Contractor's Warranty of Adherence to County's Child Support Compliance Program), shall constitute default under this Subaward (that is, "Contract"). Without limiting the rights and remedies available to County under any other provision of this Contract, failure of Contractor to cure such default within ninety (90) calendar days of written notice shall be grounds upon which County may terminate this Contract pursuant to Subparagraph 8.43 (Termination for Default) and pursue debarment of Contractor, pursuant to Los Angeles County Code Chapter 2.202.

8.42 TERMINATION FOR CONVENIENCE
8.42.1 County may terminate this Subaward, in whole or in part, from time to time or permanently, when such action is deemed by County, in its sole discretion, to be in its best interest. Termination of Work hereunder shall be effected by notice of termination to Subrecipient specifying the extent to which performance of Work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than thirty (30) calendar days after the notice is sent.

8.42.2 Upon receipt of a notice of termination and except as otherwise directed by County, Subrecipient shall immediately:
8.42.2.1 Stop Work under this Subaward on the date and to the extent specified in such notice;

8.42.2.2 Complete performance of such part of the Work as shall not have been terminated by such notice;

8.42.2.3 Transfer title and deliver to County all completed Work and Work in progress.

8.42.3 All material including books, records, documents, or other evidence bearing on the costs and expenses of Subrecipient under this Subaward shall be maintained by Subrecipient in accordance with Subparagraph 8.38 (Record Retention, Inspection and Audit Settlement).

8.43 TERMINATION FOR DEFAULT

8.43.1 County may, by written notice to Subrecipient, terminate the whole or any part of this Subaward, if, in the judgment of County:

8.43.1.1 Subrecipient has materially breached this Subaward; or

8.43.1.2 Subrecipient fails to timely provide and/or satisfactorily perform any task, deliverable, Service, or other work required under this Subaward; or

8.43.1.3 Subrecipient fails to demonstrate a high probability of timely fulfillment of performance requirements under this Subaward, or of any obligations of this Subaward and in either case, fails to demonstrate convincing progress toward a cure within five (5) business days (or such longer period as County may authorize in writing) after receipt of written notice from County specifying such failure.

8.43.2 In the event that County terminates this Subaward in whole or in part as provided in Subparagraph 8.43.1, County may procure, upon such terms and in such manner as County may deem appropriate, goods and Services similar to those so terminated. Subrecipient shall be liable to County for any and all excess costs incurred by County, as determined by County, for such similar goods and Services. Subrecipient shall continue the performance of this Subaward to the extent not terminated under the provisions of this Subparagraph 8.43.

8.43.3 Except with respect to defaults of any Lower Tier Subrecipient, Subrecipient shall not be liable for any such excess costs of the type identified in Subparagraph 8.43.2 if its failure to perform this Subaward arises out of causes beyond the control and without the fault or negligence of Subrecipient. Such causes may include, but are not limited to: acts of nature or of the public enemy, acts of County in either its sovereign or contractual capacity, acts of Federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond the control
and without the fault or negligence of Subrecipient. If the failure

to perform is caused by the default of a Lower Tier Subrecipient,
and if such default arises out of causes beyond the control of
both Subrecipient and Lower Tier Subrecipient, and without the
fault or negligence of either of them, Subrecipient shall not be
liable for any such excess costs for failure to perform, unless the
goods or Services to be furnished by the Lower Tier Subrecipient
were obtainable from other sources in sufficient time to permit
Subrecipient to meet the required performance schedule. As
used in this Subparagraph 8.43, the term "Lower Tier
Subrecipient(s)" means Lower Tier Subrecipient(s) at any tier.

8.43.4 If, after County has given notice of termination under the
provisions of this Subparagraph 8.43, it is determined by County
that Subrecipient was not in default under the provisions of this
Subparagraph 8.43, or that the default was excusable under the
provisions of Subparagraph 8.43.3, the rights and obligations of
the parties shall be the same as if the notice of termination had
been issued pursuant to Subparagraph 8.42 (Termination for
Convenience).

8.43.5 The rights and remedies of County provided in this
Subparagraph 8.43, shall not be exclusive and are in addition to
any other rights and remedies provided by law or under this
Subaward.

8.44 TERMINATION FOR IMPROPER CONSIDERATION

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

8.44.2 Contractor shall immediately report any attempt by a County
officer or employee to solicit such improper consideration. The
report shall be made either to County manager charged with the
supervision of the employee or to County of Los Angeles
Department of Auditor-Controller's Employee Fraud Hotline at
(800) 544-6861.

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

8.45 TERMINATION FOR INSOLVENCY

8.45.1 County may terminate this Subaward forthwith in the event of the
occurrence of any of the following:
8.45.1.1 Insolvency of Subrecipient. Subrecipient shall be deemed to be insolvent if it has ceased to pay its debts for at least sixty (60) days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not Subrecipient is insolvent within the meaning of the Federal Bankruptcy Code;

8.45.1.2 The filing of a voluntary or involuntary petition regarding Subrecipient under the Federal Bankruptcy Code;

8.45.1.3 The appointment of a Receiver or Trustee for Subrecipient; or

8.45.1.4 The execution by Subrecipient of a general assignment for the benefit of creditors.

8.45.2 The rights and remedies of County provided in this Subparagraph 8.45 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Subaward.

8.46 TERMINATION FOR NON - ADHERENCE OF COUNTY LOBBYIST ORDINANCE

8.46.1 Subrecipient (that is, "Contractor") and each County Lobbyist or County Lobbying firm, as defined in Los Angeles County Code Section 2.160.010, retained by Contractor shall fully comply with County's Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of Contractor or any County Lobbyist or County Lobbying firm retained by Contractor to fully comply with County's Lobbyist Ordinance shall constitute a material breach of this Subaward (that is, "Contract"), upon which County may in its sole discretion, immediately terminate or suspend this Contract.

8.47 TERMINATION FOR NON - APPROPRIATION OF FUNDS

8.47.1 Notwithstanding any other provision of this Subaward, County shall not be obligated for Subrecipient's performance hereunder or by any provision of this Subaward during any of County's future Fiscal Years unless and until County's Board of Supervisors appropriates funds for this Subaward in County's budget for each such future Fiscal Year. In the event that funds are not appropriated for this Subaward, then this Subaward shall terminate as of June 30 of the last Fiscal Year for which funds were appropriated. County shall notify Subrecipient in writing of any such non-allocation of funds at the earliest possible date.

8.48 VALIDITY

8.48.1 If any provision of this Subaward or the application thereof to any person or circumstance is held invalid, the remainder of this Subaward and the application of such provision to other persons or circumstances shall not be affected thereby.

8.49 WAIVER
8.49.1 No waiver by County of any breach of any provision of this Subaward shall constitute a waiver of any other breach or of such provision. Failure of County to enforce at any time, or from time to time, any provision of this Subaward shall not be construed as a waiver thereof. The rights and remedies set forth in this Subparagraph 8.49, shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Subaward.

8.50 WARRANT AGAINST CONTINGENT FEES

8.50.1 Subrecipient warrants that no person or selling agency has been employed or retained to solicit or secure this Subaward upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by Subrecipient for the purpose of securing business.

8.50.2 For breach of this warranty, County shall have the right to terminate this Subaward and, at its sole discretion, deduct from the Subaward Sum or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

8.51 WARRANTY OF COMPLIANCE WITH COUNTY’S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

8.51.1 Subrecipient acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its taxpayers. Unless Subrecipient qualifies for an exemption or exclusion, Subrecipient warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this Subaward will maintain compliance, with Los Angeles County Code Chapter 2.206. Prior to the commencement of this Subaward, Subrecipient shall complete Exhibit U (Certification of Compliance with County's Defaulted Property Tax Reduction Program) and submit it to County's Contract Manager in the time and manner as designated by County.

8.52 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY' S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

8.52.1 Failure of Subrecipient to maintain compliance with the requirements set forth in Subparagraph 8.51 (Warranty of Compliance with County's Defaulted Property Tax Reduction Program), shall constitute default under this Subaward. Without limiting the rights and remedies available to County under any other provision of this Subaward, failure of Subrecipient to cure such default within ten (10) days of notice shall be grounds upon which County may terminate this Subaward and/or pursue debarment of Subrecipient, pursuant to Los Angeles County Code Chapter 2.206.

8.53 TIME OFF FOR VOTING

8.53.1 Subrecipient shall notify and provide its employees, and shall
require each Lower Tier Subrecipient to notify and provide its employees, information regarding the time off for voting law pursuant to California Elections Code (EC) Section 14000. Not less than ten (10) days before every statewide election, Subrecipient and its Lower Tier Subrecipient(s) shall keep posted conspicuously at the place of work, if practicable, or elsewhere where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of EC 14000.

8.54 COMPLIANCE WITH COUNTY'S ZERO TOLERANCE HUMAN TRAFFICKING POLICY

8.54.1 Subrecipient (that is, "Contractor") acknowledges that County has established a Zero Tolerance Human Trafficking Policy which prohibits Contractor and member of Contractor's staff from engaging in human trafficking.

8.54.2 If Contractor or member of Contractor's staff is convicted of a human trafficking offense, County shall require that Contractor or member of Contractor's staff be removed immediately from performing Services under this Subaward (that is, "Contract"). County will not be under any obligation to disclose confidential information regarding the offense(s) other than those required by law.

8.54.3 Disqualification of Contractor or member of Contractor's staff pursuant to this Subparagraph 8.54 shall not relieve Contractor of its obligation to complete all Work in accordance with the terms and conditions of this Contract.

8.55 INTENTIONALLY OMITTED

8.56 COMPLIANCE WITH FAIR CHANCE EMPLOYMENT PRACTICES

8.56.1 Subrecipient (that is, "Contractor") shall comply with fair chance employment hiring practices set forth in California Government Code Section 12952, Employment Discrimination: Conviction History. Contractor's violation of this Subparagraph 8.56 may constitute a material breach of this Subaward (that is, "Contract"). In the event of such material breach, County may, in its sole discretion, terminate this Contract.

8.57 COMPLIANCE WITH COUNTY POLICY OF EQUITY

8.57.1 Subrecipient acknowledges that County takes its commitment to preserving the dignity and professionalism of the workplace very seriously, as set forth in County Policy of Equity ("CPOE") (https://ceop.lacounty.gov/). Subrecipient further acknowledges that County strives to provide a workplace free from discrimination, harassment, retaliation and inappropriate conduct based on a protected characteristic, and which may violate the CPOE. Subrecipient, its employees and Lower Tier Subrecipient(s) acknowledge and certify receipt and understanding of the CPOE. Failure of Subrecipient, its employees or its Lower Tier Subrecipient(s) to uphold County's expectations of a workplace free from harassment and discrimination, including inappropriate conduct based on a protected characteristic, may subject Subrecipient to termination of contractual agreements as well as civil liability.

8.58 PROHIBITION FROM PARTICIPATION IN FUTURE SOLICITATION(S)
Neither Subrecipient (that is, "Contractor"), subsidiary of nor Lower Tier Subrecipient (that is, "Subcontractor") to Contractor, shall participate, in any way, in the development of any future solicitations conducted by County that includes, or is based upon any Services rendered by Contractor under this Subaward (that is, "Agreement"). As this prohibition applies to Subcontractors of Contractor, Contractor shall notify any Subcontractors providing Services under this Agreement of this prohibition before they commence Work. Any response to a solicitation submitted by Contractor, or by any subsidiary of or Subcontractor to Contractor in violation of this provision shall be rejected by County. This provision shall survive the expiration or other termination of this Agreement.

9.0 UNIQUE TERMS AND CONDITIONS

9.1 ALLEGATIONS OF FRAUD AND/OR ABUSE

9.1.1 Fraud Prevention Reporting

9.1.1.1 Subrecipient's staff working on this Subaward shall immediately report all suspected or actual instances of fraud as designated in Exhibit Q (Accounting, Administration and Reporting Requirements).

9.1.2 Child Abuse Reporting

9.1.2.1 Subrecipient's staff working on this Subaward shall comply with the Child Abuse and Neglect Reporting Act (California Penal Code (PC) Section 11164 et seq.), and shall report all known and suspected instances of child abuse to an appropriate child protective agency, as mandated by the referenced Penal Code. Additionally, Subrecipient's staff working on this Subaward shall also report such abuse to the County of Los Angeles Department of Children and Family Services by calling the hotline at (800) 540-4000 within twenty-four (24) hours of discovering or suspecting the abuse. Subrecipient's staff shall submit all required information to the appropriate authorities in accordance with PC Sections 11166 and 11167.

9.1.3 Elder and Dependent Adult Abuse Reporting

9.1.3.1 Subrecipient's staff working on this Subaward shall comply with the Elder Abuse and Dependent Adult Civil Protection Act (California Welfare and Institutions Code (WIC) Section 15600 et seq.), and shall report all known or suspected instances of physical abuse of elders and dependent adults either to an appropriate County adult protective services agency or to a local law enforcement agency, as mandated by the referenced Welfare and Institutions Code. Subrecipient's staff working on this Subaward shall report the abuse and shall submit all required information in accordance with WIC Sections 15630, 15633 and 15633.5.

9.1.4 Withholding of Payment
9.1.4.1 In the event that allegations of fraud and/or abuse are levied against Subrecipient or any individual or entity performing Work under this Subaward on behalf of Subrecipient, County reserves the right to withhold either ten percent (10%) of the Subaward Sum allocated for any Fiscal Year under this Subaward or the entire amount of the final year-end invoice, whichever is greater, until a determination is issued in writing by County that withheld funds will be released to Subrecipient. For purposes of this Subaward, fraud and abuse shall include but are not limited to the following: misapplication of funds; embezzlement; forgery; theft; solicitation and receipt of bribes; falsification of records; inauditable records; unsupported or undocumented Subaward expenditures; inaccurate fiscal and/or Program reports; misuse of fixed assets or non-fixed assets purchased with Subaward Sums (when the procurement of such assets are authorized in this Subaward); violation of conflict of interest requirements; etc.

9.2 AMERICANS WITH DISABILITIES ACT (ADA)
9.2.1 Subrecipient shall abide by all applicable Federal, State and local laws including the Americans with Disabilities Act (ADA) and its requirement to provide reasonable accommodations and auxiliary aids or services, unless compliance with the ADA would place an undue financial burden on, or would fundamentally alter the nature of, Subrecipient's operations. Subrecipient shall submit demonstrable evidence of such undue financial burden to County in such circumstances.

9.3 CONTRACTOR'S CHARITABLE ACTIVITIES COMPLIANCE
9.3.1 The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (Senate Bill 1262, Chapter 919) increased Charitable Purposes Act requirements. By requiring Subrecipient (that is, "Contractor") to complete Exhibit O (Charitable Contributions Certification), County seeks to ensure that all County contractors which receive or raise charitable contributions comply with California law in order to protect Los Angeles County and its taxpayers. When Contractor receives or raises charitable contributions without complying with its obligations under California law, Contractor commits a material breach subjecting it to termination of this Subaward (that is, "Contract"), debarment proceedings or both (Los Angeles County Code Chapter 2.202). Prior to the commencement of this Contract, Contractor shall submit the completed Exhibit O (Charitable Contributions Certification) to County's Contract Manager in the time and manner as designated by County.

9.4 HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA)
9.4.1 County is subject to the Administrative Simplification requirements and prohibitions of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA"),

SUBAWARD PERIOD
SUBAWARD NUMBER
and regulations promulgated thereunder, including the Privacy, Security, Breach Notification, and Enforcement Rules which are outlined in Title 45 Code of Federal Regulations Sections 160 and 164 (collectively "HIPAA Rules"). Under this Subaward, Subrecipient provides Services to County and Subrecipient creates, has access to, receives, maintains, or transmits Protected Health Information as defined in Exhibit N (Business Associate Agreement Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA)) in order to provide those Services. County and Subrecipient therefore agree to the terms of Exhibit N (Business Associate Agreement Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA)).

9.5 FIXED ASSETS, NON-FIXED ASSETS AND SUPPLIES

9.5.1 Subrecipient may use Subaward Sums to purchase Fixed Assets, Non-Fixed Assets and Supplies, which are defined in Exhibit S (Purchase, Inventory and Disposal Requirements for Fixed Assets, Non-Fixed Assets and Supplies) contingent upon County’s prior approval. Subrecipient shall adhere to the purchase, inventory and disposal requirements for all Fixed Assets, Non-Fixed Assets and Supplies purchased with Subaward Sums, as provided by Federal and State regulations as well as the requirements outlined in Exhibit S (Purchase, Inventory and Disposal Requirements for Fixed Assets, Non-Fixed Assets and Supplies).

9.6 LIMITATION ON CORPORATE ACTS

9.6.1 Subrecipient shall not amend its articles of incorporation or bylaws, move to dissolve or transfer any assets obtained using Subaward Sums, or take any other steps which may materially affect the performance of this Subaward without first notifying County in writing no less than thirty (30) days prior to said action. Subrecipient shall notify County’s Contract Manager immediately in writing of any change in Subrecipient’s corporate name.

9.6.2 If, in County’s sole discretion, the steps taken by Subrecipient are determined to materially affect Subrecipient’s performance of this Subaward, County may, at its sole discretion, take any (or all) of the following actions:

9.6.2.1 Require Subrecipient to remedy the areas that affect Subrecipient’s ability to perform its obligations under this Subaward.

9.6.2.2 Suspend Subrecipient from performing (and receiving payment for) Subaward tasks until a remedy has been reached.

9.6.2.3 Terminate this Subaward pursuant to Subparagraph 8.43 (Termination for Default).
9.7 COUNTY'S PREFERENCE PROGRAM

9.7.1 Local Small Business Enterprise Preference Program

9.7.1.1 This Subaward (that is, "Contract") is subject to the provisions of the County's ordinance entitled Local Small Business Enterprise ("LSBE") Preference Program, as codified in Chapter 2.204 of the Los Angeles County Code.

9.7.1.2 Subrecipient (that is, "Contractor") shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a LSBE.

9.7.1.3 Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a LSBE.

9.7.1.4 If Contractor has obtained certification as a LSBE by reason of having furnished incorrect supporting information or by reason of having withheld information, and Contractor knew, or should have known, that the information furnished was incorrect or that the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this Contract to which it would not otherwise have been entitled, Contractor shall:

9.7.1.4.1 Pay to County any difference between the Contract amount and what County's costs would have been if this Contract had been properly awarded;

9.7.1.4.2 In addition to the amount described in Subparagraph 9.7.1.4.1 above, Contractor will be assessed a penalty in an amount of not more than ten percent (10%) of the amount of this Contract; and

9.7.1.4.3 Be subject to the provisions of Los Angeles County Code Chapter 2.202 (Determinations of Contractor Non-responsibility and Contractor Debarment).

9.7.1.5 The above penalties shall also apply when Contractor has previously obtained proper certification; however, as a result of a change in its status, Contractor is no longer be eligible for certification, and fails to notify the State and the
9.7.2 Social Enterprise Preference Program

9.7.2.1 This Subaward (that is, "Contract") is subject to the provisions of the County's ordinance entitled Social Enterprise ("SE") Preference Program, as codified in Chapter 2.205 of the Los Angeles County Code.

9.7.2.2 Subrecipient (that is, "Contractor") shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a SE.

9.7.2.3 Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a SE.

9.7.2.4 If Contractor has obtained County certification as a SE by reason of having furnished incorrect supporting information or by reason of having withheld information, and Contractor knew, or should have known, that the information furnished was incorrect or that the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this Contract to which it would not otherwise have been entitled, Contractor shall:

9.7.2.4.1 Pay to County any difference between the Contract amount and what County's costs would have been if this Contract had been properly awarded;

9.7.2.4.2 In addition to the amount described in Subparagraph 9.7.2.4.1 above, Contractor will be assessed a penalty in an amount of not more than ten percent (10%) of the amount of this Contract; and

9.7.2.4.3 Be subject to the provisions of Los Angeles County Code Chapter 2.202 (Determinations of Contractor Non-responsibility and Contractor Debarment).

9.7.2.5 The above penalties shall also apply when Contractor has previously obtained proper certification; however, as a result of a change in its status, Contractor is no longer be eligible for
certification, and fails to notify the Department of Consumer and Business Affairs of this information prior to responding to a solicitation or accepting a contract award.

9.7.3 Disabled Veteran Business Enterprise Preference Program

9.7.3.1 This Subaward (that is, "Contract") is subject to the provisions of Los Angeles County's ordinance entitled Disabled Veteran Business Enterprise ("DVBE") Preference Program as codified in Los Angeles County Code Chapter 2.211.

9.7.3.2 Subrecipient (that is, "Contractor") shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a DVBE.

9.7.3.3 Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a DVBE.

9.7.3.4 If Contractor has obtained County certification as a DVBE by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this Contract to which it would not otherwise have been entitled, Contractor shall:

9.7.3.4.1 Pay to County any difference between the Contract amount and what County's costs would have been if this Contract had been properly awarded;

9.7.3.4.2 In addition to the amount described in Subparagraph 9.7.3.4.1 above, Contractor will be assessed a penalty in an amount of not more than ten percent (10%) of the amount of this Contract; and

9.7.3.4.3 Be subject to the provisions of Los Angeles County Code Chapter 2.202 (Determinations of Contractor Non-responsibility and Contractor Debarment).

9.7.3.5 Not withstanding any other remedies in this Contract, the above penalties shall also apply when Contractor has previously obtained proper
certification; however, as a result of a change in its status, Contractor is no longer be eligible for certification, and fails to notify the State and the Department of Consumer and Business Affairs of this information prior to responding to a solicitation or accepting a contract award.

9.8 MANDATORY REQUIREMENT TO REGISTER ON COUNTY'S WEBVEN

9.8.1 Subrecipient represents and warrants that it has registered in Los Angeles County's vendor registration system ("WebVen"). The WebVen contains Subrecipient's business profile and identifies the goods/services being provided by Subrecipient. Subrecipient shall ensure that it updates its vendor profile whenever changes occur to Subrecipient's operations by accessing the WebVen site located on-line at: http://camisvr.co.ca.us/webven/. County shall use the data obtained from Subrecipient's WebVen profile to ensure that Subrecipient's information is consistent with Subaward records (e.g., Subrecipient's legal name, as reflected in its WebVen profile, shall be used in all Subaward documents).

9.9 MODIFICATIONS

9.9.1 Modifications to this Subaward

9.9.1.1 This Subaward fully expresses the agreement of the parties. Any modification to this Subaward must be by means of a separate written document approved by County. No oral conversation between any officer, employee or agent of the parties shall modify or otherwise amend this Subaward in any way. For purposes of this Subparagraph 9.9, a Modification:

9.9.1.1.1 Is a mechanism that allows Subrecipient to revise its Budget(s) or Services during the Fiscal Year or Program Year without adversely affecting Subrecipient's ability to fulfill its obligations under this Subaward (i.e., such Modification shall not materially change Subrecipient's obligation to provide the Services outlined in Exhibit A (Statement of Work)).

9.9.1.1.2 Allows Subrecipient to fully utilize Subaward Sums to fulfill the requirements of this Subaward and adequately cover the provision of Services.

9.9.1.1.3 Is approved by County in writing, must be in the best interests of County and Subrecipient shall adhere to it in its entirety.

9.9.1.2 Any Modification, as described below, shall not change the terms, goals or requirements of this Subaward. Such Modification provides...
Subrecipient some flexibility to operate within the terms of this Subaward in order to fully utilize Subaward Sums and to achieve Subrecipient's performance goals. Subrecipient's request for Modifications, either budgetary or programmatic, must be submitted in writing to either County's Contract Manager or County's Program Manager, respectively. Subrecipient shall not request a Modification during the first quarter and during the last two (2) months of the current Fiscal Year or Program Year (except where a written waiver is requested by Subrecipient and granted by County).

9.9.2 Budget Modifications

9.9.2.1 The movement of funds within an approved Budget(s) from one line item to another line item is classified as a Budget Modification. For the entirety of any Fiscal Year or Program Year, a Budget Modification shall not exceed twenty percent (20%) of the baseline amount allocated to the line items being modified (i.e., Subrecipient's movement of funds among line items shall not cause one line item to be reduced or increased by more than twenty percent (20%) of its baseline amount). For purposes of this Subparagraph 9.9, baseline is defined as the original amount allocated at the beginning of a Fiscal Year or Program Year; for Fiscal Years or Program Years following the first Fiscal Year or Program Year, such amount may differ from what is reflected in the original Subaward. A Budget Modification shall not change the Subaward Sum allocated for any Fiscal Year or Program Year under this Subaward. Subrecipient shall notify County's Contract Manager in writing to request authorization prior to submitting a Budget Modification. On the date County approves a Budget Modification, such Budget Modification shall supersede any prior Budget Modification(s) approved by County within the same Fiscal Year or Program Year (i.e., when Subrecipient's Budget Modification number two (2) is approved by County, it becomes effective upon the approval date and Subrecipient's Budget Modification number one (1) is no longer effective as of that same date).

9.9.3 Program Modifications

9.9.3.1 The movement of Services from one Service category (as defined in Exhibit A (Statement of Work)) to another is classified as a Program Modification. Subrecipient shall notify County's Program Manager in writing to request authorization prior to submitting a Program Modification. On the date County approves a Program Modification, such Program Modification shall supersede any prior Program Modification(s) approved by County within the same Fiscal Year or Program Year (i.e., when
9.10 NEPOTISM

9.10.1 Subrecipient certifies that it shall not hire nor permit the hiring of any person in a position funded under this Subaward if a member of the person's immediate family is employed in an administrative capacity by Subrecipient. For purposes of this Subparagraph 9.10, the term "immediate family" means spouse (common law or otherwise, and including domestic partner), child, mother, father, brother, sister, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, father-in-law, aunt, uncle, niece, nephew, step-parent, step-child, or such other relationship which would give rise to a substantial appearance of impropriety if the person were to be hired by Subrecipient. The term "administrative capacity" means a position that has overall administrative responsibility for the Program, including but not limited to selection, hiring, or supervisory responsibilities.

9.11 OWNERSHIP OF MATERIALS, SOFTWARE AND COPYRIGHT

9.11.1 County shall be the sole owner of all right, title and interest, including copyright, in and to all software, plans, diagrams, facilities, and tools ("materials") which are originated or created through Subrecipient's Work pursuant to this Subaward. Subrecipient, for valuable consideration herein provided, shall execute all documents necessary to assign and transfer to, and vest in County all of Subrecipient's right, title and interest in and to such original materials, including any copyright, patent and trade secret rights which arise pursuant to Subrecipient's Work under this Subaward.

9.11.2 During the term of this Subaward and during the authorized retention period of this Subaward, Subrecipient shall maintain and provide security for all of Subrecipient's working papers prepared under this Subaward. County shall have the right to inspect, copy and use at any time during the term of this Subaward and during the authorized retention period of this Subaward, any and all such working papers and all information contained therein.

9.11.3 Any and all materials, software and tools which are developed or were originally acquired by Subrecipient outside the scope of this Subaward, which Subrecipient desires to use hereunder, and which Subrecipient considers to be proprietary or confidential, must be specifically identified by Subrecipient to County's Contract Manager as proprietary or confidential, and shall be plainly and prominently marked by Subrecipient as "Proprietary" or "Confidential" on each appropriate page of any document containing such material.

9.11.4 County will use reasonable means to ensure that Subrecipient's proprietary and/or confidential items are safeguarded and held in confidence. County agrees not to reproduce, distribute or disclose to non-County entities any such proprietary and/or
confidential items without the prior written consent of Subrecipient.

9.11.5 Notwithstanding any other provision of this Subaward, County will not be obligated to Subrecipient in any way under Subparagraph 9.11.4 for any of Subrecipient's proprietary and/or confidential items which are not plainly and prominently marked with restrictive legends as required by Subparagraph 9.11.3 or for any disclosure which County is required to make under any Federal or State law or order of court.

9.11.6 Notwithstanding any other provision of this Subaward, County and Subrecipient agree that County shall have all ownership rights of software or modification thereof and associated documentation designed, developed or installed using Federal financial participation. The Federal government shall have a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use for Federal government purposes, such software, modifications and documentation. Notwithstanding any other provision of this Subaward, proprietary operating/vendor software packages, which are provided at established catalog or market prices and sold or leased to the general public, shall not be subject to the ownership provisions of this Subparagraph 9.11.

9.11.7 All the rights and obligations of this Subparagraph 9.11 shall survive the expiration or termination of this Subaward.

9.12 PATENT, COPYRIGHT AND TRADE SECRET INDEMNIFICATION

9.12.1 Subrecipient shall indemnify, hold harmless and defend County from and against any and all liability, damages, costs, and expenses, including, but not limited to, defense costs and attorneys' fees, for or by reason of any actual or alleged infringement of any third-party's patent or copyright, or any actual or alleged unauthorized trade secret disclosure, arising from or related to the operation and utilization of Subrecipient's Work under this Subaward. County shall inform Subrecipient as soon as practicable of any claim or action alleging such infringement or unauthorized disclosure, and shall support Subrecipient's defense and settlement thereof.

9.12.2 In the event any equipment, part thereof, or software product becomes the subject of any complaint, claim, or proceeding alleging infringement or unauthorized disclosure, such that County's continued use of such item is formally restrained, enjoined, or subjected to a risk of damages, Subrecipient, at its sole expense, and providing that County's continued use of the system is not materially impeded, shall either:

9.12.2.1 Procure for County all rights to continued use of the questioned equipment, part, or software product; or

9.12.2.2 Replace the questioned equipment, part, or software product with a non-questioned item; or

9.12.2.3 Modify the questioned equipment, part, or software so that it is free of claims.
9.12.3 Subrecipient shall have no liability if the alleged infringement or unauthorized disclosure is based upon a use of the questioned product, either alone or in combination with other items not supplied by Subrecipient, in a manner for which the questioned product was not designed nor intended.

9.13 PROBATION AND SUSPENSION

9.13.1 Subrecipient may be placed on probation, suspension or a combination thereof when County determines that Subrecipient is not in compliance with any Service, Work, task, deliverable or requirement outlined in this Subaward and/or when Subrecipient has demonstrated a consistent and significant lack of achievement of the Subaward goals (including, but not limited to, meeting the requirements for Program performance, the Budget(s), expenditures, staffing, administration, etc.). County shall notify Subrecipient in writing in the event that Subrecipient is placed on probation, suspension or a combination thereof.

9.13.2 Probation

9.13.2.1 Probation as used herein shall mean a specified period of time (as determined by County) during which Subrecipient must remedy all areas of non-compliance which have been identified by County or its duly authorized representative(s). County shall monitor Subrecipient’s adherence to such remedy(ies) during the probation.

9.13.2.2 When County places Subrecipient on probation, County shall provide Subrecipient a written notice indicating the reasons for the probation (which shall include a description of the areas of Subrecipient's non-compliance), the date upon which this probation shall become effective, the date upon which Subrecipient shall fully remedy all areas of non-compliance and a determination as to whether or not Subrecipient may continue to provide Services during the probation.

9.13.2.3 Subrecipient’s ability to obtain future funding may be impacted when Subrecipient does not remedy its non-compliance during its probation and/or when Subrecipient is placed on multiple probations (as determined by County at County’s sole discretion).

9.13.3 Suspension

9.13.3.1 Suspension as used herein shall mean a specified period of time (as determined by County) during which County will withhold payment from Subrecipient (i.e., suspension of payment(s)), County will institute a temporary curtailment of the Services provided by Subrecipient and its Lower Tier Subrecipient(s), if any, (i.e., suspension of Work) or a combination thereof. This Subaward may be suspended in whole or in part, from time to time, when such action is deemed by County in its sole discretion to
be in County's best interest. During the suspension, Subrecipient has a continuing obligation to remedy the areas of non-compliance which have been identified by County or its duly authorized representative(s). County shall monitor Subrecipient's adherence to such remedy(ies) during the suspension.

9.13.3.2 When County suspends Subrecipient, County shall provide Subrecipient a written notice indicating the type of suspension, the reasons for such suspension (which shall include a description of the areas of Subrecipient's non-compliance), the date upon which this suspension shall become effective, the date upon which Subrecipient shall fully remedy all areas of non-compliance and a determination as to whether or not Subrecipient may continue to provide Services which are not suspended during the suspension. When County institutes a temporary curtailment of Services, the written notice shall include a description of the Service(s) being suspended.

9.13.3.3 At County's sole discretion, when Subrecipient's payment(s) and/or Services are suspended, County may also elect to transfer suspended Services from Subrecipient to another subrecipient for a period of time that will be determined solely by County. Subrecipient's ability to obtain future funding may be impacted when Subrecipient does not remedy its non-compliance during its suspension and/or when Subrecipient is placed on multiple suspensions (as determined by County at County's sole discretion).

9.13.3.4 Upon receipt of a notice of suspension of Services and except as otherwise directed by County, Subrecipient shall:

9.13.3.4.1 Stop providing Services under this Subaward on the date and to the extent specified in such notice.

9.13.3.4.2 Complete performance of such part of the Services that is not suspended by such notice.

9.13.3.5 Subrecipient shall be promptly paid for Services properly completed up until the time of suspension. Such payment is contingent upon Subrecipient properly completing and timely submitting its invoice(s) for Services completed up until the effective date of suspension.

9.13.3.6 Suspension shall continue for the period specified in the written notice of suspension provided to Subrecipient, unless County provides written notice to resume Services at an earlier date.

9.13.3.7 All other terms and remedies provided in this
Subaward, including provisions for Termination, shall remain valid during any period of suspension.

9.13.4 In response to the notice of probation or suspension, Subrecipient shall submit a written Corrective Action Plan to County's Compliance Manager within ten (10) days of the postmark date indicated on the notice from County. Subrecipient's Corrective Action Plan shall address all of the deficiencies noted by County.

9.13.5 County shall review Subrecipient's Corrective Action Plan, and will determine whether it meets the requirements for County's approval. County reserves the right to suspend/deduct payments for or to terminate all or any part of this Subaward (and/or any of Subrecipient's other contracts with County) when Subrecipient submits a Corrective Action Plan that is not acceptable to County.

9.13.6 Subrecipient shall implement the Corrective Action Plan upon receiving County's final written approval of the Corrective Action Plan. Subrecipient's failure to comply with an approved Corrective Action Plan will be cause for material breach of this Subaward upon which County may pursue the remedies for default of Subaward, including, but not limited to, reimbursement for all debt collection costs incurred by County.

9.14 TRANSITION OF SUBAWARD SERVICES

9.14.1 Completion of Subaward

9.14.1.1 Within sixty (60) calendar days prior to the expiration of this Subaward (or shorter time period if notified in writing by County), County will provide Subrecipient written notice of the time period that Subrecipient shall allow County or a newly selected subrecipient a transition period for orientation purposes and the orderly transition of Subrecipient's current Services without additional costs to County. Subrecipient shall continue to provide Services timely and accurately so that the Services are current at the expiration of this Subaward.

9.14.1.2 Subrecipient shall fulfill all responsibilities required under this Subaward including, but not limited to, completing the closeout procedures identified in Subparagraph 9.21.2 (Closeout Reporting Requirements), implementing the approved Transition Plan and performing any other requirement(s) that County deems as reasonably necessary to effectuate the successful transition of Program Services to another Service provider. County shall not be unreasonable in its request(s).

9.14.2 Transition Plan

9.14.2.1 If this Subaward (or any part thereof) is terminated pursuant to any of the termination provisions outlined herein or if it expires pursuant to Paragraph 4.0 (Term of Subaward), Subrecipient shall provide a Transition Plan to County. Subrecipient shall
submit said Transition Plan to County's Contract Manager within the timeframe designated by County in the notice of termination or Subrecipient shall submit it at least sixty (60) days prior to the expiration of this Subaward as noted in Paragraph 4.0 (Term of Subaward).

9.14.2.2 County shall review Subrecipient's Transition Plan and will determine whether it meets the requirements for County's approval. County reserves the right to suspend/deduct payments under this Subaward and/or under any of Subrecipient's other contracts with County when Subrecipient submits a Transition Plan that is not acceptable to County. Subrecipient shall adhere to the Transition Plan which, at a minimum, shall include all of the elements outlined below.

9.14.3 Elements of the Transition Plan

9.14.3.1 Description of how Clients will be notified about the change in their Service provider.

9.14.3.2 Subrecipient's method to communicate with other organizations that can assist in locating alternative Services.

9.14.3.3 Subrecipient's method to inform community referral sources of the pending termination of Services and what alternatives, if any, exist for future referrals.

9.14.3.4 Subrecipient's method to evaluate Clients in order to assure appropriate placement that will allow Clients to receive Services.

9.14.3.5 Subrecipient's method to transfer any confidential medical and Client records to the new subrecipient in accordance with applicable provisions of the Health Insurance Portability and Accountability Act of 1996 or other Federal, State or local laws and regulations.

9.14.3.6 Subrecipient's method to dispose of confidential records, which fall outside of the retention period noted in Subparagraph 8.38 (Record Retention, Inspection and Audit Settlement), in accordance with applicable laws and regulations, and the terms of this Subaward.

9.14.3.7 Subrecipient's plan to ensure provision of adequate staff to provide continued care through the remaining term of this Subaward.

9.14.3.8 A fully documented inventory of all Fixed and Non-Fixed Assets as well as a method to dispose, transfer or return to County all Fixed and Non-Fixed Assets purchased with Subaward Sums during the entire term of this Subaward.
9.14.3.9 Any additional information which may be necessary to effect a safe transition of Clients to other community service providers.


9.14.4.1 Subrecipient shall implement the Transition Plan that is approved by County. Subrecipient's failure to provide and/or implement the Transition Plan as prescribed herein shall mean that County will provide Subrecipient a Transition Plan and Subrecipient will implement the Transition Plan provided by County. County will monitor Subrecipient's progress in carrying out all elements of the Transition Plan.

9.15 TRAVEL EXPENSES

9.15.1 Subrecipient shall obtain prior written approval from County's Contract Manager for any expenses under this Subaward related to travel outside of Los Angeles County (out-of-town travel).

9.15.2 Subrecipient shall maintain written documentation evidencing that all out-of-town travel expenses are specifically related to providing Services under this Subaward, in conformity with the document retention requirements specified in Subparagraph 8.38 (Record Retention, Inspection and Audit Settlement).

9.15.3 Subrecipient shall ensure that no more than two (2) of its staff incur any out-of-town travel expenses at any time.

9.15.4 Subrecipient shall not invoice County if out-of-town travel expenses are incurred without proper documentation evidencing County's prior written approval.

9.15.5 Subrecipient's non-compliance with the requirements of this Subparagraph 9.15 will result in these costs being disallowed, payments being withheld or other remedy being applied as County shall determine to be appropriate.

9.16 DRUG-FREE WORKPLACE

9.16.1 Subrecipient and its Lower Tier Subrecipient(s) shall adhere to the requirements outlined in the California Drug-Free Workplace Act of 1990, as amended (California Government Code Section 8350 et seq.). Subrecipient and its Lower Tier Subrecipient(s) shall also adhere to the requirements outlined in the Federal Drug-Free Workplace Act of 1988, including its implementing regulations (Title 41 United States Code Section 701 et seq.). Subrecipient and its Lower Tier Subrecipient(s) shall provide and maintain a drug-free workplace for all of their employees, and shall have a documented anti-drug policy and a drug-free awareness program. Violation of or non-compliance with these requirements by Subrecipient, its Lower Tier Subrecipient or both shall subject Subrecipient to remedies available under the terms of this Subaward. Such remedies shall include suspending Subrecipient's payments, placing Subrecipient on probation or suspension, terminating this Subaward or other
available remedies which shall be determined by County at County's sole discretion.

9.16.2 Subrecipient shall provide a written drug-free workplace policy statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and stating the specific actions that will be taken for violations.

9.16.3 The ongoing drug-free awareness program must inform employees about the following: the dangers of drug abuse; available drug counseling, rehabilitation, and employee assistance programs; penalties that may be imposed; and, that employees are to be aware that Subrecipient and its Lower Tier Subrecipient(s) operate a drug-free workplace.

9.16.4 Subrecipient shall require its employees to report in writing any conviction for a violation of a criminal drug statute occurring in the workplace. Subrecipient shall provide written notice to County's Contract Manager within ten (10) days of having received such notice from employee(s). Within thirty (30) days of receiving the notice of a conviction, Subrecipient must have taken appropriate action against the employee(s) or have required employee's participation in a drug abuse assistance or rehabilitation program.

9.17 INFORMATION TECHNOLOGY, SECURITY AND PRIVACY REQUIREMENTS

9.17.1 In the course of completing the Work and providing Services under this Subaward, Subrecipient shall use any Information Technology Systems (ITS) as designated by County. This Subparagraph 9.17 sets forth the requirements for the ITS which Subrecipient shall use. This Subparagraph 9.17 also sets forth the security procedures for these systems which Subrecipient shall have in place by the effective date of this Subaward and which Subrecipient shall maintain throughout the Subaward term. They present a minimum standard only. Subrecipient shall implement appropriate administrative, physical and technical measures to secure its systems and data to protect and ensure the privacy, confidentiality, integrity and availability of County Information Assets as defined in Subparagraph 9.17.5 (County Information Assets) (which consists of but is not limited to confidential County data, Personally Identifiable Information, Protected Health Information and Medical Information) against internal and external threats, vulnerabilities and risks. Subrecipient shall also continuously review and revise those measures to address ongoing threats, vulnerabilities and risks.

9.17.2 Subrecipient's failure to comply with the minimum standards set forth herein will constitute a material, non-curable breach of this Subaward, entitling County, in addition to and cumulative of all other remedies available to it at law, in equity, or under this Subaward, to immediately terminate this Subaward.

9.17.3 Information Technology Systems - Contract Management System-Contractor's Gateway

9.17.3.1 County has implemented use of the Contract
Management System Contractor's Gateway ("Contractor's Gateway"), an automated system designed to electronically manage this Subaward. Subrecipient shall use the System to perform its administrative contracting functions as directed by County.

9.17.3.2 County has established policies concerning the access, use and maintenance of the Contractor's Gateway. Subrecipient shall adhere to these policies, which are identified in Exhibit V (Contract Management System - Contractor's Gateway Terms and Conditions of Use), instruction guides/tutorials provided by County, training sessions conducted by County, etc. Subrecipient's non-compliance with these policies may subject Subrecipient to denial of access to the Contractor's Gateway, suspension of payment(s), termination of this Subaward, and/or other remedies/actions which County may take at its sole discretion under the terms of this Subaward and/or applicable law or regulation.

9.17.4 Information Technology Systems - Management Information System

9.17.4.1 Data Entry

9.17.4.1.1 County has implemented use of the Management Information System (MIS), a computerized database system that is used to record and track Service delivery, Program data and Client information. Subrecipient shall use the MIS and all other systems identified by County, including but not limited to State and Federal programs, applications, software, etc., to report Program data as outlined herein and as directed by County.

9.17.4.1.2 Subrecipient shall ensure the accuracy and authenticity of the number of eligible Client Services provided each day. Subrecipient shall track, document and report the actual date when Services are rendered. Subrecipient shall complete direct data entry of the required Program, Service delivery and Client data (including but not limited to, the total number of Clients served, the type and number of Services provided to Client and the date(s) of Service) into the MIS on the day when the Service(s) is provided to Client and shall ensure that Service recording is accurate each day (i.e., to ensure accurate reporting, Subrecipient shall enter Program, Service delivery, and Client data into MIS on the day when the Service(s) is
provided to Client). Subrecipient shall not back-date any data and any attempts to do so may subject Subrecipient to appropriate remedies as determined by County at County's sole discretion.

9.17.4.2 Data Records

9.17.4.2.1 Subrecipient's failure to submit the required MIS data within the time and manner as designated by County may subject Subrecipient to appropriate remedies as determined by County at County's sole discretion. Remedies will remain in affect until Subrecipient becomes compliant. County will consider Subrecipient's non-compliance during future funding decisions.

9.17.4.2.2 Subrecipient shall maintain all records and reports, consistent with Subparagraph 8.38 (Record Retention, Inspection and Audit Settlement), and shall make them available for audit, assessment, or inspection by County and any of its duly authorized representatives (including, but not limited to, State authorities, Federal agencies and/or any of their duly authorized representatives).

9.17.4.2.3 All information, records, data elements and print-outs collected and maintained for the operation of the Program and pertaining to Clients (including paper and electronic data) must be protected from unauthorized disclosures in accordance with Subparagraph 7.6 (Confidentiality), California Welfare and Institutions Code Section 10850, Title 45 Code of Federal Regulations Part 205.50, California Information Practices Act of 1977, and all other applicable laws and regulations.

9.17.4.3 MIS Personnel

9.17.4.3.1 Subrecipient shall assign an employee to have the primary responsibility for data entry into the MIS. This employee shall be the primary contact person for data issues and problems. This employee shall also be assigned a password to log-in and enter Program, Service delivery and Client data. Subrecipient shall designate a secondary/back-up
employee who can act on behalf of the primary MIS employee contact in the event of his or her absence. Subrecipient shall ensure that its users do not share their user identification and password information.

9.17.4.3.2 Subrecipient shall provide the names of Subrecipient’s primary and secondary MIS employees using Exhibit F (Subrecipient’s Administration). Subrecipient shall submit the completed Exhibit F (Subrecipient’s Administration) in the time and manner as directed by County. In the event of any changes to the information provided in Exhibit F (Subrecipient’s Administration), Subrecipient shall update Exhibit F (Subrecipient’s Administration) and submit the revised document to County within two (2) weeks of any reassignment or substitution. Only those Subrecipient employees who have been designated by Subrecipient and assigned a password by County shall be allowed to access the MIS system.

9.17.4.3.3 Subrecipient shall ensure that the primary and secondary MIS employees are properly trained to operate the MIS and attend all MIS training provided by County to ensure that MIS operations are in compliance with all applicable regulations.

9.17.5 County Information Assets

9.17.5.1 County Information Assets are public, confidential, sensitive and/or personal identifying data, records, materials, etc. and include (but are not limited to):

9.17.5.1.1 Information that is stored in hard copy or electronic format and may include but is not limited to the following: reports; notes; forms; computers, laptops, cellphones, printers, scanners; networks (LAN, WAN, WIFI) servers, switches, routers; storage media, hard drives, flash drives, cloud storage; data, applications, databases; etc.

9.17.5.1.2 Information that is collected, transmitted and/or accessed in the administration of the Program and in the provision of Services.
9.17.5.1.3 Personal Information as defined in California Civil Code Section 1798.29(g).

9.17.5.1.4 Protected Health Information as defined in Health Insurance Portability and Accountability Act of 1996.

9.17.5.1.5 Medical Information as defined in California Civil Code Section 56.05(j).

9.17.6 Physical and Environmental Security

9.17.6.1 Subrecipient shall take reasonable measures to ensure the physical security of its operating location(s) that handles County Information Assets. Work areas containing computers or source documents should be secured from public access unless Subrecipient’s representative is present. When unoccupied during non-operating hours, Subrecipient’s facility(ies) shall be locked.

9.17.7 Data Destruction

9.17.7.1 When Subrecipient has maintained, processed or stored County Information Assets, implied or expressed, and such County Information Assets are no longer required to be retained by Subrecipient under this Subaward and applicable law, County shall have sole authority to determine when Subrecipient shall destroy any such County Information Assets as described herein. Subrecipient shall only proceed with the destruction of County Information Assets (which may be stored on purchased, leased or rented electronic storage equipment (e.g., printers, hard drives, etc.) and electronic devices (e.g., servers, workstations, etc.) that are geographically located within Los Angeles County or external to Los Angeles County’s boundaries) upon receiving written authorization from County.

9.17.7.2 Subrecipient shall destroy such County Information Assets by:

9.17.7.2.1 Shredding or otherwise destroying paper, film, disk drives or other hard copy media so that the Personally Identifiable Information, Protected Health Information and Medical Information cannot be read or otherwise reconstructed.
9.17.7.2 Clearing, purging or destroying electronic media containing Personally Identifiable Information, Protected Health Information and Medical Information consistent with National Institute of Standards and Technology ("NIST") Special Publication ("SP") 800-88 (Guidelines for Media Sanitization) which is available on-line at: http://csrc.nist.gov/publications/PubsDrafts.htm#SP-300-88-Rev. %201 and United States Department of Defense 5220.22-M data sanitization and clearing directive such that the Personally Identifiable Information, Protected Health Information and Medical Information cannot be retrieved.

9.17.7.3 Subrecipient shall have the sole responsibility to certify that the County Information Assets have been appropriately destroyed consistent with the requirements outlined herein.

9.17.7.4 Subrecipient shall provide County with written certification validating that any and all County Information Assets were placed in one (1) or more of the following stored states: unusable, unreadable and/or indecipherable. Subrecipient shall submit such certification to County's Contract Manager no later than ten (10) days after the occurrence of this event.

9.17.7.5 Lower Tier Subrecipient shall provide County with written certification validating that any and all County Information Assets were destroyed and are in one (1) or more of the following states: unusable, unreadable and/or undecipherable. Lower Tier Subrecipient shall submit such certification to County's Contract Manager no later than ten (10) days after the removal of any electronic storage equipment and devices and the destruction of the County Information Assets.

9.17.8 Encryption on Workstations and Portable Computing Devices

9.17.8.1 Subrecipient and its Lower Tier Subrecipient shall use software and/or hardware encryption methods for confidential County Information Assets stored on all electronic media in accordance with the following standards:

9.17.8.1.2 NIST SP 800-57 (Recommendation for Key Management - Part 1: General (Revision 3)).


9.17.8.1.4 NIST SP 800-111 (Guide to Storage Encryption Technologies for End User Devices).

9.17.8.1.5 At a minimum, Subrecipient shall use Advanced Encryption Standard ("AES") with cipher strength of 256-bit

9.17.8.1.6 Prior to use of remote servers (e.g., cloud storage, Software-as-a-Service (SaaS), etc.) for storage of County Information Assets, Subrecipient shall obtain written approval from County's Contract Manager.

9.17.8.2 Subrecipient and its Lower Tier Subrecipient shall use software and/or hardware encryption methods for transmitted (i.e., through network transmission) confidential County Information Assets in accordance with the following standards:

9.17.8.2.1 NIST SP 800-52 (Guidelines for the Selection and Use of Transport Layer Security Implementations).

9.17.8.2.2 NIST SP 800-57 (Recommendation for Key Management - Part 3: Application-Specific Key Management Guidance).

9.17.8.3 Subrecipient and its Lower Tier Subrecipient shall have operational policies, procedures and practices which protect County Information Assets including those assets used to store or access Personal Health Information (PHI), Personal Information (PI) and any information protected under the Health Insurance Portability and Accountability Act (HIPAA) as specified herein and in the State Administrative Manual Sections 5300 to 5385.3; California Government Code Section 11019.9; Department of General Services Management Memo (MM 06-12); Department of Finance Budget Letter (06-34); California Department of Aging Program Memorandum (PM 07-18(P)); Statewide Health Information Policy Manual; and, County's Board of Supervisors Policy Number 5.200 (Contractor Protection of Electronic County Information).
9.17.8.4 Subrecipient and its Lower Tier Subrecipient shall encrypt confidential, sensitive and/or personal County Information Assets which are stored on all electronic media (including workstations, portable computing devices (including, but not limited to, workstations, servers, mobile devices, wearables, tablets, laptops, personal digital assistants, notebook computers, and backup media) and/or portable electronic storage media (including, but not limited to, discs, thumb/flash drives, external/portable hard drives, and backup media)).

9.17.8.5 Removable Media

9.17.8.5.1 Except in the context of Subrecipient's routine back-ups or as otherwise specifically authorized by County in writing, Subrecipient shall institute strict administrative, physical and logical security controls to prevent transfer of County information to any form of removable media. For purposes of this Subaward, removable media means portable or removable hard disks, floppy disks, universal serial bus (USB) memory drives, zip disks, optical disks, CDs, DVDs, digital film, digital cameras, memory cards (e.g., secure digital (SD), memory sticks (MS), compact flash (CF), smart media (SM), multimedia card (MMC), and xD-picture card (xD)), magnetic tape and all other removable data storage media.

9.17.8.6 In the event that Subrecipient will have County Information Assets on or accessed by mobile devices, Subrecipient shall have in place, a mobile computing policy, reviewable and audited by County. This policy must address device recovery and data eradication methods, the mobile device management capabilities in place, the use of personal devices versus Subrecipient-supplied devices and all applications that may have access to or render County Information Assets.

9.17.8.7 Data Control and Media Servicing

9.17.8.7.1 Subrecipient shall adhere to the requirements for back-up data stored by Subrecipient at off-site facilities as provided in this Subparagraph 9.17.8.7.

9.17.8.7.2 County Information Assets shall only be made available and accessible to those parties explicitly authorized under this Subaward or otherwise expressly approved by County in writing.
9.17.8.7.3 If transferred across the Internet, any wireless network (e.g., cellular, Bluetooth, 802.11x, or similar technology), or other public or shared networks, County Information Assets must be protected using industry standard encryption technology in accordance with the NIST SP 800-52 (Guidelines for the Selection and use of Transport Layer Security Implementations).

9.17.8.7.4 If transferred using removable media (as defined above), County Information Assets must be sent via a bonded courier or protected using industry standard encryption technology in accordance with NIST SP 800-111 (Guide to Storage Encryption Technologies for End User Devices).

9.17.8.7.5 In the event any hardware, storage media or removable media must be sent off-site for servicing, Subrecipient shall ensure that all confidential County Information Assets, including Personally Identifiable Information, Protected Health Information and Medical Information, have been cleared, purged and/or scrubbed from such hardware and/or media using industry best practices in accordance with NIST SP 800-88 (Guidelines for Media Sanitization).

9.17.8.8 Subrecipient shall certify its compliance with the encryption standards noted herein as a condition of executing this Subaward. Subrecipient provide such certification by completing and submitting Exhibit AA (Subrecipient’s Compliance with Encryption Requirements) in the form and manner as determined by County. Subrecipient shall maintain compliance with this policy during the term of this Subaward and for as long as Subrecipient maintains or is in possession of County Information Assets. In addition to the foregoing certification, Subrecipient shall maintain any validation/attestation reports that the data encryption product generates and such reports shall be subject to audit in accordance with the requirements outlined in Subparagraph 8.38 (Record Retention, Inspection and Audit Settlement). In the event of Subrecipient's non-compliance with these requirements, County will require Subrecipient to develop and execute a corrective action plan. Subrecipient's failure to comply with this policy may subject Subrecipient to suspension or termination of this Subaward, denial
of access to County information technology resources and/or other remedies which are deemed appropriate by County.

9.17.9 Software Maintenance and Operational Management

9.17.9.1 Subrecipient shall deploy up-to-date anti-virus software with current definitions on all computer systems on which County Information Assets are stored and/or transmitted.

9.17.9.2 Subrecipient and its Lower Tier Subrecipient shall ensure that all security patches, software updates/upgrades, etc. are applied in a timely manner to all computer systems on which County Information Assets are stored, accessed and/or transmitted.

9.17.9.3 Subrecipient shall deploy adequate back-up facilities to ensure that its essential business information can be promptly recovered in the event of a disaster or media failure.

9.17.9.4 Subrecipient shall ensure that its operating procedures are adequately documented and designed to protect information, computer media and data from theft and unauthorized access.

9.17.10 Access Control

9.17.10.1 Subrecipient shall implement formal procedures to control access to its systems, services and data, including, but not limited to, user account management procedures and other controls as outlined in this Subparagraph 9.17. Subrecipient shall ensure that network access to both internal and external networked services shall be controlled through the use of properly configured firewalls, etc. Operating systems will be used to enforce access controls to computer resources including, but not limited to, authentication, authorization and event logging. Applications will include access control to limit user access to information and application system functions. All systems will be monitored to detect deviation from access control policies and identify suspicious activity. Subrecipient shall record, review and act upon all events in accordance with incident response policies set forth herein.

9.17.10.2 Subrecipient shall develop, implement and enforce/maintain a password policy which requires users who are authorized to access confidential County Information Assets on electronic media to: create a strong complex password containing at least eight (8) characters, which shall include upper and lower case letters, digits and symbols; and, change his/her password at a minimum every ninety (90) days, etc.

9.17.10.3 Subrecipient shall develop, implement and
enforce/maintain a password policy which provides for the following system requirements: when user changes his/her password, the system shall restrict user from re-using any of the last six (6) passwords; the system will lock itself after a minimum of three (3) to a maximum of five (5) failed logon attempts made by user within a thirty (30) minute time frame, and, the system will either lock itself or log off user after thirty (30) minutes of inactivity.

9.17.11 Personnel and Subrecipient Protections

9.17.11.1 Subrecipient shall screen and conduct background checks on all Subrecipient personnel exposed to confidential County Information Assets. Subrecipient shall require its employees and Lower Tier Subrecipient(s) to sign an appropriate written confidentiality/non-disclosure agreement. All Lower Tier Subawards requiring access to Subrecipient's systems and data, including all outsourcing arrangements and maintenance and support agreements (including facilities maintenance), shall specifically address security risks, controls and procedures for information systems. Subrecipient shall supply each of its employees with appropriate, ongoing training regarding information security procedures, risks, vulnerabilities and threats. Subrecipient shall have an established set of procedures to ensure Subrecipient employees promptly report actual and/or suspected breaches of security.

9.17.12 County's Security Audit

9.17.12.1 At County's sole discretion, County or its designee may annually, or more frequently, conduct a security audit to determine Subrecipient's adherence to the requirements outlined in this Subparagraph 9.17.

9.17.12.2 County's security audit may include, but is not limited to, a review of the following elements, which shall be provided by Subrecipient upon County's request: a report on Subrecipient's encryption of all electronic media; Subrecipient's report verifying County's written authorization for data destruction along with documented certification of such destruction; and, Subrecipient's written assurance indicating that Subrecipient enforces security measures to control physical access (i.e., access to premises) and electronic access (i.e., access to electronic media) to County Information Assets.

9.17.13 Security Incident Reporting

9.17.13.1 A security incident occurs when County Information Assets are or reasonably believed to have been accessed, modified, destroyed or disclosed without proper authorization or are lost or stolen. A security incident includes (but is not limited to) instances in which Subrecipient employees access systems in
excess of their user rights or use the systems inappropriately, data is breached, etc. Subrecipient and its Lower Tier Subrecipient must comply with California Department of Aging's security incident reporting procedure which is available online at http://aging.ca.gov/Programsprovides/Information_Security_and_Privacy.

9.17.13.2 Notification of Security Breach to County

9.17.13.2.1 Subrecipient must immediately report all security incidents to County’s Program Manager but in no event shall the report be made more than two (2) business days after its detection. Subrecipient shall initiate the contact by telephone and followed by written letter of any potential or actual security attacks or security incidents.

9.17.13.2.2 Subrecipient’s notification of the security incident shall include the approximate date and time of its occurrence and a summary of the relevant facts, including a description of measures being taken to address the occurrence.

9.17.13.3 Notification of Security Breach to Clients

9.17.13.3.1 Subrecipient and its Lower Tier Subrecipient shall give written notice to any Client or data subject whose confidential, sensitive and/or personal identifying information may have been breached in accordance with HIPAA, the Information Practices Act of 1977, and State policy.

9.17.14 Electronic Backups

9.17.14.1 Subrecipient and its Lower Tier Subrecipient shall ensure that all electronic County Information Assets are protected by performing regular backups of automated files and databases, and ensure the availability of County Information Assets for continued business. Subrecipient and its Lower Tier Subrecipient shall ensure that all data, files and backup files are encrypted.

9.17.15 Cloud Storage

9.17.15.1 Subrecipient and its Lower Tier Subrecipient(s) may not utilize cloud storage of County Information Assets without the prior express written authorization of County, after a review of the cloud service by County or its designee(s).

9.17.16 Hardware Return

9.17.16.1 Upon termination or expiration of this Subaward or at any time upon County’s request, Subrecipient will
return all hardware provided by County or purchased by Subrecipient using Subaward Sums. Subrecipient shall not alter or modify such hardware. Subrecipient shall physically seal the hardware and return it to County via a bonded courier or as otherwise directed by County in accordance with Exhibit S (Purchase, Inventory and Disposal Requirements for Fixed Assets, Non-Fixed Assets and Supplies).

9.17.18.2 In the event that the hardware contains confidential County Information Assets and is owned by Subrecipient or its Lower Tier Subrecipient, Subrecipient shall send a notarized statement, detailing the destruction method used and the data sets involved, the date of destruction and the company or individual who performed the destruction to County's Program Manager within fifteen (15) days of termination or expiration of this Subaward or at any time upon County's request. Subrecipient's destruction or erasure of Personal Information, Protected Health Information and Medical Information shall be in compliance with industry best practices as outlined in NIST SP 800-88 (Guidelines for Media Sanitization).

9.17.17 Subrecipient shall ensure that its Lower Tier Subrecipient(s) adheres to all of the provisions included in this Subparagraph 9.17.

9.18 REMEDIES FOR NON-COMPLIANCE

9.18.1 Subrecipient agrees to comply with the requirements set forth in the entirety of this Subaward as well as the requirements contained in supporting Program legislation and all applicable directives, Program memoranda, notices, guidelines and instructions issued by or on behalf of Federal, State or County authorities. Subrecipient's failure to comply with such requirements shall subject Subrecipient to remedies which are available under this Subaward and as provided by law. These remedies include but are not limited to the following: probation; suspension of payment(s); suspension of Services; assessment and collection of liquidated damages; de-obligation of Subaward Sums (for purposes of this Subaward, de-obligation is the partial or full removal of Subaward Sums from Subrecipient); re-obligation of Subaward Sums (for purposes of this Subaward, re-obligation is the allocation of de-obligated Subaward Sums to another current subrecipient(s) and/or to a new subrecipient); debarment; and/or termination of this Subaward. County shall have the sole discretion to determine which remedy(ies) will be applied as a result of Subrecipient's non-compliance.

9.19 PAYMENT AND PERFORMANCE GUARANTIES

9.19.1 Throughout the entire term of this Subaward, including the original term and any renewals or extensions thereto, County, at its sole discretion, reserves the right to require Subrecipient to provide a Payment Guaranty, Performance Guaranty or both ("Guaranty(ies)") in the amount and form as directed by County.
County will determine whether or not Subrecipient will be required to obtain a Guaranty(ies) when Subrecipient's performance under this Subaward reveals potential liability to County in an aggregate amount of twenty-five thousand dollars ($25,000) or more resulting from, but not limited to, the following incidents: disallowed costs, unsubstantiated costs, non-payment of Lower Tier Subrecipients, etc. (i.e., if County determines that Subrecipient has disallowed costs, unsubstantiated costs, non-payment of Lower Tier Subrecipients, etc. which total twenty-five thousand dollars ($25,000) or more in potential liability when added together then County will require Subrecipient to obtain a Payment Guaranty, Performance Guaranty or both).

9.19.2 Payment Guaranty

9.19.2.1 The Payment Guaranty is Subrecipient's surety/guarantee to County that Subrecipient shall meet its obligations to faithfully pay its Lower Tier Subrecipients in a manner that is timely, satisfactory and acceptable to County, as determined by County at its sole discretion. The purpose of the Payment Guaranty is to provide all Lower Tier Subrecipients who supply labor, materials, services, etc. to Subrecipient a recourse if they do not get paid by Subrecipient. In such case, the Payment Guaranty allows Lower Tier Subrecipient to file a claim with the surety company that issued the Guaranty in the event that Subrecipient does not reimburse the Lower Tier Subrecipient for goods and/or services provided by Lower Tier Subrecipient.

9.19.2.2 Subrecipient acknowledges that County may also make a determination that Subrecipient's non-payment of its Lower Tier Subrecipients is a violation of the terms and conditions of this Subaward which may subject Subrecipient to obtain both the Payment Guaranty and Performance Guaranty.

9.19.2.3 The Payment Guaranty shall only take the form of a surety bond. More information concerning surety bonds and companies may be obtained from the Surety Association of America (www.surety.org), the Surety Information Office (www.sin.org), state insurance departments, the U.S. Small Business Administration and U.S. Department of the Treasury.

9.19.2.4 The Payment Guaranty must be executed by a corporate surety which is licensed to transact business as a surety in the State of California. The corporate surety must have an A.M. Best Rating of not less than A:VII, unless otherwise approved by County.

9.19.3 Performance Guaranty

9.19.3.1 The Performance Guaranty is Subrecipient's...
surety/guarantee to County that Subrecipient shall meet its obligations to perform the terms and conditions of the resulting Subaward. The purpose of the Performance Guaranty is to provide County a recourse to recover Subaward monies which would otherwise be lost due to Subrecipient's negligent actions. This Performance Guaranty shall provide for the payment of monies to County for transactions which are incurred by Subrecipient, including but not limited to: liquidated damages, late penalty payments, County's reimbursement, etc. County's determination to require Subrecipient to obtain the Performance Guaranty would occur after the resolution process has been completed and "questioned costs" have been determined to be unsubstantiated costs, disallowed costs, etc.

9.19.3.2 The Performance Guaranty shall take any of the following forms:

9.19.3.2.1 Surety Bond: More information concerning surety bonds and companies may be obtained from the Surety Association of America (www.surety.org), the Surety Information Office (www.sio.org), state insurance departments, the U.S. Small Business Administration and U.S. Department of the Treasury. The performance guaranty may not allow the bond surety to substitute another person to perform Services.

9.19.3.2.2 Letter of Credit: Refer to Exhibit BB (Criteria and Standards for Letters of Credit and Certificates of Deposit) for information.

9.19.3.2.3 Certified Check or Certificate of Deposit: This form of Guaranty shall list/identify County of Los Angeles as an authorized party that can withdraw on the account. Refer to Exhibit BB (Criteria and Standards for Letters of Credit and Certificates of Deposit) for additional information on the certificate of deposit.

9.19.3.2.4 Cash

9.19.3.3 The Performance Guaranty must be executed by a corporate surety which is licensed to transact business as a surety in the State of California. The corporate surety must have an A.M. Best Rating of not less than A:VII, unless otherwise approved by County.

9.19.4 When County determines that Subrecipient shall obtain and maintain a Guaranty(ies), County shall inform Subrecipient of
this requirement and shall provide Subrecipient at least fifteen (15) days to comply with County's determination. Once Subrecipient has obtained the required Guaranty(ies), County will re-evaluate the need for Subrecipient to continue maintaining the Guaranty(ies) for any subsequent Fiscal Year of the Subaward term.

9.19.5 The costs to obtain and maintain the Guaranty(ies) are potentially allowable and reimbursable under the terms of this Subaward. However, no additional funding will be allocated to the Subaward Sums in order for Subrecipient to pay for these costs. If Subrecipient intends to use existing Subaward Sums to offset the costs of the Guaranty(ies), this action requires a redistribution of Subaward Sums which shall be initiated through a budget modification. This budget modification shall be completed and submitted by Subrecipient for approval by County as noted in Subparagraph 9.9.2 (Budget Modifications). Prior to submitting this budget modification, Subrecipient shall ensure that it will be able to adhere to all other required tasks, performance measures and other duties of this Subaward even after the Subaward Sums are redistributed (i.e., Subrecipient shall continue to provide the required level of Services which would include the Guaranty(ies) for the same level of funding).

9.20 SUBAWARD DOCUMENT DELIVERABLES

9.20.1 Prior to the execution of this Subaward and throughout the entire term of this Subaward, Subrecipient shall obtain and maintain current and appropriate licenses, permits and certificates which are required by all applicable County, State and/or Federal laws, regulations, guidelines, Program memoranda and directives for the operation of its facility(ies) and for the provision of Services hereunder. Prior to the execution of this Subaward and annually thereafter (or as otherwise established by County), Subrecipient shall submit evidence/documentation (Subaward Document Deliverables) of its compliance with this requirement in the form and manner that is prescribed by County. Subrecipient shall provide to County's Contract Manager, by the deadline imposed by County, current copies of these deliverables which must be complete (without missing pages) and legible, and shall include:

9.20.1.1 Subaward Compliance Documents (as described in Subparagraph 9.20.3)

9.20.1.2 Business Forms (as described in Subparagraph 9.20.4)

9.20.1.3 Reporting Documents (as described in Subparagraph 9.20.5)

9.20.1.4 Other Documents: During the term of this Subaward, County or its designee(s) may request from time to time additional documents from Subrecipient, and Subrecipient shall adhere to County's request for such documents.

9.20.2 Subrecipient shall submit copies of all new or renewed licenses, permits, and certificates to County's Contract Manager within five (5) business days of the license, permit or certification award or
renewal. Subrecipient shall immediately notify County of any lapses or expirations of these items. Subrecipient's failure to maintain and/or timely submit documents required or requested by County may result in County imposing remedies as determined by County in its sole discretion.

9.20.3 Subaward Compliance Documents

9.20.3.1 Business License

9.20.3.1.1 When the local governing authority requires Subrecipient's organization to obtain a license to operate and conduct business within its local governing authority's jurisdiction, Subrecipient shall obtain such license to perform the Services outlined in this Subaward. The local governing authority may be either the local city government for entities doing business within its city limits or County of Los Angeles for entities located outside of city limits (i.e., unincorporated areas or designated cities). Subrecipient shall ensure that the license is current throughout the entire term of this Subaward. Subrecipient shall provide a current copy of its license to County annually (or upon expiration, as noted on the license).

9.20.3.2 Certificate of Insurance

9.20.3.2.1 The certificate shall evidence Subrecipient's compliance with the insurance requirements outlined in Subparagraph 8.24 (General Provisions for all Insurance Coverage) and Subparagraph 8.25 (Insurance Coverage). Subrecipient shall also provide copies of the certificate of insurance as it relates to its Lower Tier Subrecipient(s).

9.20.3.3 Fire Department Inspection Report

9.20.3.3.1 For each Service site that Client will visit, Subrecipient shall obtain an annual fire inspection of its facility(ies). The inspection shall be conducted by the Los Angeles County Fire Department or by Subrecipient's local fire department and Subrecipient shall obtain a written report of the inspection which shall be provided to County annually. In the event that violations are noted on the inspection report, Subrecipient shall ensure that it complies with all corrective measures as directed by the fire department. Subrecipient shall provide to County
written evidence of its compliance within five (5) days of receiving the evidence from the fire department. The fire inspection report shall be current within the most recent twelve (12) month period.

9.20.3.4 Public Health Permit

9.20.3.4.1 For every Service site where Subrecipient provides Services that require a Permit issued by County of Los Angeles Department of Public Health, Subrecipient shall provide a current copy of such permit annually (or upon expiration, as noted on the permit).

9.20.3.5 Health Department Inspection Report

9.20.3.5.1 For each Service site where Subrecipient provides Services that require an inspection by County of Los Angeles Department of Public Health (such as a central kitchen, Congregate Meal Site, etc.), Subrecipient shall annually provide a current copy of such inspection report (report shall be current within the most recent twelve (12) month period). In the event that violations are noted on the report, Subrecipient shall ensure that it complies with all corrective measures as directed by the Department of Public Health. Subrecipient shall provide to County written evidence of its compliance within five (5) days of receiving the evidence from Public Health.

9.20.3.6 Vehicle Smog Certification

9.20.3.6.1 For each vehicle(s) purchased with the Subaward Sum(s) under this Subaward and/or under a Predecessor Agreement that is used in the operation of the Program (i.e., County-owned vehicle(s)), Subrecipient shall ensure that such vehicle(s) undergo a certified smog inspection as required under applicable State and Los Angeles County laws. Subrecipient must receive evidence of a passing inspection (i.e., smog certificate) for each vehicle and shall submit a copy of the smog certificate to County’s Contract Manager on an annual basis in the manner and timeframe designated by County. When the vehicle(s) is not required to undergo a
smog inspection during any year, Subrecipient shall provide evidence (copy of vehicle registration, etc.) indicating that the inspection is not warranted for the specified year.

9.20.3.7 California Civil Rights Laws Certification
9.20.3.7.1 Subrecipient shall complete and submit this Certification as a condition of receiving this Subaward.

9.20.4 Business Forms
9.20.4.1 Articles of Incorporation
9.20.4.1.1 This document, which evidences the legal formation of Subrecipient's organization, shall reflect Subrecipient's current legal name; and, County shall use this document as verification of Subrecipient's name. In the event there are any amendments or addendums to the articles of incorporation, Subrecipient shall provide copies of such amendments/addendums to County within five (5) days of said amendments/addendums being finalized.

9.20.4.1.2 When Subrecipient's organization is a local government or a consortium of local governments, Subrecipient shall provide either a city charter or a joint powers agreement respectively, in lieu of the articles of incorporation.

9.20.4.2 Board of Directors' Resolution
9.20.4.2.1 A resolution from Subrecipient's Board of Directors, which evidences Authorized Representative's authority to act on behalf of Subrecipient in matters related to this Subaward (Subparagraph 8.3.3 (Board of Directors' Resolution)). Subrecipient shall submit its Board of Directors' resolution in the time and manner as designated by County.

9.20.4.3 Board of Directors Roster
9.20.4.3.1 The roster shall include the individuals who comprise Subrecipient's Board of Directors. In the event that the roster is updated, Subrecipient shall provide an updated roster to County within five (5) days of it being approved or finalized.

9.20.4.4 Bylaws
9.20.4.1 This document shall reflect the internal rules which govern Subrecipient's organization. These rules are generally concerned with the operation of the organization, and setting out the form, manner or procedure in which the organization should operate. In the event that the bylaws are amended, Subrecipient shall provide such amendments to County within five (5) days of them being approved.

9.20.4.5 Complaint Policies and Procedures

9.20.4.5.1 Subrecipient's policies and procedures for receiving, investigating and responding to Client complaints shall be prepared and submitted to County pursuant to the requirements outlined in Subparagraph 8.5 (Complaints).

9.20.4.6 Organization Chart

9.20.4.6.1 The chart shall provide an outline of the hierarchy, relationships and relative ranks of Subrecipient's organizational parts and positions/jobs as it related to the operations of this Subaward. In the event that Subrecipient revises its organization chart, a copy shall be provided to County within five (5) days of any change in its organization chart.

9.20.4.7 Lower Tier Subaward

9.20.4.7.1 This executed third-party agreement (as defined in Subparagraph 8.40 (Lower Tier Subaward)) and any amendments or addendums thereto, shall be provided to County within five (5) days of the execution of that agreement, amendment and addendum.

9.20.4.8 Tax Exempt Status Letter

9.20.4.8.1 Written documentation that is obtained from the Internal Revenue Service as evidence of Subrecipient's tax exempt status. When Subrecipient is a non-profit entity, such evidence must reflect Subrecipient's tax exempt status. In the event Subrecipient's tax exempt status changes, Subrecipient shall provide County a copy of its new status within five (5) days of any change in its tax exempt status.

9.20.4.9 Terms and Conditions of Use-User Agreement

9.20.4.9.1 Each employee who will access the
9.20.5 Reporting Documents

9.20.5.1 Cost Allocation Plan

9.20.5.1.1 This Plan shall adhere to the requirements outlined in Subparagraph 9.21.1 (Cost Allocation Plan for Cost Reimbursement Activities).

9.20.5.2 Closeout Report

9.20.5.2.1 This report shall adhere to the requirements outlined in Subparagraph 9.21.2 (Closeout Reporting Requirements).

9.20.5.3 Other Reporting Documents

9.20.5.3.1 From time-to-time, County or its designee(s) may request other documents relating to Subrecipient's performance, Work, and/or Services under this Subaward. County shall not be unreasonable in its request and Subrecipient shall adhere to County's request for such documents.

9.21 FISCAL REPORTING REQUIREMENTS

9.21.1 Cost Allocation Plan for Cost Reimbursement Activities

9.21.1.1 Subrecipient acknowledges that as a condition of receiving this Subaward, Subrecipient shall submit its organization-wide Cost Allocation Plan to County no later than sixty (60) days after the start date of the Subaward term. This Cost Allocation Plan is included herein by reference.

9.21.1.2 The Cost Allocation Plan shall adhere to the requirements outlined in the following: County directives (including but not limited to WDACS directive CCD-18-01 (Cost Allocation and Indirect Cost Requirements for WDACS Subawards)) which may be obtained at https://wdacs.laounty.gov/doing-business-with-wdac/s/programdirectives/, Exhibit Q (Accounting, Administration and Reporting Requirements), Title 45 Code of Federal Regulations Part 75 et seq. and Title 2 Code of Federal Regulations Part 200 et seq. At a minimum, the Plan shall include the following information:
9.21.1.2.1 Description of Subrecipient’s organization (i.e., non-profit, for-profit, public/government, etc.).

9.21.1.2.2 Description of Subrecipient’s general accounting policies, including its basis of accounting.

9.21.1.2.3 List of all the funded programs.

9.21.1.2.4 An organizational chart that identifies the various services and/or functions for each unit.

9.21.1.2.5 A detailed listing of all shared and pooled direct and indirect costs that will be allocated.

9.21.1.2.6 Identification of the Subaward year term for any information/documentation related to the Plan.

9.21.1.2.7 A thorough description of the methods used to allocate all shared or pooled direct or indirect costs and the auditable documentation for supporting each basis for allocation.

9.21.1.3 Every cost included in the Cost Allocation Plan shall be supported by formal, documented accounting records, and the basis for its distribution must be calculated by actual usage (e.g., time distribution, number of Clients served, square footage, etc.) - arbitrary percentages or estimates are not allowed.

9.21.1.4 In order to certify the accuracy of the Cost Allocation Plan, Subrecipient shall sign the Cost Allocation Plan and any revisions made thereto.

9.21.1.5 By May 1 of each Subaward year after the first Subaward year in a multi-year term (or upon extension of the term as provided in Paragraph 4.0 (Term of Subaward), Subrecipient shall submit written confirmation that its Cost Allocation Plan methodology described in Subparagraph 9.21.1.2.7 will remain in effect throughout the following Subaward year. In the event that this Cost Allocation Plan methodology must be revised for the following Subaward year then Subrecipient shall submit the revised methodology to County’s Compliance Manager by May 1 of the current Subaward year. The Cost Allocation Plan methodology may only be revised once during any Subaward year.

9.21.1.6 In the event that the information provided in the Cost Allocation Plan as it relates to Subparagraphs
9.21.1.2.1 - 9.21.1.2.6 must be revised at any time during the Subaward term then Subrecipient shall submit the revisions to County's Compliance Manager within thirty (30) days of completing the revisions.

9.21.1.7 Upon receipt of the revisions made to Subrecipient's Cost Allocation Plan, County will review these revisions. Neither Subrecipient's submission of these revisions to its Cost Allocation Plan nor County's receipt of these revisions to Subrecipient's Cost Allocation Plan shall constitute County's acceptance or approval of the Cost Allocation Plan revisions. County reserves the right to either accept or reject any revision(s) to the Cost Allocation Plan that County deems is unacceptable. County will notify Subrecipient in writing whether the revisions are approved or rejected. Upon rejection of the revisions, Subrecipient shall take the required actions needed to correct its revisions. Subrecipient's failure to adhere to County's requirements shall subject Subrecipient to remedies available under this Subaward.

9.21.2 Closeout Reporting Requirements

9.21.2.1 The closeout is a process that takes place upon the expiration or termination of the period in which Program Services are provided which includes the end of the Subaward term, the end of the Fiscal Year or any other period when the Subaward is terminated. The purpose of closeout is to ensure that final reports are received and evaluated, allowable costs are determined and amounts due to either County or to Subrecipient are determined and payment arrangements made.

9.21.2.2 Subrecipient shall complete and submit a mandatory Closeout Report in the form and manner designated by County. The Closeout Report shall include the reporting of expenses and accruals incurred through the last day of the Fiscal Year or Program Year. County will notify Subrecipient of the deadline for submission of the Closeout Report.

9.21.2.3 Subrecipient must ensure that all invoices are submitted and finalized prior to the submission of its Closeout Report. County will not pay invoices that are received after Subrecipient has submitted the Closeout Report. Once County has reviewed and accepted Subrecipient's Closeout Report, the data reflected on the Closeout Report will be reported to State as final. Any subsequent revisions will require the written signature and authorization of Authorized Representative.

9.21.2.4 If this Subaward is terminated or cancelled prior to June 30th of any Fiscal Year, the Closeout Report shall be for that Subaward period which ends on the
termination or cancellation date. Subrecipient shall submit the Closeout Report after the termination/cancellation date in the manner and timeframe designated by County.

9.21.2.5 At the end of the funding cycle/during the closeout, Subrecipient shall ensure that all of the following items match:

9.21.2.5.1 The Subaward Sum allocated by line items on Subrecipient’s final approved Budget(s), where the Subaward Sum is the funding allocated for any Fiscal Year under this Subaward and it is distributed using the line items/cost categories reflected in Subrecipient’s final approved Budget(s).

9.21.2.5.2 The Grant Share, which is allocated by line items on Subrecipient’s Closeout Report, where the Grant Share is the actual Subaward Sum that Subrecipient has budgeted by line items/cost categories on its organization’s accounting/fiscal records (i.e., general ledgers, etc.).

9.21.2.5.3 The Amount Received by line item as reported on Subrecipient’s Closeout Report, where the Amount Received is the actual Subaward Sum reimbursed to Subrecipient for its line items.

9.21.2.6 In the event that the line item amounts reflected as the Subaward Sum on the final approved Budget(s), the Grant Share on the Closeout, and the Amount Received on the Closeout do not match at the time of closeout, for purposes of the closeout only, County shall allow a maximum of ten percent (10%) variance between the Subaward Sum and Grant Share (specifically, the variance between the Subaward Sum line items reported on the final approved Budget(s) and the Grant Share line items reported on the Closeout Report).
9.21.2.6.1 For example, during the closeout, if the line item, Space, reflects a Subaward Sum of $100 on the final approved Budget(s) then the Grant Share amount reflected on the Closeout Report for Space shall be $100, and the Amount Received reflected on the Closeout Report for Space shall be $100. Alternatively, if the Subaward Sum for Space is reflected on the final approved Budget(s) as $100 but the Grant Share for Space is reflected on the Closeout Report as $95 and the Amount Received for Space is reflected on the Closeout Report as $95 then the $5 variance (which is five percent (5%) of the Subaward Sum amount for the Space line item) is within the allowable ten percent (10%) variance.

9.21.2.7 Subrecipient shall ensure that the total Grant Share and the total Amount Received, which are reflected on the Closeout Report, do not exceed the total Subaward Sum reflected on the final approved Budget(s).

9.21.3 Program Income Requirements

9.21.3.1 Program Income includes, but is not limited to:

9.21.3.1.1 Voluntary contributions received from Client or other party for Services received.

9.21.3.1.2 Income from usage or rental fees of real or personal property acquired with Subaward Sums.

9.21.3.1.3 Royalties received on patents and copyrights from Subaward-supported activities.

9.21.3.1.4 Proceeds from the sale of items created under this Subaward.

9.21.3.2 Subrecipient shall adhere to the Program Income requirements outlined herein and in Title 45 Code of Federal Regulations Part 75 et seq. and Title 2 Code of Federal Regulations Part 200 et seq.

9.21.3.3 Subrecipient shall use Program Income to expand baseline Program Services.

9.21.3.4 Subrecipient shall report Program Income in Budget exhibit(s) and shall expend Program Income under the same terms and conditions as the Subaward Sums from which it is generated. The use of
Program Income is restricted to the funding source or Service that was provided and contributed towards.

9.21.3.5 Program Income shall be used to pay for current allowable Program costs in the same Fiscal Year or Program Year that the Program Income is earned. If Program Income is earned in excess of the amount reported in Budget exhibit(s) then County shall recapture the balance of the unexpended Program Income or pursue any other remedies available to County under this Subaward.

9.21.3.6 Subrecipient shall not use Program Income to meet the match contribution requirement of this Subaward.

9.21.3.7 Subrecipient shall provide a disposition of all Program Income received and expended as part of the Closeout reporting process in the form, manner and timeline as designated by County.

9.22 DATA UNIVERSAL NUMBERING SYSTEM (DUNS) AND SYSTEM FOR AWARD MANAGEMENT (SAM)

9.22.1 Pursuant to the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109-282) and Title 2 Code of Federal Regulations Part 25, Subrecipient shall be responsible for obtaining and maintaining a DUNS number from Dun and Bradstreet. The DUNS number is a unique nine-digit identification number and is site-specific. Therefore, each distinct physical location of Subrecipient's organization (such as branches, divisions, and headquarters) will have its own, unique DUNS number. Subrecipient may register for a DUNS number at http://www.dnb.com/duns-number.html. Subrecipient shall comply with the requirements outlined in this Subparagraph 9.22.

9.22.2 Subrecipient shall provide a valid DUNS number using Exhibit F (Subrecipient's Administration) and shall submit the completed Exhibit F (Subrecipient's Administration) in the time and manner as directed by County. Subrecipient must register the DUNS number and maintain an "Active" status within the federal System for Award Management available online at https://www.sam.gov/portal/SAM#. If County cannot access or verify "Active" status for Subrecipient's DUNS information, which is related to this Subaward on the Federal Funding Accountability and Transparency Act: Subaward Reporting System, County will notify Subrecipient and Subrecipient must immediately update the information as required.

9.22.3 Subrecipient's failure to adhere to applicable DUNS and SAM requirements may result in County imposing remedies as determined by County in its sole discretion.

9.23 UNUSUAL OCCURRENCES AND CRIME

9.23.1 Unusual occurrences such as natural disasters (including earthquakes, floods, landslides, wildfires, extreme heat/cold), man-made emergencies (such as epidemic outbreaks, bio-terrorism, food-borne illness, fire, major accidents, death from unnatural causes or other catastrophes), and unusual
occurrences which threaten the welfare, safety or health of Clients, Subrecipient personnel or visitors to Subrecipient’s facility(ies) shall be reported by Subrecipient within twenty-four (24) hours to the local health officer by telephone and in writing, and to County by telephone and also in writing or by email.

9.23.2 Crime related occurrences, such as theft or vandalism, must be reported by Subrecipient within twenty-four (24) hours to the local police or sheriff by filing a police report and to County by telephone, and in writing or by email. Subrecipient shall also prepare and retain an incident report on file, and shall include a copy of the filed police report.

9.23.3 Subrecipient shall maintain all incident reports in a manner consistent with Subparagraph 8.38 (Record Retention, Inspection and Audit Settlement). Subrecipient shall furnish such other pertinent information related to such occurrence as the local authorities and/or County may require.

9.24 INTENTIONALLY OMITTED

9.25 FEMA PROVISIONS

9.25.1 In the event of an emergency (defined as a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property or essential public services) and Federal Emergency Management Agency (FEMA) funds are made available under this Subaward, Subrecipient shall comply with all requirements outlined in Exhibit CC (FEMA Provisions). Subrecipient shall complete the Lobbyist Certification attached to this Exhibit and submit it to County’s Contract Manager in the time and manner as designated by County.
IN WITNESS WHEREOF, Subrecipient has executed this Subaward or caused it to be duly executed, and the County of Los Angeles, by order of its Board of Supervisors, has caused this Subaward to be executed on its behalf by the Acting Director of Workforce Development, Aging and Community Services, on the day, month and year first above written. The person(s) signing on behalf of Subrecipient warrants under penalty of perjury that he or she is authorized to bind Subrecipient. Subrecipient and County acknowledge that this Subaward shall not be deemed to be active until such time that the document is executed by the respective authorized representatives of both Subrecipient and County.

COUNTY OF LOS ANGELES

By ___________________________ ___________________________
Otto Solórzano, Acting Director
County of Los Angeles
Workforce Development, Aging
and Community Services
Date

SUBRECIPIENT

Subrecipient’s Legal Name

Subaward Number

By ___________________________ ___________________________
Name of Authorized Representative
Date

Title

Signature

Approved as to Form:

OFFICE OF COUNTY COUNSEL
Mary C. Wickham, County Counsel

By ___________________________ ___________________________
Lawrence M. Green
Senior Deputy County Counsel
Date

Title

Signature
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ATTACHMENTS

Attachment 1 (Performance Requirements Summary Chart)
Attachment 2 (County Recognized Holidays)
Attachment 3 (Community Focal Points List)
Attachment 4 (Universal Intake Form)
Attachment 5 (Subaward Discrepancy Report)
Attachment 6 (Emergency and Disaster Plan Basic Requirements)
Attachment 7 (Site Emergency Resource Survey)
Attachment 8 (Site Summary)
Attachment 9 (Guidelines for Developing Site Summary)
Attachment 10 (Route Summary)
Attachment 11 (Guidelines for Developing Route Summary)
Attachment 12 (Home-Delivered Meal Program Telephone Reassurance Log)
Attachment 13 (Home-Delivered Meal Program Priority of Service Screening Tool)
Attachment 14 (Home-Delivered Meal Program Priority of Service Screening Tool Instructions)
1.0 SCOPE OF WORK

1.1 County (herein also referred to as the Area Agency on Aging (AAA)), has established the Elderly Nutrition Program (ENP or Program), which consists primarily of Congregate Meal Services and Home-Delivered Meal Services (collectively Services, ENP Services, or Program Services). As further detailed in Section 10.0 (Specific Work Requirements), Subrecipient shall provide the appropriate Program Services, which will assist in maintaining and/or improving the physical, psychological, and social well-being of Older Individuals (an adult who is sixty (60) years of age or older) as follows:

1.1.1 Provide Services to Older Individuals in greatest economic or social need, with particular attention to low-income, minority individuals.

1.1.2 Serve meals that provide one-third (1/3) of the Recommended Dietary Allowances (RDAs) and are safe and of good quality.

1.1.3 Promote and maintain high food safety and sanitation standards.

1.1.4 Promote good health behaviors through nutrition education and nutrition screening of Clients.

1.1.5 Promote or maintain coordination with other nutrition-related supportive Services for Older Individuals.

2.0 ADDITION AND/OR DELETION OF FACILITIES, SPECIFIC TASKS AND/OR WORK HOURS

2.1 Prior to modifying or terminating a Congregate Meal site, Home-Delivered Meal route, Services, or revising hours of Service delivery at a previously designated location(s), and before commencing such Services at any other location, Subrecipient shall obtain written consent from County, and shall comply with Subparagraph 8.1 (Amendments) of the Subaward as applicable.

2.2 Subrecipient shall inform County in writing and receive written County approval at least sixty (60) days prior to relocation of Subrecipient’s office or site location(s).

2.3 Subrecipient must submit a written request to County a minimum of sixty (60) days prior to the date that Subrecipient intends to open a new Congregate Meal site or close any existing Congregate Meal site. Subrecipient shall not open a new site or close any existing site prior to receiving County’s written approval. In the event that opening a new site or closing an existing site is due to an emergency (defined as a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property or essential public services) that would prevent Subrecipient from submitting a written request.
to County sixty (60) days in advance, Subrecipient shall request County's approval immediately upon occurrence of such emergency. Any new Congregate Meal site must be inspected by the Dietary Administrative Support Services (DASS) Program subrecipient and a health permit must be obtained before approval is granted by County at County's sole discretion.

2.4 Subrecipient must submit a written request to County a minimum of sixty (60) days prior to the date that Subrecipient intends to establish a new Home-Delivered Meal route or terminate any existing Home-Delivered Meal route. Subrecipient shall not establish a new route or terminate any existing route prior to receiving County's written approval. In the event that establishing a new route or terminating an existing route is due to an emergency (as defined in Subsection 2.3) that would prevent Subrecipient from submitting a written request to County sixty (60) days in advance, Subrecipient shall request County's approval immediately upon occurrence of such emergency.

2.5 Subrecipient shall provide the identity of each designated Community Focal Point as specified in OAA Section 102 (a)(21) and Title 42 United States Code Section 3026(a)(3)(A)) as directed by County's Program Manager. Subrecipient shall identify or update the designated Community Focal Point site locations, as needed. A complete list of Community Focal Points is provided in Attachment 3 (Community Focal Points).

2.6 Specific tasks and Work hours shall not be modified or terminated throughout the entire Subaward term. Should an emergency arise, Subrecipient's request for Service or Work hour modifications will be reviewed by County on a case-by-case basis.

3.0 QUALITY CONTROL

3.1 Subrecipient shall establish and utilize a comprehensive Quality Control Plan to assure County a consistently high level of Service throughout the term of the Subaward. The Quality Control Plan shall be submitted to County's Compliance Manager for review every six (6) months or more frequently as imposed by County. The plan shall include, but may not be limited to the following:

3.1.1 Method of monitoring to ensure that Subaward requirements are being met.

3.1.2 A record of all inspections conducted by Subrecipient, any corrective action taken, the time a problem was first identified, a clear description of the problem, and the time elapsed between identification and completed corrective action, shall be provided to County upon request.
4.0 QUALITY ASSURANCE PLAN

4.1 County maintains the unlimited right to evaluate/monitor Subrecipient’s performance under the Subaward using the quality assurance procedures as defined in Subparagraph 8.15 (County’s Quality Assurance Plan) of the Subaward. Such rights shall also extend to Federal Representatives and State Representatives with Program oversight.

4.2 Meetings

4.2.1 Subrecipient is mandated to attend all meetings called by County, or authorized designee. Subrecipient shall be given advance notice of all scheduled meetings with County. Subrecipient may also be required to attend emergency meetings without the above stated advance notice when necessary.

4.2.2 and Volunteers, shall regularly attend meetings that offer ways to expand knowledge of and increase efficiency in the Services provided. These meetings may be scheduled by County. At Subrecipient’s own expense, Subrecipient may elect to attend meetings outside of Los Angeles County that Subrecipient reasonably deems to be beneficial for the delivery of Client Services, as well as other meetings designated by County.

4.2.3 Subrecipient’s failure to attend all mandatory meetings (in-person or online) shall be considered non-compliance with the Subaward, and may result in further action pursuant to the Subaward, Subparagraph 9.13 (Probation and Suspension), Subaward, Subparagraph 9.18 (Remedies for Non-Compliance), this Statement of Work, Attachment 1 (Performance Requirements Summary Chart), and any other applicable remedies.

4.3 Subaward Discrepancy Report

4.3.1 Subrecipient shall immediately notify County’s Compliance Manager whenever a Subaward discrepancy is identified. The problem shall be resolved within a time period mutually agreed upon in writing by County and Subrecipient.

4.3.2 County’s Compliance Manager will determine whether a formal Subaward Discrepancy Report shall be issued. Upon receipt of this report, Subrecipient shall respond in writing to County’s Compliance Manager within the timeframe designated by County, acknowledging the reported discrepancies or presenting contrary evidence. A plan for correction of all deficiencies identified in the report shall be submitted to County’s Compliance Manager as prescribed by County.
4.4 County Observations

4.4.1 In addition to County's contracting staff, other County personnel, State representatives, and Federal representatives may observe the performance/activities and review documents relevant to the Subaward at any time during normal business hours which are defined as five (5) days per week (Monday through Friday), eight (8) hours per day during the hours of 8:00 a.m. to 5:00 p.m., not including County recognized holidays. A list of County recognized holidays is provided in Attachment 2 (County Recognized Holidays). However, these personnel may not unreasonably interfere with Subrecipient's performance.

4.5 County's Needs Assessment

4.5.1 County shall conduct a needs assessment of underserved communities within six (6) months after the commencement of the Subaward to determine whether the needs of Clients are being met.

5.0 DEFINITIONS

5.1 For a listing of definitions for this Program, refer to the Subaward, Exhibit P (Definitions).

6.0 RESPONSIBILITIES

6.1 County's Personnel

6.1.1 County's authorized agents reflected in Exhibit E (County's Administration) will administer this Subaward according to the Subaward, Paragraph 6.0 (Administration of Subaward – County). Specific duties will include:

6.1.1.1 Monitoring Subrecipient's performance in the daily operation of this Subaward.

6.1.1.2 Providing direction to Subrecipient in areas relating to policy, information and procedural requirements.

6.1.1.3 Preparing Amendments in accordance with the Subaward, Subparagraph 8.1 (Amendments).

6.1.2 County will notify Subrecipient in writing of any change in the names or addresses shown.

6.2 Intentionally Omitted
6.3 **Subrecipient's Personnel**

6.3.1 Subrecipient shall assign a sufficient number of qualified Employees with the appropriate education, licensure, and experience noted below to perform the required Work. These Employees must be capable of establishing effective communication with Clients as well as other AAA network providers. The total number of Employees shall be based on the method and level of Services provided and the size of the Service area served by Subrecipient.

6.3.2 Subrecipient shall operate continuously throughout the entire term of this Subaward with at least the minimum number of Staff set forth herein, as well as any other applicable staffing requirements of County necessary for Subrecipient to provide Services hereunder. Such personnel shall meet all qualifications in this Subaward, as well as those provided by County through Amendments, Administrative Directives, Change Notices, Program Memorandums, etc.

6.3.3 Subrecipient shall always have a Staff member that speaks and understands English and has the authority to act on behalf of Subrecipient in every detail available during normal business hours.

6.3.4 Subrecipient shall be required to conduct a background check on its Employees as set forth in Subparagraph 7.5 (Background and Security Investigations) of the Subaward. Subrecipient shall also be required to conduct a background check on any Volunteer, including volunteer Home-Delivered Meal Driver(s), who has direct Client contact and has access to the Client's personal information and/or case file.

6.3.5 Subrecipient shall notify County of any significant personnel change(s) and shall fill vacancies for critical positions within ten (10) days.

6.3.6 **Project Manager**

6.3.6.1 Subrecipient shall have a Project Manager or designated alternate who will serve as coordinator/liaison for all ENP Services. This requirement may be met through the designation of a full-time or part-time position. County must have access to Project Manager during all hours, 365 days per year. Subrecipient shall provide a telephone number where Project Manager may be reached on a twenty-four (24) hours per day basis.
6.3.6.2 Subrecipient shall immediately notify County of any significant change in the status of the Project Manager position. If for any reason the position should become vacant, Subrecipient shall immediately fill the position with a temporary replacement who can perform the duties of the Project Manager and shall fill the position with a permanent qualified person within thirty (30) days.

6.3.6.3 Project Manager or his/her alternate shall have full authority to act for Subrecipient on all matters relating to the daily operation of the Subaward.

6.3.6.4 Project Manager will plan, organize, and direct all administrative and Program activities related to this Subaward. Project Manager will define the lines of authority and will develop the roles and parameters of responsibility for Program Staff consistent with established County requirements.

6.3.6.5 Project Manager will serve as the coordinator/liaison for all ENP Services, ensuring that any communications related to ENP are conveyed to the appropriate personnel. Project Manager or his/her alternate shall oversee all the daily Subaward activities.

6.3.6.6 Minimum Required Education, Experience and Qualifications

6.3.6.6.1 Bachelor's Degree from an accredited university.

6.3.6.6.2 A minimum of five (5) years of experience in food service or a related field.

6.3.6.6.3 Demonstrable problem-solving skills and experience.

6.3.6.6.4 Ability to explain administrative goals, policies, and procedures, and assist Staff in adjusting to changes that occur.

6.3.6.6.5 Ability to evaluate the performance of Food Service Manager(s) and Site Manager(s) based on established criteria.
6.3.6.6.6 Expertise in the provision of social services to Older Individuals.

6.3.6.6.7 Successful completion of basic training in Hazard Analysis Critical Control Point principles within six (6) months of being hired.

6.3.6.6.8 Current certification as a Food Protection Manager by the National Restaurant Association-ServSafe® or other recognized organization, or certification within six (6) months of being hired.

6.3.6.6.9 Ability to effectively speak, read, and write fluently in English.

6.3.7 Food Service Manager

6.3.7.1 When Subrecipient operates a central kitchen to provide Client meals, Subrecipient shall employ a Food Service Manager who shall oversee the daily food service operations at each central kitchen, both managerial and administrative, of the ENP (see Subsection 10.12 (Central Kitchen/Caterer) for central kitchen/caterer requirements).

6.3.7.2 Minimum Required Education, Experience and Qualifications

6.3.7.2.1 Current certification as a Food Protection Manager by the National Restaurant Association-ServSafe® or other recognized organization.

6.3.7.2.2 Successful completion of basic training in Hazard Analysis Critical Control Point principles, and within six (6) months of being hired, shall meet one (1) of the criteria listed below:

6.3.7.2.2.1 Associate's Degree in institutional food service management or a closely related field such as, but not limited to, restaurant management, plus
two (2) years of experience as a food service supervisor.

6.3.7.2.2.2 Demonstrate experience in food service, such as, but not limited to, cooking at a restaurant, and within twelve (12) months of hire, successful completion of a minimum of twenty (20) hours specifically related to food service management, business administration, or personnel management at the college level. Prior to the completion of the required hours, this individual's performance shall be evaluated through quarterly monitoring by a registered dietitian.

6.3.7.2.2.3 Two (2) years of experience managing food services. Such experience shall be verified by County prior to hire.

6.3.7.2.3 Must be able to speak, read, and write fluently in English.

6.3.7.2.4 Bilingual English/Spanish fluency is desirable.

6.3.8 Site Manager

6.3.8.1 When Subrecipient provides Congregate Meal Services, Subrecipient shall have a Site
Manager(s) at each Congregate Meal site to oversee all of the daily activities. The Site Manager shall physically remain at the site during the times that Congregate Meal Services occur.

6.3.8.2 Minimum Required Education, Experience and Qualifications

6.3.8.2.1 Certification as a Food Protection Manager by the National Restaurant Association-ServSafe®, or other recognized organization within six (6) months of being hired.

6.3.8.2.2 Demonstrated ability to treat Clients and Clients’ family members with respect and dignity.

6.3.8.2.3 Must be able to speak, read, and write fluently in English.

6.3.8.2.4 Bilingual English/Spanish fluency is desirable.

6.3.9 Home-Delivered Meal Case Worker

6.3.9.1 When Subrecipient provides Home-Delivered Meal Services, Subrecipient shall have a Home-Delivered Meal Service Case Worker(s).

6.3.9.2 Under the direction of Project Manager, Home-Delivered Meal Service Case Worker will conduct an in-home evaluation of a Client's needs and identify the Activities of Daily Living, Instrumental Activities of Daily Living, and other limitations that impede independent living. Home-Delivered Meal Service Case Worker shall make recommendations and referrals as appropriate to other service organizations, giving priority to AAA-funded Programs.

6.3.9.3 Minimum Required Education, Experience and Qualifications

6.3.9.3.1 Bachelor's Degree in human services, or two (2) years of full-time paid or volunteer experience in homecare or a related field.
6.3.9.3.2 Demonstrated ability to communicate effectively with Clients and Clients' family members.

6.3.9.3.3 Demonstrated ability to treat Clients and Clients’ family members with respect and dignity.

6.3.9.3.4 Must be able to speak, read, and write fluently in English.

6.3.9.3.5 Bilingual English/Spanish fluency is desirable.

6.3.10 **Home-Delivered Meal Coordinator**

6.3.10.1 When Subrecipient provides Home-Delivered Meal Services, Subrecipient shall have a Home-Delivered Meal Coordinator(s) to coordinate and oversee all Home-Delivered Meal routes. Home-Delivered Meal Coordinator must attend all quarterly in-service training sessions provided by DASS Program subrecipient’s registered dietitian.

6.3.10.2 **Minimum Required Education, Experience and Qualifications**

6.3.10.2.1 Certification as a Food Protection Manager by the National Restaurant Association-ServSafe® or other recognized organization within six (6) months of being hired.

6.3.10.2.2 Demonstrated ability to treat Clients and Clients’ family members with respect and dignity.

6.3.10.2.3 Must be able to speak, read, and write fluently in English.

6.3.10.2.4 Bilingual English/Spanish fluency is desirable.

6.3.11 **Home-Delivered Meal Driver(s)**

6.3.11.1 When Subrecipient provides Home-Delivered Meal Services, Subrecipient shall have a Home-Delivered Meal Service Driver(s) who shall have a
current, valid, and appropriate California Driver's License and current, valid vehicle insurance in compliance with Subparagraph 8.24 (General Provisions for all Insurance Coverage) and Subparagraph 8.25 (Insurance Coverage) of the Subaward.

6.3.11.2 Home-Delivered Meal Service Driver shall be properly trained in food handling as described in Subsection 10.3.6. and shall attend trainings conducted by DASS Program subrecipient as appropriate.

6.3.11.3 Demonstrated ability to treat Clients and Clients’ family members with respect and dignity.

6.3.11.4 Bilingual English/Spanish fluency is desirable.

6.3.12 Other Staff

6.3.12.1 Senior Community Service Employment Program Title V Participants

6.3.12.1.1 Subrecipient shall utilize the services of Senior Community Service Employment Program (SCSEP) Title V Participants at Congregate Meal sites whenever possible.

6.3.12.1.2 SCSEP Title V Participants must be appropriately trained and qualified for the responsibilities assigned prior to beginning those responsibilities.

6.3.12.1.3 Subrecipient shall conduct a background check on any SCSEP Title V Participant that has direct Client contact and has access to the Client's personal information and/or case file. Subrecipient is not required to conduct a background check on SCSEP Title V Participants that only provide meal service.

6.3.12.2 Volunteers

6.3.12.2.1 Subrecipient shall recruit, train, and use Volunteers in any phase of
Program operations where qualified. Volunteers must be appropriately trained and qualified for the responsibilities assigned prior to beginning those responsibilities.

6.3.12.2.2 Volunteers shall be the sole responsibility of Subrecipient and shall report to the Project Manager or to another Employee as designated by the Project Manager (if applicable).

6.3.12.2.3 If possible, Subrecipient shall work in coordination with organizations that have experience in providing training, placement, and stipends for Volunteers or Clients in a community service setting (such as organizations carrying out Federal service programs administered by the Corporation for National and Community Service (CNCS) (see Exhibit P (Definitions) of the Subaward).

6.3.12.2.4 Subrecipient shall conduct a background check on any Volunteer that has direct contact with Client and has access to the Client’s personal information and/or case file. Subrecipient is not required to conduct a background check on Volunteers that only provide meal service.

6.3.13 Caterer

6.3.13.1 When Subrecipient will not use a central kitchen as the sole means of preparing meals, Subrecipient shall use a Caterer, which meets the minimum required education, experience, and qualifications outlined for the Food Service Manager as stated in Subsection 6.3.8 (Food Service Manager).

6.3.13.2 Caterer’s facility must be licensed and shall be inspected and approved by the DASS Program subrecipient for placement on County’s list of Approved Caterers. County must grant final
approval of County list of Approved Caterers prior to utilization by Subrecipient.

6.4 Identification Badges

6.4.1 Subrecipient shall ensure that its Staff are appropriately identified as set forth in the Subaward, Subparagraph 7.4 (Subrecipient’s Staff Identification).

6.5 Materials and Equipment

6.5.1 The purchase of all materials/equipment to provide the needed Services is the responsibility of Subrecipient. Subrecipient shall adhere to the requirements for purchasing, inventorizing, and disposing of material and equipment obtained under the Subaward as outlined herein and in the Subaward, Exhibit S (Purchase, Inventory and Disposal Requirements for Fixed Assets, Non-Fixed Assets and Supplies). Subrecipient must obtain County approval in writing prior to the purchase of any equipment or vehicles purchased with Subaward Sums as described in Exhibit S (Purchase, Inventory and Disposal Requirements for Fixed Assets, Non-Fixed Assets and Supplies).

6.5.2 Subrecipient shall use materials and equipment that are safe for the environment and safe for use by Staff.

6.5.3 All Staff shall be trained in their assigned tasks and in the safe handling of equipment. All equipment shall be checked daily for safety. All Staff must wear safety and protective gear according to Occupational Health and Safety Administration (OSHA) standards.

6.5.4 Use of Personal Protective Equipment

6.5.4.1 In addition to using food preparation materials, safety gear, etc., Subrecipient shall provide its Staff with personal protective equipment, which includes but is not limited to, a fabric face covering, access to hand sanitizer or a hand washing station for use every thirty (30) minutes, etc.

6.6 Training

6.6.1 Subrecipient shall provide training programs for all new Staff and continue in-service training for all existing Staff. Training shall include, but is not limited to, the provision of an orientation to all new Staff. Subrecipient shall ensure that Staff, both existing and new, are properly trained in all areas related to providing ENP Services.
6.6.2 Subrecipient shall implement an annual written internal staff training plan developed and reviewed by DASS Program subrecipient and approved by County. The training plan shall be maintained on file by Subrecipient, and shall identify who is to be trained, who will conduct the training, training content, and date scheduled.

6.6.3 Subrecipient shall ensure that food service staff (including Congregate Meal and Home-Delivered Meal staff and Volunteers) attend a minimum of four (4) hours of mandatory inservice training annually developed and provided by DASS Program subrecipient’s registered dietitian.

6.6.4 Training sessions conducted by Subrecipient shall be evaluated by those receiving the training.

6.6.5 Subrecipient is to maintain written documentation at meal sites of all training, including agendas, topics, training materials, training evaluations, and attendance records/sign-in sheets which include both a name and a signature of attendees. Subrecipient shall make training records available for inspection by County and DASS Program subrecipient upon request.

6.6.6 Subrecipient’s Project Manager shall ensure that all appropriate Staff attend all training sessions as required by County, held at a County facility, at another site, or online as determined by County for Subrecipient’s benefit. Further, Subrecipient shall ensure that, at a minimum, Subrecipient’s designated Employee represents Subrecipient at each training session. At Subrecipient’s own expense, Subrecipient may elect to attend educational training opportunities outside of Los Angeles County that Subrecipient reasonably deems to be beneficial for the delivery of Client Services, as well as other trainings designated by County.

6.6.7 Subrecipient shall attend all mandatory trainings scheduled by County or authorized designee. Mandatory trainings may be held at a County facility, at another site, or online. Subrecipient shall be given three (3) to five (5) days advance notice of all scheduled trainings with County. Subrecipient may also be required to attend emergency trainings without the above stated advance notice when necessary.

6.6.8 Subrecipient shall complete a sign-in sheet for face-to-face (in-person) trainings. County will document attendance for online trainings.
6.6.9 Training sessions conducted by Subrecipient shall be evaluated by those receiving the training.

6.6.10 Subrecipient’s failure to attend all mandatory trainings (in-person or online) shall be considered non-compliance with the Subaward, and may result in further action pursuant to this Subaward, Subparagraph 9.13 (Probation and Suspension), Subaward, Subparagraph 9.18 (Remedies for Non-Compliance), this Statement of Work, Attachment 1 (Performance Requirements Summary Chart), and any other applicable remedies.

6.6.11 Security Awareness Training

6.6.11.1 Subrecipient shall ensure that Staff who handle confidential, sensitive, or personal identifying information relating to ENP complete the Security Awareness Training module, which is available online at www.aging.ca.gov, within thirty (30) days of the start date of the Subaward or within thirty (30) days of the start date of any new Staff who work under the Subaward.

6.6.11.2 Subrecipient shall maintain certificates of completion of Security Awareness Training on file and provide them upon request by County or State representatives.

6.7 Subrecipient’s Office

6.7.1 Subrecipient shall maintain a physical office in Los Angeles County where Subrecipient conducts business. Subrecipient’s office shall have an active telephone line. The office shall be open at a minimum during normal business hours and shall be staffed by at least one (1) Employee who can respond to inquiries and complaints which may be received about Subrecipient’s performance of the Subaward. When the office is closed during non-business hours, Subrecipient shall utilize an answering service to receive calls. Subrecipient shall respond to calls received by the answering service within forty-eight (48) hours of receipt of the call. Subrecipient shall always have an Employee with the authority to act on behalf of Subrecipient available during normal business hours.

6.7.2 Subrecipient shall publicly display the days and hours of operation for the provision of contracted Services at all Subrecipient office locations/sites. Subrecipient shall ensure that
availability for Services is appropriate for the demographics associated with the Service area (site or office location).

6.7.3 Subrecipient shall ensure that all site locations/buildings and surrounding areas are maintained in a manner consistent with applicable local, State, and Federal occupational safety and sanitation laws and regulations. The premises shall be free of any accumulation of garbage, rubbish, stagnant water, and filthy or offensive matter of any kind to ensure that the premises are maintained in a clean and wholesome condition. The physical locations shall be acceptable and accessible to the public. Subrecipient shall comply with the Americans with Disabilities Act of 1990, as amended.

6.7.4 Subrecipient shall ensure that all site locations are maintained to prevent the entrance and harborage of animals, birds, and vermin, including but not limited to, rodents and insects. Subrecipient shall utilize the services of a certified/licensed pest control company are obtained to fumigate the premises and perform pest control services on a monthly basis. Subrecipient acknowledges a licensed pest control operator is the only person that can use products/or chemicals in the facility that are deemed acceptable for a commercial kitchen/foodservice facility.

6.7.5 Subrecipient shall ensure that Integrated Pest Management (IPM) practices are implemented to provide a pest free environment. IPM practices include but are not limited to:

6.7.5.1 Keep garbage tightly covered and remove from kitchen and dining area quickly and properly.

6.7.5.2 Properly store all food and supplies.

6.7.5.3 Check all food and supplies entering the building.

6.7.5.4 Eliminate plumbing leaks and correct other sources of moisture.

6.7.5.5 Increase ventilation where condensation is a problem.

6.7.5.6 Seal cracks and other openings to the outside.

6.7.5.7 Remove trash and stored items outside of the building such as, stacks of lumber or firewood that provide hiding places for cockroaches and rodents.

6.7.5.8 Vacuum cracks and crevices to remove food and debris.
6.7.5.9 Ensure that surfaces where food or beverages have been spilled are cleaned up immediately.

6.7.5.10 Keep cleaning equipment (e.g., mops, sponges, cloths) dry and properly stored.

6.7.5.11 Keep toilets and restrooms cleaned and sanitized.

6.7.5.12 Keep break areas clean and store personal food in closed containers.

6.7.5.13 Report building maintenance issues such as holes in walls, torn window screens, or openings in door jams to management/Project Manager for repair.

6.7.5.14 Use traps and baits to monitor the pest population.

6.7.5.15 When pests are discovered, Subrecipient shall ensure that the Congregate Meal site, catering site or central kitchen is fumigated upon notification of the sighting to eliminate the pests and shall begin weekly IPM pest control activities. In doing so, Subrecipient shall ensure that:

6.7.5.15.1 Project Manager or his/her designee will contact the Congregate Meal site catering site or central kitchen staff (park supervisor, Center Director, site manager, etc.) and request that a certified/licensed pest control company be contacted to fumigate the site. Subrecipient shall work with the certified/licensed pest control company to determine the best method to use for each Congregate Meal site, catering site or central kitchen based upon the products/chemicals used and severity of the infestation.

6.7.5.15.2 Project Manager or his/her designee shall notify County’s Compliance Manager and Program Analyst, and shall also notify the Congregate Meal site, catering site, or central kitchen site’s designated DASS Program subrecipient’s registered dietitian of the pest sighting.
6.7.5.15.3 The Congregate Meal site kitchen, catering site kitchen, or central kitchen site kitchen will be immediately closed, and pre-packaged meals will be served to all Clients until the site has been fumigated, cleaned, sanitized, and inspected by DASS Program subrecipient's registered dietitian and cleared to resume regular Congregate Meal Services.

6.7.5.15.4 Subrecipient shall be responsible for ensuring that IPM weekly pest control activities are conducted at sites where pests have been observed until the site has been re-inspected and cleared by DASS Program subrecipient's registered dietitian to resume regular meal service. Weekly IPM pest control activities are to be completed on Fridays after meal service, or Saturdays to ensure that regular meal services resume on Monday with no disruption in meal services.

6.7.5.15.5 If no pests are found during the re-inspection by DASS Program subrecipient's registered dietitian and all repairs/conditions have been met to resume regular meal service at the Congregate Meal site, catering site, or central kitchen, Subrecipient may request a waiver to resume monthly fumigation and pest control services. However, if pests are observed at the Congregate Meal, catering, or central kitchen site at any time for a period of three (3) months or ninety (90) days after the re-inspection, Subrecipient shall resume weekly IPM pest control activities for a period three (3) months or ninety (90) days after the site has had a second re-inspection and clearance to resume regular meal service.
6.7.5.15.6 If pests are observed by DASS Program subrecipient’s registered dietitian during the re-inspection, and/or requested repairs have not been made, Subrecipient shall ensure that the site is re-fumigated and weekly IPM activities are conducted for a period of three (3) months or ninety (90) days after the Congregate Meal, catering or central kitchen site has had a second re-inspection and clearance by DASS Program subrecipient’s registered dietitian to resume regular meal service. Subrecipient may ask for a waiver to resume monthly fumigation and pest control services after the ninety (90) day waiting period if there are no additional pest sightings and all other IPM activities have been met.

6.7.5.15.7 Congregate Meal, catering or central kitchen sites are considered to have severe infestations if they continue to have pest sightings after weekly IPM activities and two fumigations. Subrecipient shall ensure that these sites continue weekly IPM activities for a period of six (6) months or 180 days after the site has been re-inspected and cleared by DASS Program subrecipient’s registered dietitian to resume regular meal service. Subrecipient may ask for a waiver to resume monthly fumigation and pest control services after the 180-day waiting period if there are no additional pest sightings and all other IPM activities have been met.

6.7.5.15.8 Any Congregate Meal, catering, or central kitchen site that has pest control issues shall keep a Weekly Log of their pest control activities using the IPM approach until a waiver to resume monthly fumigation and pest control services is granted.
6.7.5.15.9 Subrecipient shall adhere to regulations/instructions in the Los Angeles County Area Agency on Aging Foodservice Standard Operating Procedures manual. Subrecipient shall keep written Pest Control Reports and weekly pest control activity logs on file and made available for review by County and DASS Program subrecipient.

6.7.5.15.10 Points will be deducted by the DASS Program subrecipient’s registered dietitian on their monthly site audit report, whether or not the registered dietitian is present, if pests are observed in the following locations:

6.7.5.15.10.1 Food preparation

6.7.5.15.10.2 Food storage

6.7.5.15.10.3 Ware washing areas

6.7.5.15.10.4 Indoor Client dining areas

6.7.5.15.10.5 Restrooms

6.7.5.15.10.6 Any area adjacent to the above cited locations that would compromise the food preparation and/or storage facility

6.7.5.15.11 Subrecipient shall observe all applicable local, State, and Federal health and safety standards. Subrecipient shall ensure that all Program Clients and Subrecipient Staff in a position not covered under the Occupational Health and Safety Act of 1970, as amended (Title 29 United States Code Section 651 et seq.), and/or the California Occupational Safety and Health Act as amended (California Labor Code Section 6300 et. Seq.), are not
required or permitted to work, be trained or receive services under working conditions that are unsanitary, hazardous or otherwise detrimental to a person's health or safety.

6.8 Multilingual and Multicultural Capabilities of Subrecipient Staff

6.8.1 Subrecipient must be committed and sensitive to the delivery of ENP Services that are culturally and linguistically appropriate. To that end, Subrecipient must seek to hire qualified Employees who are multilingual and/or multicultural in order to better reflect the communities served.

6.8.2 Subrecipient and its Staff are expected to develop cultural competency and cross-cultural clinical practice skills. Subrecipient must also develop effective linkages with various ethnic, health, and social service agencies for the benefit of Clients to reflect the ethnic and cultural needs of the community being served.

6.8.3 To the extent feasible, Subrecipient shall provide Services in the primary/native language of Client or in areas where a significant number of Clients do not speak English as their primary language. Subrecipient shall make efforts to employ individuals and recruit Volunteers who are bilingual or who are fluent in the dominant languages of the community. Subrecipient shall not require any Client to provide his/her own interpreter.

7.0 HOURS/DAYS OF WORK

7.1 Subrecipient shall provide Services and be available to all Clients, potential Clients, and referral sources, as well as County representatives at a minimum during normal business hours. A list of County recognized holidays is provided in Attachment 2 (County Recognized Holidays).

7.2 For any site closure, disruption of Services for any non-County recognized holidays (i.e., vacations, city shut-downs, religious holidays, etc.), or any deviation from the traditional Monday through Friday schedule of Services, days, or times, Subrecipient shall submit a written request to County's Program Manager at least ten (10) business days in advance of the closure/deviation date. This request shall state the date and reason for the closure/deviation and shall provide an action plan to ensure that delivery of Services is not disrupted. The request and action plan must be approved by County's Program Manager in writing prior to its implementation. The meal service must be available all weekdays and at minimum three (3) days per week at any one site.
7.3 Subrecipient must make arrangements for meals to be provided to Clients to cover all days that sites are closed during non-County recognized holidays. Subrecipient shall also ensure that all Home-Delivered Meal Clients receive meals for days that Subrecipient is closed for non-County recognized holidays.

7.4 Subrecipient’s staff shall provide personal telephone contact with Clients, potential Clients, and County, during Subrecipient’s hours of operation. Subrecipient shall also ensure that each office location has a telephone answering machine or voice mail system in place during non-business hours. Subrecipient’s staff shall check and respond to all messages in a timely manner but not to exceed forty-eight (48) hours within receipt of the call.

8.0 WORK SCHEDULES

8.1 Subrecipient shall submit a work schedule for each site to County’s Program Manager within fourteen (14) days prior to starting work. Said work schedules shall be set on an annual calendar identifying all the required on-going specific tasks and task frequencies.

8.2 Subrecipient shall submit revised schedules when actual performance differs substantially from planned performance. Said revisions shall be submitted to County’s Program Manager for review and approval within fourteen (14) business days prior to scheduled time for work.

8.3 County may request, at its sole discretion, a deviation of regular work schedule to address site/task demands.

9.0 UNSCHEDULED WORK

9.1 County’s Program Manager or his/her designee may authorize Subrecipient to perform unscheduled work, including, but not limited to, repairs and replacements when the need for such work arises out of extraordinary incidents such as vandalism, acts of nature, and third party negligence; or to add to, modify or refurbish existing facilities. In the event of an emergency, at its sole discretion, County may request that Subrecipient provide Services beyond normal business hours.

9.2 Prior to performing any unscheduled work, Subrecipient shall prepare and submit a written description of the work with an estimate of labor and materials. If the unscheduled work exceeds Subrecipient’s estimate, County’s Program Manager or his/her designee must approve the excess cost. In any case, no unscheduled work shall commence without County’s prior written authorization.

9.3 When a condition exists wherein there is imminent danger of injury to the public or damage to property, Subrecipient shall contact County’s Program Manager for approval before beginning the work. A written estimate shall be sent within twenty-four (24) hours for approval. Subrecipient shall submit an
invoice to County's Contract Manager within five (5) business days after completion of the work.

9.4 All unscheduled work shall commence on the established specified date. Subrecipient shall proceed diligently to complete said work within the time allotted.

9.5 County reserves the right to perform unscheduled work itself or assign the work to another subrecipient.

10.0 SPECIFIC WORK REQUIREMENTS

10.1 General ENP Meal Requirements

10.1.1 Subrecipient shall provide Services as described within this Statement of Work, the Subaward terms and conditions, and the following regulations:

10.1.1.1 Older Americans Act reauthorized (OAA) (Title 42 United States Code Section 3001 et seq.)

10.1.1.2 Code of Federal Regulations (45 CFR 1321 et seq.)

10.1.1.3 California Code of Regulations (CCR) Title 22 California Code of Regulations Section 7000 et seq.

10.1.1.4 Older Californians Act (OCA)

10.1.1.5 Welfare and Institutions Code (WIC) Section 9000 et seq.

10.1.1.6 California Business and Professions Code, Sections 2585 and 2586

10.1.1.7 California Retail Food Code (California Health and Safety Code Section 113700 et seq.)

10.1.1.8 Los Angeles County Area Agency on Aging Foodservice Standard Operating Procedures manual

10.1.2 Subrecipient shall provide meals, meeting the criteria further described in this Section 10.0, to Clients.

10.1.2.1 Each meal shall provide a minimum of one-third (1/3) of the current Dietary Reference Intakes established by the Food and Nutrition Board, Institute of Medicine, National Academy of Sciences for the elderly population, and follow the most recent Dietary Guidelines for Americans published by the United States Department of
Health and Human Services and the United States Department of Agriculture (USDA). The meal pattern must also follow the guidelines established by County, as updated and distributed annually.

10.1.2.2 Each meal provided by Subrecipient shall comply with applicable provisions of State and/or local laws regarding the safe and sanitary handling of food, equipment, and supplies used in the storage, preparation, service, and delivery of meals to Clients as well as satisfy all the requirements of Title 22 California Code of Regulations Section 7638.5 and safety standards as written in the current California Retail Food Code (California Health and Safety Code Section 113700 et seq.) and all standards as identified in the Los Angeles County Area Agency on Aging Foodservice Standard Operating Procedures manual.

10.1.2.3 Subrecipient shall provide meals to Clients in a sanitary manner to assure absence of contamination. When Subrecipient provides Home-Delivered Meals to any Client, those meals shall be packaged to assure temperature control.

10.1.3 Subrecipient must serve a minimum of one (1) meal per day, five (5) or more days per week. Meals must be provided a minimum of 249 days per Fiscal Year. Subrecipient must obtain prior written approval from County in order to provide meals on a reduced frequency.

10.1.4 Providing Services at ENP Meal Sites and Routes

10.1.4.1 Subrecipient shall provide Program Services for each Congregate Meal site that is indicated in Attachment 8 (Site Summary) as well as Exhibit X1 (Mandated Program Services) of the Subaward and each Home-Delivered Meal route that is indicated in Attachment 10 (Route Summary) as well as Exhibit X2 (Mandated Program Services) of the Subaward.

10.1.4.2 Subrecipient shall complete Attachment 8 (Site Summary) for the Congregate Meal Program and shall adhere to the requirements outlined in Attachment 9 (Guidelines for Developing Site Summary) when completing this Attachment. Subrecipient shall complete Attachment 10 (Route
10.1.5 Minimum Services for Vulnerable and High-Risk Clients

10.1.5.1 Subrecipient shall determine the Nutritional Risk Score for each Client using the factors established in Attachment 4 (Universal Intake Form), Section 5 (Nutritional Risk Factors). For each Fiscal Year of the Subaward, in addition to the other Work requirements included herein, Subrecipient shall ensure that ENP Services are provided to Vulnerable and High-Risk Clients, as determined by each Client's Nutritional Risk Score, as follows:

10.1.5.1.1 Congregate Meal Services: No less than fifteen percent (15%) of those Clients receiving Congregate Meal Services shall have a Nutritional Risk Score of six (6) or above.

10.1.5.1.2 Home-Delivered Meal Services: No less than sixty-five percent (65%) of those Clients receiving Home-Delivered Meal Services shall have a Nutritional Risk Score of six (6) or above.

10.1.6 Subrecipient shall input a record of all Services delivered including the actual number of meals served per Client per day, Telephone Reassurance contact with Clients, Initial Assessments, Reassessments, and all other Client contacts in the Management Information System.

10.1.7 Subrecipient shall input a record of all non-delivered Congregate Meals in the Management Information System for the purpose of tracking unmet needs. Subrecipient shall not deny a meal to a Congregate Meal Client unless all other alternate funding options have been exhausted.

10.1.8 Subrecipient shall also enter into the Management Information System all information which the AAA requires (e.g. Nutrition Risk
Score, Activities of Daily Living, Instrumental Activities of Daily Living, and demographic information) in order to meet its planning, coordination, evaluation and reporting requirements. This includes requests to complete missing mandatory fields in the Management Information System.

10.1.9 Subrecipient shall not deny the serving of a meal to a Client who has failed to make a reservation when food is available.

10.1.10 Where feasible and appropriate, Subrecipient must make arrangements for the availability of a minimum of three (3) meals to Clients during a major disaster, as defined in Title 42 United States Code Section 5122(2).

10.1.11 Subrecipient shall prepare a menu of the meals to be served at each Congregate Meal site. Subrecipient shall ensure that its menus:

10.1.11.1 Conform to the menu planning and nutrition standards of County and CDA. Subrecipient shall review, utilize, and adhere to Menu Writing Specifications and Requirements as revised annually by County and CDA.

10.1.11.2 Are approved by DASS Program subrecipient's registered dietitian prior to submission for certification by DASS Program subrecipient's lead registered dietitian and County. Menus must be certified annually.

10.1.11.3 Are planned for a minimum of five (5) weeks.

10.1.11.4 Are posted weekly in the kitchen at each Congregate Meal site.

10.1.11.5 Are posted monthly at each Congregate Meal site dining room in a location easily seen by Clients.

10.1.11.6 Are legible and easy to read in English and the language of the majority of the Clients.

10.1.11.7 Reflect cultural and ethnic dietary needs of Clients, when feasible and appropriate.

10.1.11.8 Adhere to a low sodium content with a target of 500 mg to 750 mg sodium per meal. Catered ethnic menus may exceed sodium target with DASS Program subrecipient's registered dietitian approval.
10.1.12 To the maximum extent practicable, each meal may be adjusted to meet any special dietary needs of Clients. Special dietary menu variations must be approved by DASS Program subrecipient’s registered dietitian.

10.2 Congregate Meal Services Requirements

10.2.1 Subrecipient shall provide Congregate Meal Services, which include the procurement, preparation, transportation, and serving of nutritious meals to Older Individuals, who meet the criteria identified in Subsection 10.2.2 (Eligibility for Congregate Meal Services), in a group setting at strategically located sites. These Services are intended to reduce hunger and food insecurity, to maintain or improve the physical and social well-being of Older Individuals, and to promote the health and well-being of Older Individuals by assisting them to gain access to nutrition and other disease prevention and health promotion services to delay the onset of adverse health conditions resulting from poor nutritional health or sedentary behavior.

10.2.2 Eligibility for Congregate Meal Services

10.2.2.1 Individuals are eligible to become Clients and receive Congregate Meal Services at a Congregate Meal site, a location where meals are served, when they meet at least one (1) of the following criteria:

10.2.2.1.1 An Older Individual.

10.2.2.1.2 The spouse of any Older Individual who accompanies the Older Individual (who participates in the Program) to the Congregate Meal site.

10.2.2.1.3 A person with a disability, under age sixty (60), who resides in a housing facility at which Congregate Meal Services are provided, and which is occupied primarily by Older Individuals.

10.2.2.1.4 A disabled individual who resides at home with and accompanies an Older Individual (who participates in the Program) to the Congregate Meal site. Disability is a condition attributable to mental or physical impairments that result in substantial
10.2.3 **Eligibility for Volunteer Meals**

10.2.3.1 A Volunteer is a person who participates in providing ENP Services without pay. Subrecipient shall develop a written policy for providing and accounting for Volunteer meals served for Volunteers under age sixty (60). Volunteers are eligible to receive an ENP meal under the following criteria:

10.2.3.1.1 A Volunteer who is sixty (60) years of age or older meets the age eligibility criteria to be registered to receive meals from a Congregate Meal site.

10.2.3.1.2 A Volunteer who is under sixty (60) years of age may be offered a meal if doing so will not deprive an Older Individual of a meal.

10.2.4 **Client Assessment for Congregate Meal Services**

10.2.4.1 **Congregate Meal Initial Assessment Requirements of Potential Client**
10.2.4.1.1 Subrecipient shall complete an Initial Assessment to determine potential Client's eligibility either two (2) weeks before or two (2) weeks after potential Client's Congregate Meal Services first begin by using Attachment 4 (Universal Intake Form) as provided annually by County. Subrecipient shall complete the following information on the Universal Intake Form for the potential Client:

10.2.4.1.1.1 Name
10.2.4.1.1.2 Address
10.2.4.1.1.3 Date of Birth
10.2.4.1.1.4 Gender
10.2.4.1.1.5 Sexual Orientation and Gender Identity (SOGI)
10.2.4.1.1.6 Veteran Status
10.2.4.1.1.7 Race/Ethnicity
10.2.4.1.1.8 Relationship Status
10.2.4.1.1.9 Type of Residence (house, apartment, etc.)
10.2.4.1.1.10 Living Arrangement (alone/not alone)
10.2.4.1.1.11 Rural
10.2.4.1.1.12 Designation/Unincorporated City
10.2.4.1.1.13 Receive In-Home Supportive Services
10.2.4.1.1.14 Income Status (which shall be identified as at, above, or below the Administration on Community Living
10.2.4.1.2 Subrecipient shall enter the Client’s Initial Assessment data into the Management Information System within two (2) weeks of the initial contact with the client and prior to the date that the Client begins receiving ENP Services. The Initial Assessment will be considered incomplete if any of the data listed above is missing.

10.2.4.1.3 Subrecipient shall assign an Employee to have the primary responsibility for Client data entry into Management Information System. This person will be the primary contact person for Client data issues and problems. The individual will be assigned a password to log-in and enter Client information. A back-up Employee must be designated to act on behalf of the primary Management Information System contact person in the event of his or her absence.

10.2.4.1.4 Subrecipient shall inform County of the name of the Subrecipient's Management Information System Employee and back-up Employee at the start of this Contract and within two (2) weeks of any reassignment or substitution. Only those Subrecipient
Employees who have been designated by Subrecipient and assigned a password by County shall be allowed to access Management Information System.

10.2.4.1.5 Subrecipient shall work with the DASS Program subrecipient identified in the AAA Provider List (as provided by County on an annual basis) to refer Clients that Subrecipient has assessed as diabetic, and/or have a high nutrition risk score of ten (10) or higher, or a nutrition risk score of six (6) to nine (9) and meet a secondary criteria, according to the National Screening Initiative Checklist (refer to Subsection 10.9 (Mandatory Coordination with Dietary Administrative Support Services Program Subrecipient)).

10.2.4.1.6 Subrecipient must include a written record of each Client’s Initial Assessment, any Reassessment (as described in Subsection 10.2.4.2 (Congregate Meal Reassessment Requirements)), and any other updates in the Client’s file.

10.2.4.1.7 Subrecipient shall assist Clients in taking advantage of benefits under other supportive services programs (e.g., Title 45 Code of Federal Regulations Section 1321.65(f)), and Subrecipient shall provide referral(s) to these programs as necessary.

10.2.4.2 Congregate Meal Reassessment Requirements

10.2.4.2.1 Subrecipient shall conduct a Reassessment by completing a new Attachment 4 (Universal Intake Form) as described in Subsection 10.2.4.1 (Congregate Meal Initial Assessment Requirements of Potential Client). A Reassessment shall be performed
annually for each Client and entered into the Management Information System during the first quarter (July 1st to September 30th) of each Fiscal Year for all continuing Clients who will receive services that Fiscal Year.

10.2.4.2.2 Subrecipient shall enter the Client's Reassessment data into the Management Information System within two (2) weeks of completing the Reassessment.

10.2.5 Meal delivery to the Congregate Meal site requires that Subrecipient:

10.2.5.1 Must ship hot food to Congregate Meal site(s) in insulated containers, heated containers, or heated trucks to maintain a temperature of one hundred forty degrees Fahrenheit (140°F) or above.

10.2.5.2 Must ship cold food to Congregate Meal site(s) in ice chests, insulated containers, or refrigerated trucks to maintain a temperature of forty-one degrees Fahrenheit (41°F) or below. Cold food shall not come in contact with ice.

10.2.5.3 Must ship frozen food to Congregate Meal site(s) in an ice chest with ice, ice blanket or blue ice to maintain a solid, frozen state. Ice cream shall be at or below temperatures of seven to ten degrees Fahrenheit (7° - 10°F).

10.2.5.4 May ship bread, whole fruits, cookies, cakes, and other non-potentially hazardous foods to Congregate Meal site(s) at room temperature.

10.2.5.5 Temperatures of all hot, cold, and frozen foods must be taken upon delivery to the Congregate Meal site and annotated on a food delivery sheet as instructed in the Los Angeles County Area Agency on Aging Foodservice Standard Operating Procedures manual.

10.2.6 Meal Service requires that Subrecipient shall:

10.2.6.1 Maintain hot food hot, as described in Subsection 10.2.5.1, for a maximum of three (3) hours from the
completion of cooking at the central kitchen to the completion of service at the Congregate Meal site.

10.2.6.2 Maintain hot food hot, as described in Subsection 10.2.5.1, for a maximum of two (2) hours at the Congregate Meal site.

10.2.6.3 Serve meals at a regularly scheduled time at each Congregate Meal site.

10.2.6.4 Follow the provisions of "Offer Versus Serve" as found in Title 7 Code of Federal Regulations Part 226.20(p).

10.2.6.5 Ensure each Congregate Meal site maintains a minimum participation of at least fifteen (15) Clients per day. Subrecipient may submit a written request to County for a waiver to deviate from this requirement.

10.2.6.6 Each meal shall be served in a Congregate Meal site facility that complies with the Americans with Disabilities Act (ADA) of 1990, as amended (Title 42 United States Code Section 12101 et seq.). Each facility must have restrooms, lighting, and ventilation, which meet the requirements of California Health and Safety Code Section 113700, et seq. Equipment, including sturdy tables and chairs, shall be appropriate for Older Individuals. Tables should be arranged to assure ease of access and encourage socialization.

10.2.7 Subrecipient shall allow presence of Service Animals as follows:

10.2.7.1 The ADA defines service animals as dogs that are individually trained to do work or perform tasks for people with disabilities. Examples of such work include guiding people who are blind, alerting people who are deaf, pulling a wheelchair, alerting and protecting a person who is having a seizure, reminding a person with mental illness to take prescribed medications, etc. Dogs whose sole function is to provide comfort or emotional support do not qualify as service animals under the ADA. State and local governments, businesses, and nonprofit organizations that serve the public generally must allow service dogs to accompany people with disabilities in all areas of the facility,
where the public is normally allowed to go, such as: patient rooms in hospitals, hospital clinics, hospital cafeterias, hospital examination rooms, etc.

10.2.7.2 Subrecipient shall allow the use of service animals at all Congregate Meal sites. Service animal must be harnessed, leashed, or tethered, unless these devices interfere with the service animal's work or the Client's disability prevents using these devices. In that case, Subrecipient may require that the Client must maintain control of the service animal through voice, signal, or other effective controls.

10.2.7.3 Subrecipient acknowledges that a Client with a disability cannot be asked to remove their service animal from the premises unless the service animal is out of control and the Client does not take effective action to control it or if the service animal is not housebroken. When there is a legitimate reason to ask that a service animal be removed, staff must offer the Client with the disability the opportunity for Services without the service animal's presence.

10.2.7.4 Subrecipient acknowledges that Subrecipient's sites that sell or prepare food must allow service animals in public areas even if State or local health codes prohibit animals on the premises. This includes Congregate Meal sites. Subrecipient Staff are not required to provide food or care for a service animal.

10.2.7.5 Subrecipient shall ensure that Clients with disabilities who use service animals will not be isolated from other Clients, treated less favorably than other Clients, or charged fees that are not charged to other Clients without service animals.

10.2.7.6 When it is not obvious what service a service animal provides, only two (2) limited questions may be asked:

10.2.7.6.1 Is the animal a service animal required because of a disability?

10.2.7.6.2 What work or task has the service animal been trained to perform?
10.2.7.7 Subrecipient Staff cannot ask about a Client's disability, require medical documentation, require a special identification card or training documentation for a service animal, or ask that the service animal demonstrate its ability to perform any work or task.

10.2.8 Subrecipient shall ensure that Clients who attend Congregate Meal sites operating in Adult Day Programs and Elderly Housing Facilities meet the eligibility criteria specified in Subsection 10.2.2 (Eligibility for Congregate Meal Services) for Congregate Meal Services; and these sites shall meet the following criteria listed below:

10.2.8.1 Be open to the general public.

10.2.8.2 Not receive funds from another source (i.e., Medi-Cal, private payment fees in the form of a flat/bundled rate, etc.) for the cost of the same meal, equipment or Services.

10.3 Home-Delivered Meal Services Requirements

10.3.1 Subrecipient shall provide Home-Delivered Meal Services, which include the procurement, preparation, service, and delivery of nutritious meals in home environments/settings to Older Individuals who are homebound by reason of illness, disability or isolation, and meet the criteria identified in Subsection 10.3.2 (Eligibility for Home-Delivered Meal Services). Home-Delivered Meal Services are intended to reduce hunger and food insecurity, maintain and/or improve the physical and social well-being of homebound Older Individuals, and to make referrals for nutrition education, nutrition counseling, and other nutrition services, as appropriate, based on the needs of these Individuals.

10.3.2 Eligibility for Home-Delivered Meal Services

10.3.2.1 Individuals are eligible to become Clients and receive Home-Delivered Meal Services when they meet at least one (1) of the following criteria:

10.3.2.1.1 An Older Individual who is frail and homebound by reason of illness, disability, or isolation. Priority shall be given to Older Individuals described herein. Frail, as defined in Title 22 California Code of Regulations Section 7119, is an Older Individual who is determined to be functionally
impaired because the Older Individual either:

10.3.2.1.1 Is unable to perform at least two (2) Activities of Daily Living (ADL), including: breathing, bathing, toileting, dressing, feeding, transferring and mobility and associated tasks, without substantial human assistance, including supervision, verbal reminding, or physical cueing; or

10.3.2.1.2 Due to a cognitive or other mental impairment, requires substantial supervision because the Older Individual behaves in a manner that poses a serious health or safety hazard to the Individual or to others.

10.3.2.1.2 The spouse of any Older Individual described in this Subsection 10.3.2, regardless of the spouse's age or condition, if an assessment by Subrecipient concludes that it is in the best interest of the frail/homebound Older Individual.

10.3.2.1.3 An individual with a disability who resides in the home of any Older Individual as described in this Subsection 10.3.2, if an Initial Assessment (defined in Subsection 10.3.3.1 (Home-Delivered Meal Initial Assessment Requirements of Potential Client)) by Subrecipient concludes that it is in the best interest of the homebound Older Individual.
10.3.3 Client Assessment for Home-Delivered Meal Services

10.3.3.1 Home-Delivered Meal Initial Assessment Requirements of Potential Client

10.3.3.1.1 Subrecipient's initial determination of potential Client's eligibility for Home-Delivered Meal Services may be accomplished by telephone. Subrecipient shall complete a written Initial Assessment to determine potential Client's eligibility in the potential Client's home either two (2) weeks before or two (2) weeks after potential Client's Home-Delivered Meal Services first begin by using Attachment 4 (Universal Intake Form) as provided annually by County. Completion of written Initial In-Home Assessment also pertains to all potential Clients that require placement on the Home-Delivered Meal Services Waitlist. The Initial Assessment shall include the type of meal appropriate for the potential Client in their living environment and Subrecipient shall check to see if the potential Client has a stove or microwave to heat or reheat meals. Subrecipient shall complete the following information on the Los Angeles County Area Agency on Aging Universal Intake Form for the potential Client:

10.3.3.1.1.1 Name
10.3.3.1.1.2 Address
10.3.3.1.1.3 Date of Birth
10.3.3.1.1.4 Gender
10.3.3.1.1.5 Sexual Orientation and Gender Identity (SOGI)
10.3.3.1.1.6 Veteran Status
10.3.3.1.1.7 Race/Ethnicity
10.3.3.1.1.8 Relationship Status
10.3.3.1.1.9 Type of Residence (house, apartment, etc.)
10.3.3.1.1.10 Living Arrangement (alone/not alone)
10.3.3.1.1.11 Rural Designation/Unincorporated City
10.3.3.1.1.12 Receive In-Home Supportive Services
10.3.3.1.1.13 Income Status (which shall be identified as at, above, or below the ACL Federal Poverty Guidelines)
10.3.3.1.1.14 Primary Language Spoken
10.3.3.1.1.15 Nutritional Risk Score (utilizing the Nutrition Screening Initiative Checklist)
10.3.3.1.1.16 Activities of Daily Living/Instrumental Activities of Daily Living

10.3.3.1.2 Subrecipient shall enter the Client’s Initial Assessment data into the Management Information System within two (2) weeks of the initial contact with the Client and prior to the date that the Client begins receiving ENP Services. The Initial Assessment will be considered incomplete if any of the data listed above is missing.

10.3.3.1.3 Subrecipient shall assign an Employee to have the primary
responsibility for Client data entry into Management Information System. This person will be the primary contact person for Client data issues and problems. The individual will be assigned a password to log-in and enter Client information. A back-up Employee must be designated to act on behalf of the primary Management Information System contact person in the event of his or her absence.

10.3.3.1.4 Subrecipient shall provide County the name of Subrecipient's Management Information System Employee and back-up Employee at the start of this Subaward and within two (2) weeks of any reassignment or substitution. Only those Subrecipient Employees who have been designated by Subrecipient and assigned a password by County shall be allowed to access Management Information System.

10.3.3.1.5 Subrecipient shall complete Attachment 13 (Home-Delivered Meal Program Priority of Service Screening Tool) for all Home-Delivered Meal Clients. Instructions for completing the form are provided in Attachment 14 (Home-Delivered Meal Program Priority of Service Screening Tool Instructions).

10.3.3.1.6 Home-Delivered Meal Clients shall also be assessed to determine their need for nutrition-related supportive services and be referred as necessary.

10.3.3.1.7 Subrecipient shall work with the DASS Program subrecipient identified in the AAA Provider List (as provided by County on an annual basis) to refer Home-Delivered Meal Clients that Subrecipient has assessed as diabetic, and/or have a
high nutrition risk score of ten (10) or higher, or a nutrition risk score of six (6) to nine (9) and meet a secondary criteria, according to the National Screening Initiative Checklist (refer to Subsection 10.9 (Mandatory Coordination with Dietary Administrative Support Services Program Subrecipient)).

10.3.3.1.8 Subrecipient shall implement criteria to assess the level of need for each eligible Home-Delivered Meal Service Client as outlined in Subsection 10.3.2 (Eligibility for Home-Delivered Meal Services), and in the appropriate section(s) of the most current edition of the Los Angeles County Area Agency on Aging Foodservice Standard Operating Procedures manual.

10.3.3.2 Home-Delivered Meal Reassessment Requirements

10.3.3.2.1 Subrecipient shall perform a Reassessment of a Client’s needs a minimum of once every three (3) months (on a quarterly basis) during the Fiscal Year. A minimum of one (1) Reassessment shall be entered into the Management Information System during the first quarter (July 1st to September 30th) of each Fiscal Year for all continuing Clients who will receive services that Fiscal Year.

10.3.3.2.2 Reassessments shall be conducted in the Client’s home at least every other quarter.

10.3.3.2.3 Subrecipient may schedule Reassessments according to the Home-Delivered Meal routes which is assigned to Client (i.e., all Clients on a Home-Delivered Meal route are assigned to receive telephone and/or In-Home Reassessments at the same
time). Subrecipient shall conduct Reassessments on the following schedule commencing three (3) months from when the Client first begins receiving Home-Delivered Meal Services:

10.3.3.2.3.1 Three (3) Month Reassessment:
Telephone the Client to determine if the need for Home-Delivered Meal Services still exists.

10.3.3.2.3.2 Six (6) Month Reassessment:
Conduct an In-Home visit to determine if the need for Home-Delivered Meal Services still exists. The visit may include an evaluation of the type of meal (i.e. hot and/or frozen) the Client receives. Also, ask the Client for the number of Emergency Meals the Client has remaining.

10.3.3.2.3.3 Nine (9) Month Reassessment:
Telephone the Client to determine if the need for Home-Delivered Meal Services still exists.

10.3.3.2.3.4 Twelve (12) Month Reassessment:
Perform a Reassessment by completing a new Attachment 4 (Universal Intake Form) as stated in
10.3.3.2.4 This Reassessment shall be conducted in the Client's home.

10.3.3.2.5 Subrecipient shall enter Client's Reassessment into the Management Information System within two (2) weeks of completing the Reassessment.

10.3.3.2.6 Subrecipient shall thereafter conduct a quarterly update of Client's needs based on the three (3), six (6), nine (9) and twelve (12) month schedule.

10.3.3.3 **Home-Delivered Meal Waiting List Reassessment Requirements**

10.3.3.3.1 Subrecipient shall conduct an in-home assessment for Clients who remain on the Home-Delivered Meal Waiting List on the third (3rd) and ninth (9th) month after the Initial Assessment (refer to Subsection 10.3.4 (Home-Delivered Meal Waiting List Requirements)).

10.3.3.3.2 Subrecipient shall make every effort to ensure that Home-Delivered Meal Clients that are removed from the Program are referred to and linked with other nutrition-related supportive services programs for Older Individuals.

10.3.4 **Home-Delivered Meal Waiting List Requirements**

10.3.4.1 Subrecipient must establish and maintain a monthly Home-Delivered Meal Waiting List in the Management Information System when it is unable to provide meals for all Clients who are waiting to receive Home-Delivered Meals.
10.3.4.2 A Client’s position on the Home-Delivered Meal Waiting List shall be prioritized based on the Client meeting criteria for the greatest economic/social need, being at risk for institutional placement if meals are not provided, and/or in accordance with policy established by Subrecipient and approved by the DASS Program subrecipient’s registered dietitian.

10.3.4.3 Subrecipient shall complete Attachment 13 (Home-Delivered Meal Program Priority of Service Screening Tool) for all Clients on the Home-Delivered Meal Waiting List.

10.3.4.4 The Home-Delivered Meal Program Priority of Service Screening Tool establishes a weight factor to determine priority placement on the Home-Delivered Meal Waiting List. Subrecipient shall give priority of Service to Clients with the greatest need and the highest overall score.

10.3.4.5 Subrecipient shall enter the name and demographic information of Clients placed on the Home-Delivered Meal Waiting List into the Management Information System.

10.3.4.6 Subrecipient shall provide a Telephone Reassurance call to Clients (age sixty (60) or older) on the Home-Delivered Meal Waiting List each month to ascertain whether Services are still needed.

10.3.4.7 If Services are no longer needed due to enrollment in the Home-Delivered Meal Program; Subrecipient shall change the Client’s status in the Management Information System from “waiting list” to “enrolled” and add an end date to the waiting list. If Services are no longer needed due to other factors such as the Client is no longer interested, etc., Subrecipient shall remove the Client’s name from the waiting list and enter an end date.

10.3.4.8 Existence of Home Delivered Meals Waiting List deems justification for monitoring visits by the County’s Contract Compliance Division.

10.3.5 Each Home-Delivered Meal may consist of hot, cold, and/or frozen food.
10.3.6 Meal delivery to Home-Delivered Meal Clients requires that Subrecipient:

10.3.6.1 Subrecipient shall obtain County permission in writing prior to providing Home-Delivered frozen Meals to Clients.

10.3.6.2 Subrecipient shall set regular delivery schedules so meals will be delivered at a consistent time each day.

10.3.6.3 Subrecipient must provide written instructions for handling and re-heating Home-Delivered Meals in the language of the majority of Clients being served Home-Delivered Meals.

10.3.6.4 Must ship hot meals to Home-Delivered Meal Clients in insulated containers, heated containers, or heated truck to maintain a temperature of one hundred forty degrees Fahrenheit (140°F) or above.

10.3.6.5 Must ship cold food to Home-Delivered Meal Clients in ice chests, insulated containers, or refrigerated trucks to maintain a temperature of forty-one degrees Fahrenheit (41°F) or below. Food should not come in contact with ice.

10.3.6.6 Must ship frozen meals to Home-Delivered Meal Clients in an ice chest with ice, ice blanket or blue ice to maintain a solid, frozen state. Ice cream shall be at or below temperatures of seven – ten degrees Fahrenheit (7° - 10°F).

10.3.6.7 May ship bread, whole fruits, cookies, cakes, and non-potentially hazardous foods to Home-Delivered Meal Clients at room temperature.

10.3.7 Home-Delivered Hot Prepackaged Meals

10.3.7.1 Home-Delivered hot prepackaged meals shall be delivered to Clients in a manner that maintains appropriate temperatures and that protects them from potential contamination from dust, insects, rodents, unclean equipment and utensils, and unnecessary handling.

10.3.7.2 Home-Delivered Meal routes must be completed in the shortest time possible to assure absence of contamination. Home-Delivered hot prepackaged
meals must be delivered to Clients within three (3) hours after food has left the central kitchen.

10.3.7.3 Subrecipient, central kitchen, or caterer must utilize a batch production cooking schedule (producing the product in multiple loads/batches) if the same drivers deliver meals on two (2) routes on the same day. Hot food may not be held for more than three (3) total combined hours in the central kitchen and in the delivery vehicle before delivery.

10.3.8 Home-Delivered Frozen Meals

10.3.8.1 Subrecipient shall obtain County permission in writing prior to providing Home-Delivered Frozen Meals to Clients.

10.3.8.2 Subrecipient shall conduct an assessment on a Client’s capability to receive a Home-Delivered Frozen Meal and ability to prepare a frozen meal prior to implementing Home-Delivered Frozen Meal service.

10.3.8.3 Frozen Home-Delivered Meals and any accompanying cold and room temperature items shall be delivered to Clients in a sanitary manner to assure absence of contamination and shall be packaged to assure temperature control.

10.3.8.4 Delivery of Frozen Home-Delivered Meals may extend beyond three (3) hours provided the frozen meals remain solidly frozen and do not rise above twenty-nine degrees Fahrenheit (29°F), and any accompanying cold food must maintain a temperature of forty-one degrees Fahrenheit (41°F) or below.

10.3.8.5 Meals must remain frozen until the final delivery is complete. Temperature should be no higher than twenty-nine degrees Fahrenheit (29°F).

10.4 Emergency Meal Services Requirements for Home-Delivered Meal Clients

10.4.1 Subrecipient shall provide Emergency Meal Services, which include shelf stable meals provided to Older Individuals who are homebound by reason of illness, disability or who are otherwise isolated. These Services include provision of a minimum of three (3) shelf-stable meals per Fiscal Year. These meals are to be
used in the event of an emergency or natural disaster such as earthquakes, power outage, floods, or any disruption of regular meal service to ENP Clients who are receiving Home-Delivered Meal Services.

10.4.2 Eligibility for Emergency Meal Services

10.4.2.1 Individuals are eligible to become Clients and receive Emergency Meal Services when they meet the following criteria:

10.4.2.1.1 A Home-Delivered Meal Client (age sixty (60) or older) who is frail and homebound by reason of illness, disability, or isolation.

10.4.3 Subrecipient shall have emergency shelf-stable meals available for use during a power outage or any disruption of regular service.

10.4.4 Subrecipient must be able to continue the provision of food to homebound Clients for a minimum of three (3) days in the event that their usual deliveries are disrupted.

10.4.5 Subrecipient may work with the vendor of its choice to develop the menu for Emergency Meals. This menu must be approved/certified by DASS Program subrecipient’s Project Manager.

10.4.6 Each meal shall provide one-third (1/3) of the current Dietary Reference Intakes included in the current Dietary Guidelines for Americans. Meal components are detailed in the Los Angeles County Area Agency on Aging Foodservice Standard Operating Procedures manual.

10.4.7 All meals must have a minimum of a six (6) month shelf life from the date of purchase/issuance to the Client.

10.4.8 Subrecipient must provide Client with instructions on how and when to use and rotate the emergency food when meals are distributed to Client. Each Home-Delivered Meal Client must be informed of the purpose of the Emergency Meals. The Client or their designated representative must sign an acknowledgment form to indicate receipt of instructions at the time of delivery. Subrecipient must maintain the acknowledgement form in the Client’s files.

10.4.9 Emergency Meal distribution may occur during the Initial Assessment for new Home-Delivered Meal Clients or during the Reassessment for existing Home-Delivered Meal Clients.
10.4.10 Subrecipient must follow-up with all Home-Delivered Meal Clients during each in-home Reassessment to see if the Client still has Emergency Meals available. If the Client no longer has the Emergency Meals, this must be annotated, and Subrecipient may provide Client with an additional three (3) Emergency Meals contingent upon the availability of Subaward funding.

10.5 **Telephone Reassurance Services Requirements for Home-Delivered Meal Clients**

10.5.1 When Subrecipient provides Home-Delivered Meal Services, Subrecipient shall also provide Telephone Reassurance Services, which are defined as regular telephone contact and safety checks to reassure and support Home-Delivered Meal Services Clients (age sixty (60) or older) and any other Older Individual who is on a waiting list to receive Home-Delivered Meal Services.

10.5.2 **Eligibility for Telephone Reassurance Services**

10.5.2.1 Individuals are eligible to become Clients and receive Telephone Reassurance Services when they meet the following criteria:

10.5.2.1.1 An Older Individual; and

10.5.2.1.2 Must be either:

10.5.2.1.2.1 A Home-Delivered Meal Client (age sixty (60) or older).

10.5.2.1.2.2 An Older Individual who is on the Home-Delivered Meal waiting list as recorded in the Management Information System (refer to Subparagraph 9.18.4 (Information Technology Systems – Management Information System) of the Subaward).

10.5.2.2 Telephone Reassurance Services shall only be provided to Home-Delivered Meal Clients who meet
the age eligibility requirement of sixty (60) years of age or older.

10.5.3 Subrecipient that delivers Telephone Reassurance Services to individuals not meeting eligibility criteria will be required to repay County for those Services.

10.5.4 Subrecipient shall use trained Volunteers or its Employees to provide regular telephone contact and safety checks to reassure and support Clients who are homebound as specified herein:

10.5.5 Telephone Reassurance Service shall be provided to all Clients receiving Home-Delivered meals (frozen or hot) and to all Clients who are on a Home-Delivered Meal Waiting List in Management Information System for a Home-Delivered meal.

10.5.6 Telephone Call Frequency

10.5.6.1 At a minimum, Subrecipient must call Clients who receive Home-Delivered frozen meals one (1) day per week.

10.5.6.2 At the discretion of Subrecipient, Clients who receive Home-Delivered hot meals may be called one (1) day per week.

10.5.6.3 Subrecipient shall call Clients who are on a Home-Delivered Meal Waiting List in Management Information System to receive a Home-Delivered Meal one (1) day per month.

10.5.6.4 Subrecipient must establish and maintain a telephone log demonstrating the frequency of calls for hot, frozen, and wait-listed Home-Delivered Meal Clients by using Attachment 12 (Home-Delivered Meal Program Telephone Reassurance). Log).

10.5.6.5 Subrecipient shall speak with Clients receiving frozen and/or hot meals and Clients who are on a waiting list for a Home-Delivered Meal. Telephonic attempts or leaving voicemail messages does not qualify as Telephone Reassurance Services.

10.6 Congregate and Home-Delivered Meals Quality Assurance Committee

10.6.1 Subrecipient shall establish a Quality Assurance Committee for both Congregate Meal Services and Home-Delivered Meal Services. This Committee’s purpose shall be: preventing
problems and constant quality improvement to ensure that proper food preparation and meal service procedures are being followed; that the quality of the food is consistent; and that Client satisfaction is being measured. Corrective action shall be taken for any issues identified.

10.6.2 The Quality Assurance Committee shall be appointed by the Subrecipient’s Project Manager and shall include: Project Manager, Site Manager(s), Home-Delivered Meal Coordinator, Food Service Manager or Caterer, Client representatives from the Congregate Meal site(s), and DASS Program subrecipient’s registered dietitians. Clients will be recruited selected and organized by Subrecipient to provide input and advice on Services and Program policies.

10.6.3 Meetings shall be held at least once a month or more frequently, if desired. The Food Service Manager from the Caterer or central kitchen must attend the Quality Assurance meetings.

10.6.4 Minutes detailing each committee meeting shall be kept on file for one (1) year, and shall include: date, time, members in attendance, and a brief summary of the month’s quality assurance meal evaluations and Congregate Sites Daily Meal Comments as detailed in Section QA-1 of the Los Angeles County Area Agency on Aging Foodservice Standard Operating Procedures manual. Focal point of the minutes shall be the resolution of problems related to quality food production and service. Problems shall be presented, and solutions proposed, tested, and evaluated.

10.6.5 Records shall also be kept of individual quality assurance audits done by committee members.

10.6.6 Quality Assurance meetings can also be included to discuss: Congregate Meal site audits, Home-Delivered Meal route audits, Caterer audits, central kitchen audits, menu changes, suggested donations, and problems occurring at Congregate Meal sites.

10.6.7 Committee members or other assigned Clients shall conduct meal evaluations at Congregate Meal sites at least once every two (2) weeks or more frequently, if desired. Problem meals or those that are outstanding may warrant unplanned, on-the-spot evaluations by committee members. These evaluations, along with written comments provide important data for the problem-solving process.

10.6.8 Two (2) times per month, Home-Delivered Meal route drivers shall complete a simple written quality assurance evaluation
while recording temperatures. The quality assurance evaluation shall be completed using a quality assurance evaluation form as provided in the Los Angeles County Area Agency on Aging Foodservice Standard Operating Procedures manual. This evaluation is to monitor the quality of the meal and to ensure that temperatures are within the required safety standards. Each time, the driver shall be assigned a different day to conduct the temperature monitor and evaluation so that all Home-Delivered Meal routes and meals are tested. An extra meal shall be included on this route and shall be evaluated after the last participant has received a meal.

10.7 **Meal and Quality Assurance Evaluations**

10.7.1 Congregate Meals shall be evaluated daily as part of quality assurance.

10.7.2 The Site Manager shall sample each meal and poll Clients every day to judge meal satisfaction.

10.7.3 On a daily basis, the Site Manager will fill out the Congregate Sites Daily Meal Comments form, which is provided in the Los Angeles County Area Agency on Aging Foodservice Standard Operating Procedures manual.

10.7.4 At a minimum of four (4) times per month, the Site Manager shall assign a Client(s) to complete a Quality Assurance Evaluation form, which is provided in the Los Angeles County Area Agency on Aging Foodservice Standard Operating Procedures manual. Subrecipient shall provide these completed forms to the Quality Assurance Committee Meeting for review.

10.7.5 Daily Client meal evaluations shall be made available for Clients at each Congregate Meal site. Clients will use these forms to communicate positive and negative comments regarding meal quality. These forms will be reviewed monthly at the Quality Assurance Committee meeting.

10.7.6 On a weekly basis, the Home-Delivered Meal Coordinator shall sample a hot Home-Delivered Meal once each week and complete the Hot Home-Delivered Meal Daily Meal Comments form, which is provided in the Los Angeles County Area Agency on Aging Foodservice Standard Operating Procedures manual.

10.7.7 The Home-Delivered Meal Coordinator shall assign a driver to complete a quality assurance meal evaluation a minimum of once per month. Subrecipient shall provide these completed forms to the Quality Assurance Committee Meeting for review.
10.7.8 Subrecipient shall adhere to requests for Corrective Action Plan (CAP) from DASS Program subrecipient and/or County. CAP shall be prepared by Subrecipient to address performance deficiencies at site, route, or caterer/central kitchen. DASS Program Subrecipient shall review and approve plan in addition to monitor remedial action.

10.8 Nutrition Services Incentive Program

10.8.1 For purposes of this Subaward, Subrecipient may receive additional funding to supplement the cost for food used in meals served, which is known as the Nutrition Services Incentive Program (NSIP) under Section 311 of the OAA. The purpose of the NSIP is to provide incentives that encourage and reward effective performance by Subrecipient in the efficient delivery of nutritious meals to Clients. NSIP reimbursement may be requested by Subrecipient for meals which:

10.8.1.1 Meet the dietary guidelines, as specified in Section 339 of the OAA (Title 42 United States Code Section 3030g-21).

10.8.1.2 Are served to Clients, as specified in Subsections 10.2.2 (Eligibility for Congregate Meal Services) and 10.3.2 (Eligibility for Home-Delivered Meal Services).

10.8.1.3 Are served to Volunteers of any age pursuant to Subsection 10.2.3 (Eligibility for Volunteer Meals).

10.8.1.4 All meals provided through the ENP that receive NSIP funds, whether prepared on-site, frozen, non-perishable (e.g. canned goods or pasta, products that do not spoil), boxed, or catered, must comply with the most recent DGAs and provide a minimum of one-third (1/3) of the DRIs, and meet the requirements outlined in Subsection 10.1 (General ENP Meal Requirements).

10.8.1.5 Follow the provisions of “Offer Versus Serve” as found in Title 7 Code of Federal Regulations Part 226.20(p). Congregate Meal Clients may be permitted to decline items due to preference or medical reasons. NSIP funds are not affected when a Client declines menu items.

10.9 Mandatory Coordination with Dietary Administrative Support Services Program Subrecipient
10.9.1 Subrecipient shall work with County's DASS Program subrecipient identified in the AAA Provider List (as provided by County on an annual basis). DASS Program subrecipient provides the following services: oversight of ENP by DASS Program subrecipient's registered dietitians; nutrition education for Congregate and Home-Delivered Meal Clients; nutrition counseling for Clients with high Nutrition Risk Scores; quality assurance reviews; monitoring of Congregate Meal sites and Home-Delivered Meal routes; in-service training for food service staff and Volunteers; menu analysis; and, technical assistance in areas such as menu development, Caterer selection, purchasing and problem-solving.

10.9.2 Subrecipient shall provide DASS Program subrecipient with the number of Nutrition Education materials needed for distribution to Home-Delivered Meal Clients during the Fiscal Year.

10.9.3 Subrecipient shall make Client referrals for Nutrition Counseling, either in person, by fax, phone or email, to DASS Program subrecipient for all Clients who are diabetic and/or have a Nutritional Risk score of ten (10) and above, or six (6) to nine (9) and meets a secondary criteria below:

10.9.3.1 The Client has an illness or condition that resulted in a change in the kind and/or amount of food that is consumed.

10.9.3.2 The Client consumes fewer than two (2) meals per day.

10.9.3.3 The Client has unintentionally lost or gained ten (10) pounds in the past six (6) months.

10.9.4 Subrecipient acknowledges that Subrecipient's ENP Services will be monitored by DASS Program subrecipient on a monthly basis and shall cooperate with monitoring efforts. Subrecipient shall correct any problems noted in DASS Program subrecipient's Monitoring Reports provided to Subrecipient each month. Subrecipient shall have fifteen (15) days from the receipt of the Monitoring Report to respond in writing to DASS Program subrecipient and County in writing with an action plan to correct the problem.

10.9.5 Subrecipient shall work with DASS Program subrecipient during the Elderly Nutrition Program Annual Assessment process. This includes scheduling visits and providing all requested Client records within required timeframe.
10.9.6 Subrecipient shall work with DASS Program subrecipient's registered dietitians to develop menus for ENP. All menus must be reviewed, certified, and approved by DASS Program subrecipient. DASS Program subrecipient and Subrecipient will include input from food production staff, Caterer(s) and Subrecipient’s Quality Assurance Committee as described in Subsection 10.6 (Congregate and Home-Delivered Meals Quality Assurance Committee).

10.9.7 Subrecipient shall work with DASS Program subrecipient to complete the annual nutritional analysis with the designated caterer/central kitchen. Subrecipient will serve as liaison between DASS Program subrecipient and caterer/central kitchen.

10.9.8 Subrecipient’s project menus meeting Dietary Guidelines requirements (Section 339 of the OAA (Title 42 United States Code Section 3030g-21)) must be reviewed, approved and certified by DASS Program subrecipient’s registered dietitians and approved by County.

10.10 **Mandatory Coordination with SNAP-Ed/CalFresh Healthy Living Program Subrecipient**

10.10.1 Subrecipient shall provide support with planning and scheduling of SNAP-Ed/CalFresh Healthy Living sessions to County’s SNAP-Ed/CalFresh Healthy Living Program subrecipient.

10.11 **Mandatory Coordination with Disease Prevention and Health Promotion Program Subrecipient**

10.11.1 Subrecipient shall make referrals, as needed, either in person, by fax, phone or email, to Disease Prevention and Health Promotion (DPHP) Program subrecipient (identified in the AAA Annual Nutrition Program Provider list) for Clients who would benefit from disease prevention and health promotion programs.

10.11.2 Subrecipient may plan and schedule appropriate Health Promotion Clinics at Congregate Meal sites which are selected with input from Subrecipient’s Quality Assurance Committee and coordinated with the DPHP Program subrecipient.

10.12 **Central Kitchen/Caterer**

10.12.1 Subrecipient shall use either a central kitchen or Caterer to prepare meals and shall notify County which source Subrecipient will use to obtain meals.
10.12.1.1 Central Kitchen: Subrecipient asserts that Subrecipient will prepare meals at a certified commercial kitchen(s).

10.12.1.2 Caterer: Subrecipient asserts that it will procure a Caterer who will prepare meals and provide them to Subrecipient.

10.12.2 Subrecipient shall employ a Project Manager, Food Service Manager or a Caterer, and Site Manager who are certified Food Protection Managers by the National Restaurant Association-ServSafe® or other recognized organization. There must be a certified Food Protection Manager in-charge at each central kitchen and at each Congregate Meal site. The Project Manager and Food Service Manager/Caterer must obtain Hazard Analysis and Critical Control Points (HACCP) Program Training within six (6) months of hire.

10.12.3 Subrecipient shall ensure that the requirements of HACCP and quality assurance programs are enforced at all central kitchens and Congregate Meal sites, and that Caterer(s) maintains and utilizes operational HACCP and quality assurance programs.

10.12.4 Subrecipient shall adhere to the Program requirements outlined in Title 22 California Code of Regulations Sections 7630-7638.13 and in the most current edition of the Los Angeles County Area Agency on Aging Foodservice Standard Operating Procedures manual.

10.12.5 Subrecipient shall ensure that a pest control operator inspect the facility on a monthly basis. Subrecipient shall implement an integrated pest management program that provides procedures to prevent and to get rid of pests. These procedures shall include those performed both by central kitchen/catering staff and by the pest control operator. Pest Control Reports shall be kept on file and made available for review by County and DASS Program subrecipient’s registered dietitians.

10.13 Selection of Caterer

10.13.1 When Subrecipient elects to use the services of a Caterer to prepare/supply meals, Subrecipient shall procure that Caterer from a pool of caterers who are on the AAA Approved Caterer List. Such caterers have been inspected and certified by DASS Program subrecipient and have been approved by County. The AAA Approved Caterer List shall be provided by County on an annual basis.
10.13.2 Pursuant to Title 22 California Code of Regulations Sections 7352 – 7364, Subrecipient shall procure Caterer from the AAA Approved Caterer List using a competitive solicitation process. Subrecipient shall release a solicitation which can only be responded to by those caterers who are on the AAA Approved Caterer List. After evaluation of all bids/proposals and upon selection of the successful Caterer, Subrecipient shall enter into a Lower Tier Subaward with the successful Caterer. In accordance with Subparagraph 8.40 (Lower Tier Subaward) of the Subaward, Subrecipient must obtain approval from County prior to entering into the Lower Tier Subaward.

10.13.3 Noncompetitive awards may be made by Subrecipient when the award is infeasible for competitive bid as a result of any of the conditions outlined in Title 22 California Code of Regulations Section 7360 (Noncompetitive Awards).

10.14 Health and Fire Inspections

10.14.1 Subrecipient’s Congregate Meal sites, central kitchens and Caterer shall be inspected annually by the County of Los Angeles Department of Health Services (DHS). Subrecipient must maintain a grade of “B” or better from DHS based on the inspections conducted by DHS for food services. Subrecipient shall work with DASS Program subrecipient to seek assistance in correcting any violations in accordance with the Los Angeles County Area Agency on Aging Foodservice Standard Operating Procedures manual. In accordance with Subparagraph 9.22.3 (Subaward Compliance Documents) of the Subaward, Subrecipient must submit to County annual inspection reports from DHS for each Congregate Meal site, central kitchen and/or Caterer.

10.14.2 Subrecipient’s Congregate Meal sites and central kitchens shall be inspected annually by the Los Angeles County Fire Department or Subrecipient’s local fire department. In accordance with Subparagraph 9.22.3 (Subaward Compliance Documents) of the Subaward, Subrecipient must submit to County annual inspection reports from either the Los Angeles County Fire Department or Subrecipient’s local fire department for each Congregate Meal site and central kitchen.

10.15 Licenses and Certifications for ENP Services

10.15.1 Subrecipient shall obtain and maintain, all appropriate licenses, permits and certificates required by all applicable County, State of California and/or Federal laws, regulations, guidelines, and
directives for the operation of its facility(ies) and for the provision of ENP Services.

10.15.2 Prior to the execution of this Subaward, and, in cases of new staff or staff with updated licenses, permits or certifications, Subrecipient shall provide copies of all new or updated licenses, permits and certificates within ten (10) business days of the license, permit or certification award or update. Copies shall be sent to County’s Program Manager listed in Exhibit E (County’s Administration) of the Subaward.

10.15.3 If Subrecipient operates a central kitchen and/or engages the services of Caterer, Subrecipient must maintain current proof of the following:

10.15.3.1 Public health permit and business license.

10.15.3.2 Health Department/DHS inspection report (which shall be current within the most recent twelve (12) month period) for each central kitchen and/or Congregate Meal site.

10.15.3.3 Fire Department inspection report ((which shall be current within the most recent twelve (12) month period) for each central kitchen and/or Congregate Meal site).

10.15.3.4 Hazard Analysis Critical Control Point Certificate and Food Protection Manager Certificate (ServSafe Certificate) for Food Service Manager.

10.15.3.5 Subrecipient shall ensure that required Employees attend ServSafe training and successfully pass examination. Subrecipient shall absorb cost of training for Employees that fail examination and are required to take a remedial course.

10.16 Contributions and Fees for Cost of Meals

10.16.1 Subrecipient shall develop and implement a method to enable Clients to voluntarily contribute to the cost of the Program (i.e., Client who receives a meal shall be given the opportunity to contribute to the cost of the meal).

10.16.2 Subrecipient shall ensure that Clients are not required to contribute to the Program when they are requesting Services. Subrecipient’s solicitation of voluntary contributions shall not be coercive.
10.16.3 Subrecipient shall clearly inform Client that contributions are strictly voluntary and Subrecipient shall not pressure Client to contribute to the cost of the meal.

10.16.4 Subrecipient shall develop a suggested contribution with input from its Quality Assurance Committee. When developing this contribution amount, the income ranges of the Older Individuals in the community and Subrecipient's additional sources of income shall be considered.

10.16.5 A sign indicating the suggested contribution for Clients, and the guest fee (amount charged to non-seniors), shall be posted by Subrecipient near the contribution container at each Congregate Meal site. The sign shall also state, “Your donation is voluntary and is not a requirement to receive a meal if you are eligible for the Elderly Nutrition Program.”

10.16.6 Volunteers and/or staff at the sign-in table must be trained on the donation policy emphasizing the confidential nature of the contributions.

10.16.7 Home-Delivered Meal agreements may have a suggested donation amount. The agreements shall not be coercive and shall state, “Your donation is voluntary and is not a requirement to receive a meal if you are eligible for the Elderly Nutrition Program.”

10.16.8 Client shall not be denied Services because of his/her failure or inability to contribute to the cost of Services.

10.16.9 Subrecipient shall establish procedures for soliciting donations that provide Clients with a confidential method for making donations.

10.16.10 Subrecipient shall ensure that Client’s decision to contribute as well as the amount of Client’s contribution is kept private and confidential.

10.16.11 Guest Fees

10.16.11.1 All guests under the age of sixty (60) shall pay for the full cost of a meal. The guest fee shall be sufficient to cover all meal costs.

10.16.11.2 There is no provision for a guest fee to be private.

10.16.11.3 Subrecipient shall serve meals to guests only if sufficient food is available after Clients are served.
10.16.12 The following practices pertaining to voluntary contributions/donations and/or share of cost are not allowed:

10.16.12.1 Requests from Clients to assist in the share of cost to the Program.

10.16.12.2 Tracking donations by accounts receivable.

10.16.12.3 Tracking donations by individual Clients.

10.16.12.4 Employing tactics, in any way, that could be viewed as embarrassing and/or obligatory requests for donations.

10.16.12.5 Employing tactics such as allowing Volunteers to guard the collection boxes or having Clients sign in and pay before receiving Services.

10.16.12.6 At the time of the Initial Assessment, compelling an eligible individual to pledge a particular amount as an agreed upon donation.

10.16.12.7 Using coercion to solicit voluntary contributions.

10.16.12.8 A donation request should not resemble a billing statement or invoice.

10.16.12.9 Imposing a suggested contribution rate based on an individual’s income.

10.16.12.10 Subrecipient shall not state in pamphlets or on websites that payment is required for ENP Services or state a monetary amount for ENP Services.

10.16.13 Subrecipient shall establish and adhere to written procedures to protect contributions and fees from loss, mishandling, and theft. Such procedures shall be kept on file at Subrecipient's site.

10.16.14 Subrecipient shall separate collected contributions (donations/fees) from Subaward funding. All contributions shall be identified as Program Income and used to: increase the number of meals served, facilitate access to such meals, and to provide nutrition-related supportive services.

10.16.15 Contributions earned in excess of the amount(s) reported in the Budget(s) may be deferred for use in the first quarter of the next Fiscal Year and must be used to expand baseline Services. Such funds shall be recorded as Program Income.
10.16.16 All records of contributions, written procedures governing solicitation of funds, solicitation materials, or other contribution related records shall be held pursuant to record retention policies outlined in Subparagraph 8.38 (Record Retention, Inspection and Audit Settlement) of the Subaward.

10.17 Emergency and Disaster Preparedness

10.17.1 Notwithstanding Subrecipient's and County's contractual objective to provide Services to Clients, Subrecipient shall make Services available to any person impacted by a nationally or State-declared emergency event, contingent upon the availability and commitment of Federal Emergency Management Agency (FEMA) or State Office of Emergency Services funds with which to reimburse Subrecipient for funds expensed.

10.17.2 In the event of extraordinary incidents, unusual occurrences, natural disasters or crime, including but not limited to repairs, modifications, refurbishment, fumigation, or replacement of facility(ies), vandalism, acts of nature, and third-party negligence, Subrecipient must have an emergency plan in place to ensure that there is no disruption in Services.

10.17.3 Subrecipient must have a written Emergency and Disaster Plan on file describing how Services will be maintained during and following the event of a disaster or emergency. Attachment 6 (Emergency and Disaster Plan Basic Requirements) details the minimum requirements of the plan.

10.17.3.1 The written plan must include the following sections:

10.17.3.1.1 Emergency and Disaster Plan Mission

10.17.3.1.2 Business Continuity Plan

10.17.3.1.3 Emergency Response Organization Chart

10.17.3.1.4 Roster of Critical Local Contacts

10.17.3.1.5 Communication Plan

10.17.3.2 The Emergency and Disaster Plan must be made available to Staff and any County-approved Lower Tier Subrecipients for reference before, during, and after the emergency or disaster. Subrecipient's key
Staff members shall have a copy of the Emergency and Disaster Plan easily accessible at all times.

10.17.3.3 Annually, Subrecipient shall update the Emergency and Disaster Plan and submit it to County's Emergency Coordinator as indicated in Exhibit E (County's Administration) of the Subaward.

10.17.3.4 The Emergency and Disaster Plan shall be saved on an encrypted computer storage jump drive for easy access and transportability.

10.17.4 Subrecipient must maintain an updated hard copy registry of Clients with contact information for emergency and disaster purposes. Subrecipient shall use the registry to contact Clients to assess if Client is safe, needs a referral to an evacuation center or other assistance, and has a plan to stay in a safe and healthy environment.

10.17.5 Subrecipient must make arrangements for the availability of a minimum of three (3) meals to Clients during a major disaster, as defined in Title 42 United States Code Section 5122(2).

10.17.6 Subrecipient shall complete Attachment 7 (Site Emergency Resource Survey) on an annual basis to help identify and assess potential resources in the community to support the Service population following a large community emergency or disaster.

10.17.7 Subrecipient shall complete and submit Attachment 7 (Site Emergency Resource Survey) annually on the last business day in September to County's Emergency Coordinator.

10.17.8 Subrecipient shall complete and submit Attachment 7 (Site Emergency Resource Survey) to County's Emergency Coordinator anytime there is a change in information.

10.17.9 Subrecipient shall develop and have on file a written Business Continuity Plan (BCP) that describes how Subrecipient will reduce the adverse impact of any emergency event, as referenced in Subsection 10.17.3.1, to Clients as determined by both the scope of the event (e.g., who and what it affects, and to what extent), and also its duration (e.g., hours, days, months). Subrecipient shall make the BCP available to its Staff and any County-approved Lower Tier Subrecipients for reference before, during, and after such emergency event disruption.

10.17.10 The BCP must include a system to track emergency expenditures and emphasize the following:
10.17.10.1 Back-up systems for data

10.17.10.2 Emergency service delivery options

10.17.10.3 Community resources

10.17.10.4 Transportation

10.17.11 Subrecipient shall:

10.17.11.1 Designate an Emergency Coordinator to communicate with County’s Emergency Coordinator or designee in the event of an emergency or disaster and ensure that County’s Emergency Coordinator or designee has current contact information for Subrecipient’s Emergency Coordinator.

10.17.11.2 Coordinate emergency plans with respective City Emergency Plans and local Office of Emergency Services.

10.17.11.3 Establish alternate communication systems, such as cell phone or text messaging, in the event that the regular communication system is interrupted.

10.17.11.4 Identify lead and support agencies for emergencies and disasters in the local community so that response efforts are coordinated with the appropriate agency.

10.17.11.5 Maintain a current list of support agencies and services (in addition to AAA subrecipients) in local and neighboring communities to provide Information and Assistance for Clients, their families and representatives, and facility staff.

10.17.11.6 Maintain a current list of Subrecipient staff and Volunteers’ telephone numbers, e-mail addresses, and emergency contact information.

10.17.11.7 Maintain adequate emergency and disaster supplies on site, including emergency first aid supplies.

10.17.11.8 Ensure that there are adequate staff and resources to execute the emergency and disaster plan in the event of an emergency or disaster.
10.17.11.9 Maintain a written escape plan and route for Clients receiving on-site services during an emergency or disaster. The written escape plan and route shall include a diagram that is visibly posted at the site. Facilities must have evacuation procedures to facilitate the safe evaluation of individuals to secure locations.

10.17.11.10 When necessary and practical, use existing cash reserves to temporarily cover emergency and disaster assistance costs for things such as additional food, supplies, extra Home-Delivered Meals, home clean-up and safety, emergency medications, transportation, and other immediate needs including:

10.17.11.10.1 Assisting Older Individuals, disabled adults, and/or any other persons seeking refuge by linking them with medical or emergency services, family, friends, and community-based programs such as the Red Cross or the appropriate government agency(ies) that can provide assistance.

10.17.11.10.2 Coordinating services for Older Individuals and disabled adults who may be bedbound, dependent upon dialysis, or have life-threatening, chronic illnesses that require immediate emergency intervention.

10.17.11.10.3 Relocating homebound, high risk Clients to a safe location, and coordinating and arranging emergency transportation to a predetermined location.

10.17.11 Additional Emergency and Disaster Preparedness Policies and Procedures for Home-Delivered Meal Program Services

10.17.11.12 The Emergency and Disaster Plan must follow the instructions the Emergency Planning Policies and Procedures section of the Los Angeles County Area Agency on Aging Foodservice Standard Operating Procedures manual.
10.17.11.13 Subrecipient shall develop a prearranged agreement with local food vendor(s) or community-based organization(s) to assist with the provision of food to homebound Clients for a minimum of three (3) days in the event that their usual meal deliveries are disrupted as stated in Subsection 10.17.5. Food items should include water, frozen meals and non-perishable goods.

10.17.11.14 Subrecipient shall have on file a written plan for continuity of Service following an emergency for a minimum duration of 72 hours or longer if Client needing Service is frail or high risk.

10.17.12 Additional Emergency and Disaster Preparedness Policies and Procedures for Congregate Meal Program Services


10.17.12.2 Subrecipient shall develop a prearranged agreement with local food vendor(s) or community-based organization(s) to assist with the provision of food on site in the event of disruption to the usual meal service.

10.17.12.3 Subrecipient shall develop a written escape plan and route diagram for Clients receiving Congregate Meals. The written escape plan and route diagram shall be visible and posted at the meal site.

10.17.12.4 Subrecipient’s Congregate Meal site(s) must have evacuation procedures to facilitate the safe evacuation of Clients to secure locations.

10.17.12.5 Subrecipient shall develop a plan to feed 200 people per day for at least three (3) days if the Congregate Meal site is designated as a Disaster Site. Food items should include water, frozen meals and non-perishable goods. Instructions are provided in the Emergency Planning Policies and Procedures section of the Los Angeles County Area Agency on Aging Foodservice Standard Operating Procedures manual.

10.17.13 Communication Procedures with County
10.17.13.1 Subrecipient must provide a status update to County's Emergency Coordinator or designee in the event of an emergency or disaster. The standard communication procedures during and after an emergency or disaster are as follows:

10.17.13.1.1 County's Emergency Coordinator will provide information to Subrecipient and request feedback regarding the impact of the emergency or disaster on Clients, Program operations, facilities, and where feasible, the impact on Older Individuals, their family caregivers, individuals with disabilities, and any unmet needs in Los Angeles County (via text message, email, telephone, or any other method that is available).

10.17.13.1.2 Subrecipient will provide information to County's Emergency Coordinator regarding the impact of the emergency or disaster and any unmet needs resulting from the event as soon as possible (via text message, email, telephone, or any other method that is available).

10.17.13.1.3 Information received by County's Emergency Coordinator will be compiled into a report that will be submitted to the Los Angeles County Board of Supervisors and CDA Disaster Preparedness Coordinator.

10.18 Collaborations

10.18.1 Subrecipient must collaborate with County and City of Los Angeles network of providers and other similar community organizations, Adult Protective Services agencies, law enforcement agencies, and legal services providers in order to ensure comprehensive and coordinated Service delivery and to prevent unnecessary duplication of Services. Subrecipient is encouraged to share vital assessment information with other agencies providing Services to the Client in the home. However, in sharing information with other agencies, Subrecipient must
respect Client confidentiality rights, adhere to applicable confidentiality regulations, and follow appropriate protocols.

10.18.2 Subrecipient shall develop linkages with other community-based long-term care service providers, particularly those that see Clients at home.

10.18.3 Subrecipient shall establish procedures to protect all Client information consistent with the terms of this Subaward, any amendments thereto and all applicable laws, and shall not disclose Client information without written consent from County and Client.

10.19 **Community Outreach**

10.19.1 Subrecipient shall provide Community Outreach, which is defined as actively providing and disseminating Program information to the public on available Services for potential Clients. Subrecipient shall also market the Services to all ethnic groups in each Service area (i.e., Supervisory District, Region, etc.) in which the Services are being provided by Subrecipient. All materials must be presented in a culturally sensitive manner by Subrecipient.

10.19.2 Subrecipient shall ensure that information and assistance on Services are provided to all populations including, but not limited to, homeless, veterans and Lesbian-Gay-Bisexual-Transgender individuals.

10.20 **Customer Satisfaction Surveys**

10.20.1 Subrecipient shall conduct ongoing Customer Satisfaction Surveys with Clients and retain a copy of all surveys on file and accessible to County for review. The results of the surveys will be used by Subrecipient to make quality improvements in Services provided to all Clients. Subrecipient may be asked by County to comply with and develop other outcome measures.

10.20.2 Subrecipient shall disseminate the Customer Satisfaction Surveys to all Clients who receive Congregate and/or Home-Delivered Meals.

10.20.3 Subrecipient shall collect all Customer Satisfaction Survey responses, tally them during the closeout period, and submit forms to DASS Program subrecipient annually or as specified by County.

10.21 **Multipurpose Senior Centers**
10.21.1 If Subrecipient operates a Multipurpose Senior Center as defined under Title 42 United States Code Section 3002(36), Subrecipient must adhere to all applicable County, State and Federal guidelines and regulations, including, but not limited to, Title 22 California Code of Regulations Sections 7550 – 7562.

10.21.2 If Subrecipient operates a Multipurpose Senior Center, Subrecipient shall comply with the provisions contained in the following acts:

10.21.2.1 Copeland "Anti-Kickback" Act (Title 18 United States Code Section 874) (Title 29 Code of Federal Regulations Part 3)

10.21.2.2 Davis-Bacon Act (Title 40 United States Code Sections 3141-3142) (Title 29 Code of Federal Regulations Part 5)

10.21.2.3 Contract Work Hours and Safety Standard Act (Title 40 United States Code Sections 327-332) (Title 29 Code of Federal Regulations Part 5)


10.21.3 Subrecipient acknowledges that when an existing facility has been altered using Subaward Sums and is used as a Multipurpose Senior Center, the period of time in which such facility must be used as a Multipurpose Senior Center is as follows:

10.21.3.1 Not less than three (3) years from the date when this Subaward terminates or expires where the Subaward Sums, including the non-federal share, do not exceed thirty thousand dollars ($30,000).

10.21.3.2 If the Subaward Sums exceed thirty thousand ($30,000), the fixed period of time shall not be less than three (3) years from the date when the Subaward terminates or expires, and increased one (1) year for each additional ten thousand dollars ($10,000), or part thereof, to a maximum adjustment factor of seventy-five thousand dollars ($75,000).
10.21.3.3 If the Subaward Sums exceed seventy-five thousand dollars ($75,000), the fixed period of time shall not be less than ten (10) years from the date when the Subaward expires or terminates.

10.22 Adult Protective Services

10.22.1 Subrecipient shall make referrals, as needed, to the Adult Protective Services Program (APS) via telephone (877) 477-3046 or online at https://wdacs.lacounty.gov/programs/aps/. Subrecipient shall comply with all mandated reporting guidelines (Welfare and Institution Code (WIC) section 15630).

10.23 Los Angeles Found Program

10.23.1 Subrecipient shall make referrals, as needed, to the Los Angeles Found Program, a voluntary tracking system for individuals living with Alzheimer’s, dementia, autism or other cognitive impairments. Referrals are to be initiated by calling or emailing as follows: (833)569-7651 or LAFound@wdacs.lacounty.gov.

10.24 Senior Farmers’ Market Nutrition Program

10.24.1 Subrecipient shall participate in the annual Senior Farmers’ Market Nutrition Program (SFMNP). Subrecipient shall distribute SFMNP check booklets at all active Congregate Meal sites within the timeframe designated by County.

10.25 Alternative Methods of Service Delivery During an Emergency

10.25.1 In the event of an emergency (as determined by Federal authorities, State authorities, and/or County), County, at its sole discretion, may institute alternative methods that Subrecipient shall follow to deliver Services under this Subaward.

11.0 GREEN INITIATIVES

11.1 Subrecipient shall use reasonable efforts to initiate “green” practices for environmental and energy conservation benefits.

11.2 Subrecipient shall not use expanded polystyrene (Styrofoam) food and beverage containers in the delivery of food service for both Congregate and Home-Delivered Meals.

11.3 Subrecipient shall purchase products that minimize environmental impacts, toxins, pollution and hazards to worker and community safety to the greatest extent practicable.
11.4 Subrecipient shall purchase, to the extent possible, reusable and durable goods, biodegradable single-use products, products that include recycled content, conserve energy and water, use agricultural fibers and residues, reduce greenhouse gas emissions, use unbleached or chlorine free manufacturing processes, and use wood from sustainable harvested forests.

11.5 Subrecipient shall support strong recycling markets, reduce materials that are put into landfills, and increase the use and availability of environmentally preferable products that protect the environment.

11.6 To the extent practicable, Subrecipient shall not use cleaning or disinfecting products (i.e., for janitorial use) that contain carcinogens, mutagens, or teratogens. These include chemicals listed by the United States Environmental Protection Agency or the National Institute for Occupational Safety and Health on the Topics Release Inventory and those listed under Proposition 65 by the California Office of Environmental Health Hazard Assessment.

11.7 Subrecipient shall notify County's Program Manager of Subrecipient's new green initiatives seven (7) days prior to the commencement of this Subaward.

12.0 PERFORMANCE REQUIREMENTS SUMMARY

12.1 All listings of Services and requirements reflected in Attachment 1 (Performance Requirements Summary Chart) are intended to be completely consistent with this Subaward and this Statement of Work, and are not meant in any case to create, extend, revise, or expand any obligation of Subrecipient beyond this Subaward and this Statement of Work. In any case of apparent inconsistency between Services and requirements as stated in this Subaward, this Statement of Work, and the Performance Requirements Summary Chart, the meaning apparent in this Subaward and this Statement of Work will prevail. If Subrecipient initiates a request for a review and as a result, County determines any Services seems to be created in Attachment 1 (Performance Requirements Summary Chart) which is not clearly and forthrightly set forth in this Subaward and this Statement of Work then that apparent Service will be null and void and place no requirement on Subrecipient.
June 18, 2020

The Honorable Mayor and City Council
City of El Monte
11333 Valley Boulevard
El Monte, CA 91731

Honorable Mayor and City Council:

CONSIDERATION AND APPROVAL OF 53 DWELLING UNIT AFFORDABLE RENTAL HOUSING DEVELOPMENT PROJECT TO BE CONSTRUCTED AND DEVELOPED BY THE CESAR CHAVEZ FOUNDATION OR ITS AFFILIATE(S) AT THE CORNER OF VALLEY BOULEVARD AND TYLER AVENUE PURSUANT TO A DISPOSITION, DEVELOPMENT AND AFFORDABLE RENTAL HOUSING LOAN AGREEMENT BETWEEN THE CITY AND DEVELOPER

IT IS RECOMMENDED THAT THE CITY COUNCIL:

1. Open the public hearing on the approval of the sale of City land and certain City financial assistance for 53 dwelling unit affordable rental housing development to be developed by the Cesar Chavez Foundation ("CCF") and the affiliates of CCF;
2. Receive brief presentation by City staff and pose questions to City staff;
3. Receive public comment, if any;
4. Move to close the public hearing; and
5. Adopt the proposed Resolution (ATTACHMENT 1) approving the Disposition, Development and Affordable Rental Housing Loan Agreement and associated documents.

BACKGROUND

There is a very serious shortage of affordable rental housing in California and in the Los Angeles County, in particular. The City of El Monte (the "City") has been committed to improving access to affordable housing opportunities for low-income households and continues to work with for-profit and non-profit housing developers to create a wide range of housing options to meet the community’s diverse housing needs.
The 53 dwelling unit affordable rental housing project (including unrestricted one manager unit) (the “Project”) proposed by the Cesar Chavez Foundation, a California non-profit corporation, or its affiliate(s) (collectively, the “Developer”) for the so-called Tyler Valley Metro Project (the “Project”) at the corner of Valley Boulevard and Tyler Avenue, in the City, is intended to contribute to the solution of the state-wide affordable rental housing shortage.

The Project is proposed to be developed and constructed upon that certain real property comprised of Los Angeles County Assessor’s Parcel No. 8575-019-030 (Developer affiliate-owned parcel, the “Adjacent Site”) and a 4,999 s.f. portion of Los Angeles County Assessor’s Parcel No. 8575-019-909 (City-owned parcel, the “City Site”) (the City Site and Adjacent Site shall hereinafter be collectively referred to as the “Site”). The 27,884 s.f./0.64 acre aggregate Site is located within the City’s SP-4 (Downtown Main Street Transit-Oriented District Specific Plan – Station Sub-Area) zone. All Project dwelling units (except the manager’s unit) would be reserved for and made available to low-income and very low-income persons and households.

The Project would complement Developer’s adjacent 4%/9% hybrid-financed 53 dwelling unit affordable rental housing Metro Veteran Housing/Metro Family Housing project approved by the City Council on February 4, 2020. Developer shall construct and bring the Metro Veteran Housing/Metro Family Housing project into service by April 30, 2022.

**DISCUSSION**

On June 19, 2019, the Los Angeles County First District Consolidated Oversight Board (the “Oversight Board”) approved its Resolution No. 94 authorizing the sale of Los Angeles County Assessor’s Parcel No. 8575-019-909 (Long-Range Property Management Plan Property 51) from the Successor Agency to the Former City of El Monte Redevelopment Agency (“Successor Agency”) to the City for public street improvement purposes in accordance with the approved Long-Range Property Management Plan, including a prospective southbound right turn only lane for traffic going from Tyler Avenue west onto Valley Boulevard. In correspondence to the City dated as of July 17, 2019, the State Department of Finance (“State DOF”) determined that it did not need to review such disposition as approved by the Oversight Board. The proposed City Council Resolution (ATTACHMENT 1) would authorize the City’s recordation of a quitclaim deed memorializing the disposition of the entirety of Los Angeles County Assessor’s Parcel No. 8575-019-909 from the Successor Agency to the City. The remainder of this report anticipates this land transfer and presumes City ownership of Los Angeles County Assessor’s Parcel No. 8575-019-909, including the City Site portion thereof.

On November 5, 2019, the City Council adopted Resolution No. 10060, approving an Exclusive Negotiating Agreement between the City and Developer for the Project with regard to the City Site. A true and correct copy of Resolution No. 10060 is on file with the City Clerk’s Office. Since such time, the City has:
prepared environmental impact assessment documents on California Environmental Quality Act ("CEQA") exemption documents for the Project;

approved, by way of the City of El Monte Planning Commission June 11, 2020 Resolution No. 3572 (ATTACHMENT 2), Tentative Parcel Map No. 83105, Design Review No. 03-20, Density Bonus No. 01-20, Affordable Housing Concession No. 01-20, Affordable Housing Concession No. 02-20 and Affordable Housing Concession No. 03-20, and an affordable housing exemption under CEQA pursuant to Section 15194 of the CEQA Guidelines; and

commenced the environmental review process pursuant to the National Environmental Protection Act ("NEPA").

Land Disposition

The proposed Disposition, Development and Affordable Rental Housing Loan Agreement between the City and Developer for the Project (the “DDA”) is appropriate and necessary at this time to facilitate the transfer of the City Site to Developer (subject to the satisfaction of the conditions set forth in the DDA) to facilitate Developer's acquisition of financing and ultimate construction and development of the Project.

The DDA provides for the City's sale of the City Site (4,999 s.f. portion of Los Angeles County Assessor’s Parcel No. 8575-019-909) at fair market value to Developer, which shall be combined with the Adjacent Site to effectuate the development and construction of the Project. The fair market purchase price not to exceed Nine Hundred Seventy-Four Thousand Five Hundred Forty-Six Dollars ($974,546.00) for the disposition of the City Site is consistent with the attached appraisal report (ATTACHMENT 3) conducted by Kinetic Valuation Group, Inc. and dated as of November 12, 2019, and is subject to a confirming real estate appraisal.

With the approval of the DDA, Developer is able to demonstrate site control and will be able to pursue grant and tax credit funding opportunities from federal, state, and county granting agencies. A financing layering analysis of Developer’s proposed financing is expected to be delivered to the City Council and made publicly available as of June 23, 2020. Such report will not modify the City’s proposed financial assistance identified below.

The City Site qualifies as “exempt surplus land,” pursuant to Government Code Section 54221(f)(1)(B) as it is less than 5,000 square feet in area and is not contiguous to land owned by a state or local agency that is used for open-space or low- and moderate-income housing purposes. Accordingly, the requirements and protocols for land disposition set forth in the Surplus Land Act (Gov. Code, § 54220 et seq.) shall not apply to disposition of the City Site proposed in the proposed DDA (Gov. Code, § 54222.3.).

The Tentative Parcel Map No. 83105 approved by the Planning Commission, as referenced above, will allow for the consolidation of the Adjacent Parcel and the City Parcel. The City will retain the remainder of City-owned parcel (approx. 3,446 s.f.) in fee
for public street improvement purposes, including a prospective southbound right turn only lane for traffic going from Tyler Avenue west onto Valley Boulevard.

**DDA Terms/Project Financing**

The proposed DDA provides for the following:

- due diligence investigation of the City Site by Developer;
- confirmation and integration of the elements of the overall financing for the Project to the reasonable satisfaction of the City;
- upon confirmation that all Developer and City predevelopment and financing conditions have been satisfied and that building permits are ready to be issued by the City subject only to payment to the City for such building permit costs, closing of the City Site transfer process no later than December 31, 2022;
- course of construction disbursement of funds including City loan assistance and preparation of marketing and resident selection process;
- completion of construction/certificate of occupancy and permanent financing as applicable; and
- annual affordable housing program review.

The City's investment in the overall Project includes the two following City loans totaling a not-to-exceed loan sum of $1,474,546.00:

- City Site Purchase Mortgage Loan: $974,546.00 (not-to-exceed); and
- Affordable Rental Housing Development Loan (Housing Asset Fund of the Successor Housing Agency): $500,000.00.

The City's loans to the Project will take the form of two (2) separate development loans to the Developer/specific CCF affiliate which undertakes the improvement and operation of the Project. Each such City loan shall accrue interest at the rate of 3% per year until each loan is repaid to the City by Developer. Interest will begin to accrue on each loan when the City Site transfer escrow closes.

Each of the two (2) separate City loans to Developer shall be payable by Developer each year after the close of escrow from “residual receipts” rental revenue from the Project. The words “residual receipts” is a defined term which refers to a portion of the gross annual rent paid to Developer by its tenants, less the following types of Project expenses:

- senior lender debt service;
- payroll for on-site Developer personnel including the onsite manager;
- utility expenses;
- operating expense (including insurance, maintenance, project management fees and property taxes);
• mandatory deposits to the various applicable Project capital replacement and renewal reserve accounts;
• payment of annual audit expenses and investor management expenses;
• payment of the deferred developer fee to Developer;
• payment of remainder balance (50% of Residual Receipts payable to Developer).

The land sale loan repayment proceeds for the City Site Purchase Mortgage Loan shall be listed on the City’s Recognized Obligation Payment Schedule (“ROPS”) as either a supplemental source of payment for enforceable obligations or apportioned to the City and other various County taxing entities in accordance with each entity’s share of property taxes (~13% share for the City).

The DDA enables the City’s subsequent substitution of funding for the Affordable Rental Housing Development Loan from sources such as the City’s HOME Program fund. Such substitution would require Developer to enter into and abide by the provisions of a HOME Regulatory Agreement to ensure compliance with U.S. Department of Housing and Urban Development requirements and affordability requirements of Section 92.252 and 92.253 of 24 CFR Part 92 of the HOME Regulations.

In addition to the two proposed City loans, City staff proposes the City’s provision/confirmation of the following waivers or exemptions as follows:

- Quimby Fee Waiver: $644,866.00 (per City Council Ordinance No. 2663, Section 6);
- Art in Public Places Fee Exemption: $100,000.00 (per El Monte Municipal Code Section 15.17.040(B)(3)); and
- Development Opportunity Reserve (“DOR”) Exemption: $870,000.00 (Per California Assembly Bill 1763).

City Council Ordinance No. 2663, Section 6 authorizes the City Council’s waiver of Quimby dedication/in lieu fee requirements for projects that “serve a public purpose or satisfy a public need.” Given the Project’s provision of critically needed affordable housing units, staff recommends the City’s application of the fee waiver. As far as the Art in Public Places, El Monte Municipal Code Section 15.17.040(B)(3) exempts the application of art installation or in lieu fee requirements for certain delineated organizations, such as Developer’s, who construct and develop on property exempt from taxation pursuant to California Revenue and Taxation Code Section 214. With regard to the Development Opportunity Reserve credit, the Downtown Main Street Transit-Oriented District Specific Plan requires the in lieu fee for increased Project density at $30,000.00 per unit above the permitted density. In this case, the fee would apply to 29 units for a total of $870,000.00. However, as of January 1, 2020, California Assembly Bill 1763 requires the City’s provision of unlimited density for affordable housing projects that restrict occupancy of 100% of units to “lower income” households. Since all non-managerial units will be income restricted, the
City is preempted from enforcing the in lieu DOR fee and Developer is exempt from the payment of such fee.

Planning Commission Approval

On June 11, 2020, Developer received Planning Commission approval for various entitlements for the Project under its Resolution No. 3572 as follows:

- Tentative Tract Map No. 83105: To consolidate two parcels and allow a reminder in fee for the City for public street improvement purposes;
- Design Review No. 03-20: To approve of the architecture and landscaping for the Project;
- Density Bonus No. 01-20: To exceed the allowed density as part of an affordable housing project;
- Affordable Housing Concession No. 01-20: To reduce the minimum first-floor building height requirement;
- Affordable Housing Concession No. 02-20: To deviate from the building setback requirements; and
- Affordable Housing Concession No. 03-20: To reduce private open space requirements.

The Project will consist of a total of 53 apartment units (including a manager’s unit) with 25 one-bedroom, 14 two-bedroom, and 14 three-bedroom units. A total of 50 parking spaces will be provided within a subterranean parking structure with access along Railroad Street that includes: 42 open parking spaces, four ADA spaces, and four rideshare spaces. Other amenities include a main courtyard at the building’s entryway with seating, a tot lot, community garden, lobby, after-school/study area, residence lounge, recreational rooms, staff office spaces, and central laundry facilities.

ENVIRONMENTAL ANALYSIS

It is recommended that the City Council confirm the Planning Commission’s finding, as set forth in its Resolution No. 3572 that the Project qualifies for a statutory affordable housing exemption pursuant to Section 15194 of the CEQA Guidelines. As noted above, the City has commenced environmental analysis pursuant to NEPA as it seeks final certification an Environmental Assessment and Finding of No Significant Impact for the Project by the United States Department of Housing and Urban Development.

FISCAL IMPACT/FINANCING

Developer’s most recent proforma, dated as of June 13, 2020, is attached hereto as ATTACHMENT 4. As indicated above, the final text of a financing layering analysis of
Developer’s proposed financing is expected to be delivered to the City Council and made publicly available as of June 23, 2020. During the public hearing on June 23, 2020, City staff will present a PowerPoint which sets forth the particular details of Developer’s proposed financing.

CONCLUSION

There is a critical shortage of this permanent supportive housing with support services to low-income families within the City and Los Angeles County. The City of El Monte is committed to making this Project a reality and the completion of this proposed housing development will have both a local and regional benefit in terms of satisfying a significant housing need within San Gabriel Valley and Los Angeles County. Therefore, it is respectfully requested that the City Council adopt the proposed Resolution (ATTACHMENT 1) approving the Disposition, Development and Affordable Rental Housing Loan Agreement and associated documents.
Respectfully submitted,

Alma K. Martinez  
City Manager

Betty Donavanik  
Community and Economic Development Director

Attachments:

1. City Council Resolution with draft DDA attached thereto
2. El Monte Planning Commission Resolution No. 3572
3. City Site Appraisal, dated as of November 12, 2019
4. Developer Proforma, dated as of June 13, 2020
5. Notice of City Council Public Hearing for June 20, 2019
RESOLUTION NO. ______

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL MONTE, CALIFORNIA APPROVING (1) THE AFFORDABLE RENTAL HOUSING PLAN OF FINANCING FOR THE TYLER VALLEY METRO HOUSING DEVELOPMENT (2) THE DISPOSITION DEVELOPMENT AND AFFORDABLE RENTAL HOUSING LOAN AGREEMENT BY AND BETWEEN THE CITY AND TYLER-VALLEY METRO HOUSING, LP, INCLUDING CERTAIN RELATED CITY ACTIONS, AND (3) A QUITCLAIM DEED MEMORIALIZING THE TRANSFER OF LOS ANGELES COUNTY ASSESSOR’S PARCEL NO. 8575-019-909 FROM THE SUCCESSOR AGENCY TO THE FORMER EL MONTE REDEVELOPMENT AGENCY TO THE CITY

WHEREAS, there is a very serious shortage of affordable rental housing in California and in the Los Angeles County, in particular;

WHEREAS, the City of El Monte (the “City”) has been committed to improving access to affordable housing opportunities for low-income households and continues to work with for-profit and non-profit housing developers to create a wide range of housing options to meet the community’s diverse housing needs;

WHEREAS, the 53 dwelling unit affordable rental housing project (including one manager unit) (the “Project”) proposed by the Cesar Chavez Foundation, a California non-profit corporation or its affiliate, Tyler-Valley Metro Housing, LP, a California limited partnership (collectively, the “Developer”) for the so-called Tyler Valley Metro Project (the “Project”) at the corner of Valley Boulevard and Tyler Avenue, in the City, is intended to contribute to the solution of the state-wide affordable rental housing shortage;

WHEREAS, the Project is proposed to be developed and constructed upon that certain real property comprised of Los Angeles County Assessor’s Parcel No. 8575-019-030 (Developer affiliate-owned parcel, the “Adjacent Site”) and a 4,999 s.f. portion of Los Angeles County Assessor’s Parcel No. 8575-019-909 (City-owned parcel, the “City Site”) (the City Site and Adjacent Site shall hereinafter be collectively referred to as collectively the “Site”). The 27,884 s.f./0.64 acre aggregate Site is located within the City’s SP-4 (Downtown Main Street Transit-Oriented District Specific Plan – Station Sub-Area) zone;

WHEREAS, the Project would complement Developer’s adjacent 4%/9% hybrid-financed 53 dwelling unit affordable rental housing Metro Veteran Housing/Metro Family Housing project approved by the City Council on February 4, 2020. Developer shall construct and bring the Metro Veteran Housing/Metro Family Housing project into service by April 30, 2022;
WHEREAS, on June 19, 2019, the Los Angeles County First District Consolidated Oversight Board (the "Oversight Board") approved its Resolution No. 94 authorizing the sale of Los Angeles County Assessor’s Parcel No. 8575-019-909 (Long-Range Property Management Plan Property 51) from the Successor Agency to the Former City of El Monte Redevelopment Agency ("Successor Agency") to the City for public street improvement purposes in accordance with the approved Long-Range Property Management Plan, including a prospective southbound right turn only lane for traffic going from Tyler Avenue west onto Valley Boulevard. In correspondence to the City dated as of July 17, 2019, the State Department of Finance ("State DOE") determined that it did not need to review such disposition as approved by the Oversight Board;

WHEREAS, the City Council seeks to authorize the City’s recordation of a quitclaim deed, in a form acceptable to the City Attorney, entirety of Los Angeles County Assessor’s Parcel No. 8575-019-909 (including the City Site portion thereof) from the Successor Agency to the City;

WHEREAS, on November 5, 2019, the City Council adopted Resolution No. 10060, approving an Exclusive Negotiating Agreement between the City and Developer for the Project with regard to the City Site, and a true and correct copy of Resolution No. 10060 is on file with the City Clerk’s Office;

WHEREAS, since such time, the City has:

- prepared environmental impact assessment documents on California Environmental Quality Act ("CEQA") exemption documents for the Project;
- approved, by way of the City of El Monte Planning Commission June 11, 2020 Resolution No. 3572 (ATTACHMENT 2), Tentative Parcel Map No. 83105, Design Review No. 03-20, Density Bonus No. 01-20, Affordable Housing Concession No. 01-20, Affordable Housing Concession No. 02-20 and Affordable Housing Concession No. 03-20, and an affordable housing exemption under CEQA pursuant to Section 15194 of the CEQA Guidelines; and
- commenced the environmental review process pursuant to the National Environmental Protection Act ("NEPA");

WHEREAS, the proposed Disposition, Development and Affordable Rental Housing Loan Agreement between the City and Developer for the Project (the “DDA”) (attached hereto as Exhibit “A”) is appropriate and necessary at this time to facilitate the transfer of the City Site to Developer (subject to the satisfaction of the conditions set forth in the DDA) to facilitate Developer’s acquisition of financing and ultimate construction and development of the Project;

WHEREAS, the DDA provides for the City’s sale of the City Site (4,999 s.f. portion of Los Angeles County Assessor’s Parcel No. 8575-019-909) at fair market value to Developer, which shall be combined with the Adjacent Site to effectuate the development and construction of the Project. The fair market purchase price not to exceed Nine Hundred Seventy-Four Thousand Five Hundred Forty-Six Dollars ($974,546.00) for the disposition of the City Site is consistent with the appraisal report conducted by Kinetic Valuation Group, Inc. and dated as of November 12, 2019, and is
subject to a confirming real estate appraisal;

WHEREAS, the City Site qualifies as "exempt surplus land," pursuant to Government Code Section 54221(f)(1)(R) as it is less than 5,000 square feet in area and is not contiguous to land owned by a state or local agency that is used for open-space or low- and moderate-income housing purposes. Accordingly, the requirements and protocols for land disposition set forth in the Surplus Land Act (Gov. Code, § 54220 et seq.) shall not apply to disposition of the City Site proposed in the proposed DDA (Gov. Code, § 54222.3.);

WHEREAS, the Tentative Parcel Map No. 83105 approved by the Planning Commission will allow for the consolidation of the Adjacent Parcel and the City Parcel, and the City will retain the remainder of City-owned parcel (approx. 3,446 s.f.) in fee for public street improvement purposes, including a prospective southbound right turn only lane for traffic going from Tyler Avenue west onto Valley Boulevard;

WHEREAS, the Council seeks to confirm the City’s investment in the overall Project pursuant to two following City loans totaling a not-to-exceed loan sum of $1,474,546.00:

- City Site Purchase Mortgage Loan: $974,546.00 (not-to-exceed); and
- Affordable Rental Housing Development Loan (Housing Asset Fund of the Successor Housing Agency): $500,000.00;

WHEREAS, the City’s loans to the Project will take the form of two (2) separate development loans for the Developer/specific CCF affiliate which undertakes the improvement and operation of the Project, and each such City loan shall accrue interest at the rate of 3% per year until each loan is repaid to the City by Developer with interest beginning to accrue on each loan when the City Site transfer escrow closes;

WHEREAS, each of the two (2) separate City loans to Developer shall be payable by Developer each year after the close of escrow from “residual receipts” rental revenue from the Project;

WHEREAS, the land sale loan repayment proceeds for the City Site Purchase Mortgage Loan shall be listed on the City’s Recognized Obligation Payment Schedule ("ROPS") as either a supplemental source of payment for enforceable obligations or apportioned to the City and other various County taxing entities in accordance with each entity’s share of property taxes (~13% share for the City);

WHEREAS, the DDA enables the City’s subsequent substitution of funding for the Affordable Rental Housing Development Loan from sources such as the City’s HOME Program fund, and such substitution would require Developer to enter into and abide by the provisions of a HOME Regulatory Agreement to ensure compliance with U.S. Department of Housing and Urban Development requirements and affordability requirements of Section 92.252 and 92.253 of 24 CFR Part 92 of the HOME Regulations; and
WHEREAS, in addition to the two proposed City loans, the City Council seeks to confirm the following waivers or exemptions as follows:

- Quimby Fee Waiver: $644,866.00 (per City Council Ordinance No. 2663, Section 6);
- Art in Public Places Fee Exemption: $100,000.00 (per El Monte Municipal Code Section 15.17.040(B)(3)); and
- Development Opportunity Reserve (“DOR”) Exemption: $870,000.00 (Per California Assembly Bill 1763).

NOW, THEREFORE, BY THE CITY COUNCIL OF THE CITY OF EL MONTE, CALIFORNIA, DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1. The information set forth in the recital paragraphs of this Resolution is true and correct and incorporated into the body of this Resolution by this reference. The City Council hereby acknowledges its receipt of the information and documents included in the City staff report dated June 18, 2020, together with the supplemental information, oral testimony and documents relating to the Project as presented to the City during the City Council meeting when this Resolution was adopted.

SECTION 2. The City Council hereby accepts the quitclaim deed attached hereto as Exhibit “B” memorializing the transfer of the entirety of Los Angeles County Assessor’s Parcel No. 8575-019-909 (including the City Site portion thereof), from the Successor Agency, on behalf of the City, directs execution thereof by the City Manager, and directs the City Clerk to record such quitclaim deed.

SECTION 3. The City Council has conducted a public hearing regarding the Project on June 23, 2020 and has considered a plan of financing for the Project including the disposition of the City Site to Developer.

SECTION 4. The City Council hereby acknowledges its receipt of the November 12, 2019 appraisal report for the value of the City Site as prepared by the Kinetic Valuation Group, Inc. A copy of such updated appraisal report for the Site is on file with the City Clerk. The appraised value of the City Site as indicated therein is $974,546.00. Accordingly the fair market purchase price for the City Site shall not exceed such amount and is subject to a subsequent confirming appraisal.

SECTION 5. The City Council has independently reviewed and hereby concurs with the findings of the El Monte Planning Commission as set forth in Section 5 of Planning Commission Resolution No. 3572, dated June 11, 2020, confirming that the Project qualifies for a statutory affordable housing exemption pursuant to Section 15194 of the CEQA Guidelines.

SECTION 6. The City Council hereby finds and determines that the disposition of the City Site to Developer for affordable rental housing development purposes pursuant to the Hybrid Project plan of financing as generally set forth in the Project Layering Analysis is necessary and appropriate and benefits the public health, safety and welfare of the City. The City Council hereby acknowledges its receipt of the Project’s financial
layering analysis and Developer’s Project proforma, dated as of June 13, 2020. The City Council hereby approves of the Project’s financing, as set forth therein, subject to technical and conforming modifications as appropriate to reasonably accommodate related lenders’ financing requirements and the DDA.

SECTION 7. The City Council hereby approves the document entitled “2020 City of El Monte Disposition Development and Affordable Rental Housing Loan Agreement: Tyler Valley Metro Project,” dated as of June 23, 2020 by and between the City and El Monte Metro Veteran Housing, LLC, a California limited liability company, and its permitted assignees, in the form as on file with the City Clerk at the time when this Resolution was adopted. The City Manager is authorized and directed to execute the Veterans North Project DDA on behalf of the City, together with such technical and conforming changes to the Veterans North Project DDA as may be approved by the City Manager in consultation with the City Attorney, and attach all appropriate exhibits to the Veterans Project DDA including legal descriptions, schedule of performance, forms of certificates, and the like. The City Manager is hereby further authorized and directed to implement the applicable provisions of the DDA including the opening of the land transfer escrow transaction as set forth therein.

SECTION 8. Such City Council approval of the DDA as set forth in Section 7, above, includes approval of:

A. Two City loans totaling a not-to-exceed loan sum of $1,474,546.00 comprised of:

1. City Site Purchase Mortgage Loan: $974,546.00 (not-to-exceed); and

2. Affordable Rental Housing Development Loan (Housing Asset Fund of the Successor Housing Agency): $500,000.00;

B. City fee waivers and exemptions as follows:

1. Quimby Fee Waiver: $644,866.00 (per City Council Ordinance No. 2663, Section 6);

2. Art in Public Places Fee Exemption: $100,000.00 (per El Monte Municipal Code Section 15.17.040(B)(3)); and

3. Development Opportunity Reserve (“DOR”) Exemption: $870,000.00 (Per California Assembly Bill 1763).

SECTION 9. The City Council hereby reserves the right for the subsequent substitution of funding for the Affordable Rental Housing Development Loan from sources such as the City’s HOME Program fund. Such substitution shall require Developer to enter into and abide by the provisions of a HOME Regulatory Agreement to ensure compliance with U.S. Department of Housing and Urban Development requirements and affordability requirements of Section 92.252 and 92.253 of 24 CFR Part 92 of the HOME Regulations.

SECTION 10. The City Attorney is hereby directed to deliver an appropriate Article XXXIV opinion letter to Developer pursuant to Article XXXIV of the California
Constitution.

SECTION 11. The City Manager in consultation with the City Finance Director and the City Economic and Community Development Director is hereby directed to prepare and submit an appropriately detailed written report to the City Council within sixty (60) days following the concurrent close of the escrow under the DDA. Such report shall set forth the various adjustments to the City fixed asset records for real property and City loan asset management records to reflect the financial transactions contemplated under the DDA.

SECTION 12. This Resolution shall take effect upon its adoption by the City Council and the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED, APPROVED AND ADOPTED by the City Council of the City of El Monte at the adjourned regular meeting of this 23rd day of June 2020.

André Quintero  
Mayor of the City of El Monte

ATTEST:

Catherine A. Eredia  
City Clerk of the City of El Monte
STATE OF CALIFORNIA  )
COUNTY OF LOS ANGELES  )     SS:
CITY OF EL MONTE       )

I, Catherine A. Eredia, City Clerk of the City of EL Monte, hereby certify that the foregoing Resolution No. ____ was passed and adopted by the City Council of the City of El Monte, signed by the Mayor and attested by the City Clerk at an adjourned regular meeting of said Council held on the 23rd day of June 2020 and that said Resolution was adopted by the following vote, to-wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

______________________________
Catherine A. Eredia
City Clerk of the City of El Monte
2020
CITY OF EL MONTE

DISPOSITION DEVELOPMENT ANDAFFORDABLE RENTAL
HOUSING LOAN AGREEMENT
(Tyler Valley Metro Project)

THIS 2020 CITY OF EL MONTE DISPOSITION DEVELOPMENT AND
AFFORDABLE RENTAL HOUSING LOAN AGREEMENT: TYLER VALLEY METRO
PROJECT (the "Agreement") is dated as of June 23, 2020 for reference purposes only by and
between the Cesar Chavez Foundation, a California nonprofit public benefit corporation
("CCF"), and any of its affiliates, or its permitted assignee hereunder (collectively, the
"Developer") and the City of El Monte, a municipal corporation (the "City") and is entered into
in light of the facts set forth in the following Recital paragraphs:

RECITALS

A. WHEREAS, there is a very serious shortage of affordable rental housing in
California and in Los Angeles County in particular;

B. WHEREAS, the 53-unit affordable rental housing project (the "Project")
proposed by the Developer and contemplated in this Agreement is intended to contribute to the
solution of the state-wide affordable rental housing shortage;

C. WHEREAS, the Project shall be developed and constructed upon that certain real
property described more specifically in Attachment 1 attached hereto, which is comprised of Los
Angeles County Assessor’s Parcel No. 8575-019-030 (Developer affiliate-owned parcel, the
"Adjacent Site") and a portion of Los Angeles County Assessor’s Parcel No. 8575-019-909
(City-owned parcel, the "City Site") (the City Site and Adjacent Site shall hereinafter be
collectively referred to as collectively the "Site");

D. WHEREAS, the City Site was acquired by the City from the Successor Agency to
the City’s Community Redevelopment Agency (the "Successor Agency") for public purpose use
utilizing tax increment funds in accordance with redevelopment resolution law as set forth in
ABX1 26 (Stats 2011-12, 1st Ex. Sess., Chapter 5), as amended by AB 1484 (Stats 2012,
Chapter 26) ("Redevelopment Dissolution Law");

E. WHEREAS, on or about November 5, 2019, the City Council of the City adopted
Resolution No. 10060, approving an Exclusive Negotiating Agreement between the City and the
Developer in connection with the City Site;

F. WHEREAS, in addition, the City has:

approved, by way of the City of El Monte Planning Commission Resolution No.
3572, Tentative Parcel Map No. 83105, Design Review No. 03-20, Density Bonus
No. 01-20, Affordable Housing Concession No. 01-20, Affordable Housing
Concession No. 02-20 and Affordable Housing Concession No. 03-20, and an affordable housing exemption under California Environmental Quality Act ("CEQA") pursuant to Section 15194 of the CEQA Guidelines; and

- commenced the environmental review process pursuant to the National Environmental Protection Act ("NEPA"), which the City expects to be completed as of July 21, 2020;

G. WHEREAS, the Tentative Parcel Map No. 83105 approved by the Planning Commission will allow for the consolidation of the Adjacent Parcel and the City Parcel, and the City will retain the remainder of City-owned parcel (approx. 3,446 s.f.) in fee for public street improvement purposes, including a prospective southbound right turn only lane for traffic going from Tyler Avenue west onto Valley Boulevard;

H. WHEREAS, the Project includes the completion of the final design and construction drawings by the Developer for the construction and improvement of up to fifty-three (53) units, 52 of which shall be affordable rental dwelling units on the Site reserved and made available by the Developers for low income and very low income persons and households; and

I. WHEREAS, the City Site qualifies as "exempt surplus land," pursuant to Government Code Section 54221(f)(1)(B) as it is less than 5,000 square feet in area and is not contiguous to land owned by a state or local agency that is used for open-space or low- and moderate-income housing purposes. Accordingly, the requirements and protocols for land disposition set forth in the Surplus Land Act (Gov. Code, § 54220 et seq.) shall not apply to the land disposition proposed in this Agreement (Gov. Code, § 54222.3.).

J. WHEREAS, at its adjourned regular meeting on June 23, 2020, the City Council adopted Resolution No. _______ under Agenda Item No. _______ approving this Disposition Development and Affordable Rental Housing Loan Agreement and the following City fee waivers/exemptions:

- Quimby Fee Waiver: $644,866.00 (per City Council Ordinance No. 2663, Section 6);
- Art in Public Places Fee Exemption: $100,000.00 (per El Monte Municipal Code Section 15.17.040(B)(3));
- Development Opportunity Reserve ("DOR") Exemption: $870,000.00 (Per California Assembly Bill 1763); and

K. WHEREAS, pursuant to such City Council Resolution No. ____, the City Council hereby reserves the right for the subsequent substitution of funding for the Affordable Rental Housing Development Loan (as defined below) from sources such as the City’s HOME Program fund. Such substitution shall require Developer to enter into and abide by the provisions of a City Regulatory Housing Agreement to ensure compliance with U.S. Department of Housing and Urban Development requirements and affordability requirements of Section 92.252 and 92.253 of 24 CFR Part 92 of the HOME Regulations.
NOW, THEREFORE, THE DEVELOPER AND THE CITY HEREBY AGREE AS FOLLOWS:

100. DEFINITIONS AND EXHIBITS

101. In addition to the definitions of certain words and phrases set forth elsewhere in this Agreement, the terms which appear below shall have the following meanings:

"Affordable Rental Housing Development Loan" or "ARHD Loan" means the housing development project loan from the City to Developer utilizing the Housing Asset Fund of the City's Successor Housing Agency. The City reserves the right for the subsequent substitution of funding for the ARHD Loan, as specified in this Agreement.

"ARHD Deed of Trust" means and refers to the deed of trust securing the ARHD Loan.

"ARHD Note" means and refers to the promissory note to be executed by the Developer as the maker, in favor of the City as the holder, to evidence the disbursement of the ARHD Loan to the Developer.

"Agreement" means this 2020 Disposition, Development and Affordable Rental Housing Loan Agreement between the Developer and the City.

"Best Knowledge" means the actual knowledge of the employees and agents of the applicable Party who manage the Site, have participated in the preparation of this Agreement or who are knowledgeable about the Project, and all documents and materials in the possession of such Party, the application of the tenant and shall not impose a separate duty of investigation with respect to such information of knowledge.

"Certificate of Completion" means the document which evidences the Developer's satisfactory completion of the development of the Project, as set forth in Section 409.9 hereof. The general form of the Certificate of Completion is set forth in Attachment No. 10.

"City" means the City of El Monte, California, a California municipal corporation.

"City Deeds of Trust" means and refers to the City Purchase Mortgage Deed of Trust (as defined below) and the ARHD Deed of Trust (as defined below), each of which secures a portion of the City Loan, as set forth in this agreement.

"City Loan" means and refers to collectively the affordable rental housing development financing to be provided to the Developer by the City under the terms of this Agreement, including:

(a) the affordable rental housing development City Purchase Mortgage Loan for the City Site in the original principal not-to-exceed amount of Nine Hundred Seventy-Four Thousand Five Hundred Forty-Six Dollars ($974,546.00); and
(b) the ARHD Loan in the original principal not-to-exceed amount of Five Hundred Thousand Five Dollars ($500,000.00).

"City Loan Documents" means and refers to collectively, this Agreement, the City Notes and City Deeds of Trust, the City Regulatory Housing Agreement, and the other related City documents.

"City Notes" means and refers collectively to the following two (2) separate promissory notes: (a) the promissory note which evidences the City Purchase Mortgage Loan, (the "City Mortgage Note"); and (B) the promissory note which evidences the ARHD Loan (the "ARHD Note").

"City Purchase Mortgage Deed of Trust" means and refers to the purchase money mortgage note deed of trust in favor of the City which secures the payment of the City Purchase Mortgage Note.

"City Purchase Mortgage Loan" means and refers to the purchase money mortgage which the City shall provide to the Developer at the Close of Escrow to pay the Purchase Price for the Site. The original principal amount of the City Purchase Mortgage Loan shall be equal to the Purchase Price that is payable by the Developer to the City for the acquisition of the Site at the Close of Escrow.

"City Purchase Mortgage Note" means and refers to the promissory note to be executed by the Developer as the maker, in favor of the City as the holder, to evidence the disbursement of the City Purchase Mortgage Loan to the Developer.

"City Regulatory Housing Agreement" shall mean the affordable rental housing facility regulatory agreement which shall be applicable to the Project and which shall be recorded as an encumbrance to the Project upon the Close of Escrow.

"Close of Escrow" and "Closing" means and refers to the date on which title to the City Site is transferred to the Developer pursuant to the Grant Deed (Tyler Valley Metro Project). The Close of Escrow shall occur on or before the date indicated in the Schedule of Performance and shall close by the Outside Closing Date as set forth in Section 202.4.

"Conditions Precedent" means and refers to the conditions precedent to the conveyance by the City of the City Site to the Developer, the origination and initial disbursement of the City Loan proceeds to the Developer and the satisfaction of the other requirements for the Close of Escrow, as set forth in Section 204.

"Developer" means and refers to Tyler-Valley Metro Housing, LP, a California limited partnership, and its permitted successors and assigns.

"Escrow Agent" means and refers to Commonwealth Land Title Insurance Company, or another title insurance or escrow company mutually acceptable to the Developer and the City.
"Effective Date" means and refers to the day on which all four (4) of the following events have been accomplished:

(i) this Agreement has been approved by the City Council of the City; and
(ii) this Agreement has been executed by the officers of the Developer; and
(iii) this Agreement has been executed by the officers of the City; and
(iv) the Developer has delivered evidence of insurance in favor of the City as an additional insured satisfactory to the City.

The Effective Date shall be noted by the City Attorney on the signature page of this Agreement.

"Event of Default" means and refers to the failure of a party to perform any action or covenant required by this Agreement within the time periods provided herein following notice and opportunity to cure, as set forth in Section 801 hereof.

"Governmental Requirements" means and refers to all laws, ordinances, statutes, codes, rules, regulations, orders, and decrees of the United States, the state, the County, the City, or any other political subdivision in which the Project is located, and of any other political subdivision, agency, or instrumentality exercising jurisdiction over the Developer or the Project.

"Grant Deed" means and refers to a commercially reasonable grant deed transferring title to the City Site to the Developer, in a form mutually agreeable to both parties and approved by the Title Company for the Project.

"Hazardous Materials" means and refers to any substance, material, or waste which is or becomes regulated by any local governmental authority, the County, the State of California, regional governmental authority, or the United States Government, including, but not limited to, any material or substance which is (i) defined as a "hazardous waste," "extremely hazardous waste," or "restricted hazardous waste" under Section 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) petroleum, (vi) friable asbestos, (vii) polychlorinated byphenyls, (viii) listed under Article 9 or defined as "hazardous" or "extremely hazardous" pursuant to Article 11 of Title 22 of the California Code of Regulations, Division 4, Chapter 20, (ix) designated as "hazardous substances" pursuant to Section 311 of the Clean Water Act (33 U.S.C. §1317), (x) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq. (42 U.S.C. §6903) or (xi) defined as "hazardous substances" pursuant to Section 101 of the Comprehensive Environmental
Response, Compensation, and Liability Act, 42 U.S.C. §9601 et seq. Notwithstanding the foregoing, "Hazardous Materials" shall not include such products in quantities as are customarily used in the construction, maintenance, development or management of residential developments or associated buildings and grounds, or typically used in residential activities in a manner typical of other comparable residential developments, or substances commonly ingested by a significant population living within the Project, including without limitation alcohol, aspirin, tobacco and saccharine.

"Housing Units" means and refers to the individual apartment units within the Project to be developed and operated by the Developer.

"Legal Description" means and refers to the description of the Site, which is attached hereto as Attachment No. 1, which description will be finalized in accordance with the preparation and filing of the Final Parcel Map.

"Lender" means and refers collectively to each of the responsible financial lending institutions or persons or entities approved by the City in its reasonable discretion, which provide construction loans or permanent loans as part of the Project Financing for the development of the Project.

"Project" means and refers to the fifty-three (53) rental dwelling unit including one unrestricted on-site manager unit multifamily apartment complex to be developed and operated by the Developer as provided herein.

"Project Accounting Year" means and refers to the tax year accounting period designated by the Developer in its Tax Credit Limited Partnership Agreement.

"Project Escrow Closing Allonge" means and refers to the allonge as shall be prepared by the City and attached to each City Note by the Escrow Agent at the time of the Closing.

"Project Financing" means and refers collectively to the Lender Financing and the City Loan.

"Rent" shall mean the total of monthly payments by the tenants of a Housing Unit for use and occupancy for the Housing Unit and facilities associated therewith, including a reasonable allowance for utilities for an adequate level of service, as defined in 25 California Code of Regulations Section 6918.

"Residual Receipts" mean and refer to the portion of the annual cash income of the Project as more particularly described in each of the City Notes.

"Schedule of Performance" means and refers to that certain Schedule of Performance set forth as Attachment No. 3 which specifies the timing and sequencing for the design, construction and improvement of the Project and performing the various other obligations of this Agreement. The Schedule of Performance may be modified or amended by mutual agreement of the Parties in writing as provided in Section 314.3.
"Site" has the meaning provided in the Recitals.

"State TCAC" means and refers to the State of California Tax Credit Allocation Committee.

"Tax Credit Limited Partnership" means and refers to a California limited partnership to be formed by the Developer, of which the Developer shall be the managing general partner (or the sole member thereof), and which shall admit at or prior to Closing one or more tax credit investor limited partners.

"Tax Credit Limited Partnership Agreement" means and refers to the amended and restated limited partnership agreement by and between the Developer and its tax credit investor limited partners. The final form of the Tax Credit Limited Partnership Agreement shall be subject to the reasonable written approval of the City prior to the Close of Escrow.

"Tax Credit Regulatory Agreement" means and refers to the regulatory agreement which may be required to be recorded against the Site and the Project with respect to the allocation of Tax Credits to the Project by State TCAC.

"Title Policy" means and refers to the policy of title insurance to be issued to the Developer as set forth in Section 203.

102. List of Attachments

The following is an identification of the various attachments which are referenced in other sections of this Agreement. Each such attachment is hereby incorporated into the text of this Agreement by this reference:

Attachment No. 1 Site Legal Description
Attachment No. 2 [No Text -- Intentionally Omitted]
Attachment No. 3 Schedule of Performance
Attachment No. 4 Form of City Purchase Mortgage Note
Attachment No. 5 Form of City Purchase Mortgage Deed of Trust
Attachment No. 6 Form of ARHD Note
Attachment No. 7 Form of City Regulatory Housing Agreement
Attachment No. 8 Form of ARHD Deed of Trust
103. **City Site Assembly History and Sources of Funding of City Loan.**

103.1 The City owns and controls the City Site as of the Effective Date of this Agreement. The sources of funds which the City used to acquire the City Site were obtained from tax increment funds.

103.2 The sources of the City funds which the City shall use to originate the City Loan to the Developer are (A) the Purchase Mortgage Loan for the payment by the Developer of the Purchase Price to the City for the conveyance of the City Site to the Developer; and (B) City Successor Housing Agency Housing Asset Funds.

103.3 [RESERVED – NO TEXT]

103.4 The amount of the portion of the Purchase Price for the Site as shall be evidenced by the City Mortgage Note shall be allocated by the City to reimburse the City funding sources identified above in Section 103.2.

103.5 The sole sources of the funds of the City which shall use or make available by the City to originate the City Loan at the Close of Escrow shall be

(i) the City Purchase Mortgage Loan; and

(ii) the Affordable Rental Housing Development Loan.

No other source of funds is available to the City to originate the City Loan and accordingly, the City Loan is a special and limited fund obligation of the City and the proceeds of the City Loan shall be payable to the Developer solely from the City funds identified in this Section 103.

104. **Term.** The term of this Agreement ("Term") shall commence on the Effective Date and remain in effect until the later date of Fifty-Seven (57) years after the Close of Escrow or payment in full by the Developer of all principal and accrued interest under the City Notes; provided, however, that the provisions of Section 510 of this Agreement shall apply in perpetuity.

Notwithstanding any provision of the foregoing paragraph, the term of the City
Regulatory Housing Agreement shall be as set forth in the City Regulatory Housing Agreement, and the payment in full of the City Loan shall not alter or effect the term or effectiveness of the City Regulatory Housing Agreement.

105. Memorandum of DDA. If requested by either party, Developer and the City shall each execute a form of memorandum of this Agreement in mutually acceptable, recordable form and deliver it to the Title Company for recoradation within thirty (30) days following the Developer’s State TCAC application submittal.

200. SALE OF THE CITY SITE TO DEVELOPER

201. Agreement to Purchase and Sell; Purchase Price.

201.1 The Developer agrees to purchase the City Site from the City, and the City agrees to sell the City Site to the Developer, in accordance with and subject to all of the terms, covenants, and conditions of this Agreement, for the not-to-exceed sum of Nine Hundred Seventy-Four Thousand Five Hundred Forty-Six Dollars ($974,546.00) (the “Purchase Price”), subject to subsequent confirming appraisal.

201.2 Purchase Price amount shall be payable by the Developer to the City as in two (2) installments, with the first installment payable as the “Independent Consideration” amount paid by the Developer to the City under Section 201.3, and the unpaid balance of the Purchase Price to be evidenced by the City Mortgage Note to be delivered to the City at the Close of Escrow.

201.3 Notwithstanding any other provisions set forth in this Agreement, Five Hundred Dollars ($500) of the Purchase Price shall be payable to the City outside of the Escrow within thirty (30) days following the Effective Date and shall be non-refundable to the Developer at all times prior to the Close of the Escrow as full payment and independent consideration for the execution of this Agreement by the City (the “Independent Consideration”). At the Close of Escrow, the Independent Consideration shall be credited to the original principal balance of the City Mortgage Note.

202. Escrow. Within the time set forth in the Schedule of Performance, the Parties shall open escrow (the “Escrow”) with Commonwealth Land Title Insurance Company in its Los Angeles office, attention Kathy Religioso, or with another escrow company mutually satisfactory to both Parties (the “Escrow Agent”) for the conveyance of the City Site to the Developer and the funding of the City Loan.

202.1 Costs of Escrow. The Developer shall pay the premium for the Title Policy including the cost of the title insurance coverage in favor of the City as the lender under the City Loan as set forth in Section 203 and the documentary transfer taxes due with respect to the conveyance of the City Site, and all of the other usual fees, charges, and costs which arise from Escrow.

202.2 Escrow Instructions. This Agreement constitutes the joint escrow instructions of the Developer and the City, and Escrow Agent to whom these instructions are delivered is hereby empowered to act under this Agreement. The Parties hereto agree to execute
and deliver such documents (in recordable form as required), pay or deposit such funds, do all such acts consistent with their respective obligations hereunder as may be reasonably necessary subject to the satisfaction of the applicable conditions of the Parties to close the Escrow in the shortest possible time and in any event on or before the date set forth in the Schedule of Performance. All funds received in the Escrow shall remain the property of the Party who delivers such funds to Escrow until such funds are released by the Escrow Agent in accordance with the written order and instruction of the Party who has provided such funds to Escrow. If in the opinion of Escrow Agent or either Party, it is necessary or convenient in order to accomplish the Closing of the Escrow, such Party may require that the Parties sign supplemental escrow instructions including without limitation supplemental escrow instructions for the coordination of the Close of Escrow as may be required by Developer’s tax credit investor and other Lenders; provided that if there is any inconsistency between this Agreement and the supplemental escrow instructions, then the provisions of this Agreement shall control. The Parties agree to execute such other and further documents as may be reasonably necessary, helpful or appropriate to effectuate the provisions of this Agreement. The Escrow Agent is instructed to release City’s and the Developer’s escrow closing statements to both Parties.

202.3 Authority of Escrow Agent. Escrow Agent is authorized to, and shall:

202.3.1 Pay and charge the Developer for the premium of the Title Policy and any endorsements thereto as set forth in Section 203, the documentary transfer tax, and any amount necessary to insure title to the City Site in the Condition of Title provided for in Section 203 of this Agreement.

202.3.2 Pay and charge the City and the Developer for their respective shares of any other escrow fees, charges, and costs payable in accordance with Section 202.1 of this Agreement.

202.3.3 Disburse funds held by the Escrow Agent and deliver and record the Grant Deed when both the Developer’s Conditions Precedent and the City’s Conditions Precedent have been fulfilled or waived in writing by the benefited Party or Parties.

202.3.4 Record the applicable City Loan Documents and the other applicable Project Financing Documents from applicable Lenders and deliver the executed City Notes to the City.

202.3.5 Do such other actions as necessary, including, without limitation, obtaining the Title Policy, to fulfill its obligations set forth in this Agreement and to close the transactions contemplated hereby.

202.3.6 Direct the City and the Developer to execute and deliver any instrument, affidavit, and statement, and to perform any act reasonably necessary to comply with the provisions of FIRPTA and any similar state act and regulation promulgated thereunder. The City agrees to execute a Certificate of Non-Foreign Status by individual transferor and/or a Certification of Compliance with Real Estate Reporting Requirement of the 1986 Tax Reform Act as may be required by Escrow Agent, on the form to be supplied by Escrow Agent.

202.3.7 Prepare and file with all appropriate governmental or taxing
authorities a uniform settlement statement, closing statement, tax withholding forms including an IRS 1099-S form, and be responsible for withholding taxes, if any such forms are provided for or required by law.

202.4 Closing. The conveyance of the City Site, the equity contributions of the Developer and the funding of the Project Financing from the other Lenders shall be accomplished at the Close of the Escrow (the “Closing”) within thirty (30) business days after both the Developer and the City have confirmed the satisfaction (or written waiver, as the case may be) of all of the City’s and Developer’s Conditions Precedent to Closing as set forth in Section 205 hereof, and in no event shall the Closing occur later than December 31, 2022 (the “Outside Closing Date”) unless otherwise agreed in writing by the Parties. The words “Closing” and “Close of Escrow” shall mean the date on which the Grant Deed is recorded by the County Recorder. The words “Closing Date” shall mean the day on which the Closing occurs.

202.5 Closing Procedure. Escrow Agent shall close the Escrow for the City Site and the Project Financing as follows (provided, however, that the following is not intended to establish an order of priority).

202.5.1 Deliver and record the Grant Deed and the City Regulatory Housing Agreement.

202.5.2 Deliver and record the applicable Project Financing Documents of the other Lenders.

202.5.3 Record the City Deeds of Trust.

202.5.4 Instruct the Title Company to deliver the Title Policy to the Developer and each of the Lenders’ policies of title insurance to the other applicable Lenders in the Project Financing.

202.5.5 File any informational reports required by the Internal Revenue Code and any other applicable requirements.

202.5.6 Deliver the FIRPTA Certificate, if any, to the Developer.

202.5.7 Forward to the Developer, the City and each applicable Lender a separate accounting of all funds credited to the Escrow or received and disbursed for the account of such a party, together with copies of all executed and recorded or filed documents deposited into the Escrow, with such recording and filing date and information endorsed thereon.

202.6 Review of Title. Within the time set forth in the Schedule of Performance, the City shall cause Commonwealth Land Title Insurance Company or another title company mutually agreeable to both parties (the “Title Company”), to deliver to the Developer a preliminary title report or reports (collectively, the “Title Report”) with respect to the title to the City Site, together with legible copies of the documents underlying the title exceptions (“Exceptions”) set forth in the Title Report. The Developer shall have the right to approve or disapprove the Exceptions in its sole discretion. The Developer shall also have the right to obtain an ALTA survey of the City Site (the “Survey”) so long as the Developer orders such
Survey within fifteen (15) days after its receipt of both the Title Report and all documents underlying the Exceptions. The Developer shall have thirty (30) days from the later of the date of its receipt of (a) the Title Report and all Exceptions or (b) the Survey to give written notice to the City and Escrow Agent of the Developer’s approval or disapproval of any of Exceptions set forth in the Title Report or shown on the Survey. Developer’s failure to provide notice of its approval of the condition of title of the City Site within such time limit shall be deemed disapproval of the same. If the Developer delivers notice to the City of its disapproval or if there is deemed disapproval of any Exceptions in the Title Report or shown on the Survey, the City shall attempt to remove such disapproved Exceptions or provide assurances reasonably satisfactory to the Developer that such Exception(s) will be removed on or before the Closing. If the City notifies the Developer that the City cannot remove any of the disapproved Exceptions, within twenty (20) business days of its receipt of such notice from the City the Developer shall either give the City written notice that the Developer elects to proceed with the purchase of the City Site, subject to its acceptance of the disapproved Exceptions, or the Developer may give the City written notice that the Developer elects to terminate this Agreement. The Developer’s failure to provide such notice shall be deemed Developer’s election to terminate this Agreement. Fee simple title subject only to the Exceptions to title approved by the Developer as provided herein, shall hereinafter be referred to as the “Condition of Title.” The Developer shall have the right to approve or disapprove any further Exceptions reported by the Title Company or the surveyor after the Developer has approved the Condition of Title for the City Site as set forth in the preceding subsections of this Section 202.6, provided however that any such further Exception which is not identified in the initial version of the Title Report shall not have been created by the Developer. The City shall not voluntarily create or knowingly permit any new exceptions to title on the City Site following the Effective Date of this Agreement without Developer’s prior written approval.

202.7 Recordation of Final Parcel Map. The Cesar Chavez Foundation, a nonprofit public benefit corporation and an affiliate of and the predecessor in interest of the Developer has or will file jointly with the City for approval of a Tentative Parcel Map to consolidate the City Site and the Adjacent Site that currently make up the Site into one. Developer and the City shall use commercially reasonable efforts to process and obtain final approval by the City of a Final Parcel Map for the Project as provided in any Planning Commission Resolution approving the Tentative Parcel Map (the “Final Parcel Map”). In consultation with the Developer and the City, the Escrow Holder shall coordinate the recordation of the Final Parcel Map and the recordation of any other instruments associated with the recordation of the Final Parcel Map. The Final Map shall allow for the consolidation of the Adjacent Parcel and the City Parcel, and the City will retain the remainder of City-owned parcel (approx. 3,446 s.f.) in fee for public street improvement purposes, including a prospective southbound right turn only lane for traffic going from Tyler Avenue west onto Valley Boulevard. All costs and expenses associated with the recordation of the Final Parcel Map shall be payable by the Developer. The recordation of the Final Parcel Map as set forth in this Section 202.7 shall be a condition to closing and is only waivable by the Developer.

203. Title Insurance.

203.1 Title Insurance for the Developer. Concurrently with recordation of the Grant Deed conveying title to the City Site to the Developer, the Title Company shall issue to the
Developer, at the Developer’s election, a CLTA or ALTA owner’s policy of title insurance (the “Title Policy”), together with such endorsements as are reasonably requested by the Developer, insuring that the title to the conveyed City Site is vested in the Developer in the Condition of Title approved by the Developer as provided in Section 202.5 of this Agreement. The Title Company shall provide the City with a copy of the Title Policy. The Developer shall pay the premium for the Title Policy and any endorsements thereto, and the Developer shall pay the cost of any Survey.

203.2 Title Insurance for Lenders Under the Project Financing. At the Closing, the Title Company shall also issue lender’s policies of title insurance in accordance with the written instruction of each Lender under the applicable element of the Project Financing corresponding to such Lender, including the City. The City shall have no responsibility to pay for the cost of any such Lender’s policy of title insurance.

204. Conditions of Closing. The Closing of the conveyance of the City Site and the funding of the City Loan is conditioned upon the satisfaction (or written waiver by the benefited Party or Parties in the sole and absolute discretion reserved to each of them) of the following terms and conditions within the times designated below.

204.1 City’s Conditions of Closing. The City’s obligation to proceed with the Closing of the Conveyance of the City Site and the funding of the City Loan is subject to the fulfillment or waiver by City of each and all of the conditions precedent described in this Section 204.1 (the “City’s Conditions Precedent”), which are solely for the benefit of the City, and which shall be fulfilled or waived by the time periods provided for herein (provided, however, that if the reason for the failure of any of the following conditions is due to a City default, such failure shall not be deemed to constitute the failure of the City’s Conditions Precedent).

204.1.1 At the Closing, the Developer shall not be in material default in any of its obligations set forth in this Agreement and all representations and warranties of Developer contained in this Agreement shall be true and correct in all material respects.

204.1.2 The Developer shall have executed the City Loan Documents and the Developer shall have delivered all such documents into Escrow.

204.1.3 Prior to the Close of Escrow, the Developer shall have deposited into Escrow the Escrow closing costs and other funds which may be the Developer’s responsibility to provide.

204.1.4 Developer shall have obtained ministerial approval from the City for the issuance of building permits required to commence the construction of the Project subject only to payment to the City of the cost of issuance of such building permits.

204.1.5 All of the Development Project Approvals as set forth in Section 301 remain in full force and effect.

204.1.6 [RESERVED – NO TEXT]

204.1.7 The Developer shall have provided proof of insurance to the City
as required by Section 308.

204.1.8 The Developer shall have provided to the City proof of financing for the Project, and all of the documentation evidencing the Project Financing for each of the other Lenders shall have been fully executed by the Developer and the applicable Lender.

204.1.9 Receipt by the City from the Developer of such other documents, certifications and authorizations as are reasonably required by City, in form and substance satisfactory to City, evidencing:

(i) this Agreement and the other City Loan Documents are duly and validly executed by the Developer and constitute the valid and enforceable obligation of the Developer pursuant to their respective terms; and

(ii) execution and delivery of the City Loan Documents, and the performances thereunder by the Developer, will not breach or violate any applicable law or governmental regulation nor constitute a default under any instrument or agreement to which the Developer is a party and if requested by City;

(iii) an opinion of legal counsel to the Developer in a customary form reasonably acceptable to City opining as to the issues described in this subsection and such other matters as required by the City in its capacity as lender.

(iv) satisfaction of all applicable City regulatory requirements and conditions.

204.1.10 The Title Company shall have assured the City in writing that upon recordation of the City Deeds of Trust, the City Regulatory Housing Agreement and other applicable City Loan Documents, there will be provided to the City, at the sole expense of the Developer, an ALTA Loan Extended Coverage Policy ("Title Policy"), with endorsements required by the City issued by the Title Company in the amount of the City Loan, insuring the interest of the City in the Site and the mortgaged property as beneficiary under the City Deeds of Trust, and specifically insuring that the lien of the City Deeds of Trust against the Site and the mortgaged property is subject only to the lien of the other Lenders as approved by the City and any other exceptions to title applicable to the Site and the mortgaged property which shall arise upon the Closing and which have been expressly approved in writing by City as part of the Project Financing (collectively, the "Permitted Encumbrances").

204.1.11 No uncured event of default shall exist under any other Project Financing document or agreement between the Developer and the entity proposing to provide other Project Financing.

204.1.12 The Developer has demonstrated to the reasonable satisfaction of the City that all construction and permanent financing sources for development and operation of
the Project, including but not limited to equity from the Tax Credit Limited Partnership’s investor limited partner, are or will be available to the Developer at and after the Closing in sufficient amounts to provide for full and timely completion and ongoing operation of the Project.

204.1.13 The Developer shall have furnished the City and obtained the City’s approval of all soils, geologic reports and other development related reports existing with respect to the Site. The consultants preparing such reports shall all be duly licensed to perform such work in the State of California and carry professional errors and omissions acceptable to City unless such insurance coverage for one or more consultants is specifically waived by the City. The Developer hereby acknowledges that City’s review and approval of such reports and of any other contract, document or other matter under this Agreement is solely for the benefit of City, and should not be relied upon as any assurance or warranty of the correctness, adequacy or appropriateness of any such matter.

204.1.14 The Developer shall have provided to the City, in form reasonably satisfactory to the City, copies of:

(i) the Tax Credit Limited Partnership Agreement together with a certification by the managing general partner that such agreement or articles and bylaws has not been amended or modified except as described in the certification;

(ii) a good standing certificate from the California Secretary of State, certifying that the Developer is duly qualified and in good standing;

(iii) all other documents reasonably necessary to evidence to the City’s reasonable satisfaction that the individuals and entities executing this Agreement and the other City Loan Documents are fully authorized to do so and to bind such entities, including the Developer, to the terms of the applicable agreements, including this Agreement; and

(iv) if the Developer is managed or operated by a corporate, limited liability or partnership entity then such entity shall provide the same information and evidence.

204.1.15 If applicable, the Developer shall have obtained the City’s written approval of a multi-party construction disbursement agreement for the Project Financing together with appropriate supplemental instruction to Escrow Holder specifying the applicable payees and uses of loan proceeds when disbursed by Escrow Holder at the Closing for the account of Developer pursuant to this Agreement.

204.1.16 The Developer shall have furnished the City and obtained the approval of each of the other Lenders and the City to the final construction budget for the Project in a format reasonably acceptable to the other Lenders and the City.
204.1.17 The Developer shall have furnished the City and obtained the City’s approval of an operating budget and management plan for the Project. Such management plan shall include a preliminary operating budget and identify each operations reserve for the Project, including the initial funded balance of each such reserve fund, in a format reasonably satisfactory to the City. In the event the preliminary operating budget is proposed for material revision following the Close of Escrow, any such revision must be submitted to City no later than ninety (90) days prior to occupancy of the Project and shall be approved by the City at its reasonable discretion.

204.1.18 The City shall have confirmed that the legal opinion of the City Attorney regarding compliance by the City with State Constitution Article XXXIV is also applicable to the final structure of the financing for the Project at the time of the Close of Escrow.

204.1.19 [Reserved – NO TEXT]

204.1.20 The Developer shall be ready to commence construction of the Project promptly following the Close of Escrow, and the Developer shall have furnished the City with copies of:

(i) a contract for the Project improvement ("Construction Contract") entered into with the General Contractor (as defined in Section 305 below);

(ii) a payment bond with respect to the Project as produced by the General Contractor which is in the amount of the contract price identified in the Construction Contract, is issued by a surety reasonably acceptable to the City, is in form and content reasonably approved by the City and names the City as an additional obligee; and

(iii) a performance bond for one hundred percent (100%) of the contract price, guaranteeing the completion of the Project development which is in form and content reasonably approved by the City, is issued by a surety acceptable to the City, and names the City as an additional obligee.

204.2 Developer’s Conditions of Closing. Developer’s obligation to proceed with the purchase of the City Site from the City and initiate and complete the construction of the Project is subject to the fulfillment or waiver by Developer of each and all of the conditions precedent 204.2.1 through 204.2.9, inclusive, described below (the “Developer’s Conditions Precedent”), which are solely for the benefit of Developer, and which shall be fulfilled or waived by the time periods provided for herein (provided, however, that if the reason for the failure of any of the following conditions is due to a Developer Default, such failure shall not be deemed to constitute the failure of the Developer’s Conditions Precedent).

204.2.1 At the Closing, the City shall not be in material default in any of its obligations set forth in this Agreement and all representations and warranties of City
contained herein shall be true and correct in all material respects.

204.2.2 The City shall have executed the Grant Deed, the City Regulatory Housing Agreement and the other City Loan Documents which are also required to be executed by the City and the City shall have delivered such documents into Escrow.

204.2.3 The Title Company shall have unconditionally committed to issue the Title Policy to the Developer, and the applicable policies of lenders' title insurance in favor of the City and each of the other Lenders providing the Project Financing, as provided in Section 203.

204.2.4 Developer shall have obtained all the Ministerial Building Permits from the City as required for the initiation of construction of the Project subject only to the payment by the Developer to the City for the cost of issuance of such permits at the Close of Escrow.

204.2.5 All of the Development Project Approvals as set forth in Section 301 remain in full force and effect.

204.2.6 Developer shall not have elected to terminate this Agreement due to an adverse and unresolved environmental condition of the City Site as set forth in Section 205.

204.2.7 The Project Financing and Developer and/or tax credit partnership equity secured to pay for the cost of construction and permanent financing is required for the development of the Project shall be committed to the Developer, subject to conditions set forth in the applicable loan documents and the Tax Credit Limited Partnership Agreement, and such financing shall be ready to close upon the Closing.

204.2.8 The Developer shall have obtained the insurance as required by Section 308.

205. Physical and Environmental Condition of the City Site.

205.1 AS-IS Condition; Exceptions. Except as set forth herein, the City Site shall be conveyed to the Developer by the City in an “AS IS/WHERE IS/SUBJECT TO ALL FAULTS” physical and environmental condition, with no warranty, express or implied, by the City as to the condition of any existing improvements, the soil, its geology, the presence of known or unknown faults or Hazardous Materials or toxic substances, and it shall be the sole responsibility of the Developer at its expense to investigate and determine the physical and environmental condition of the City Site prior to the Closing of Escrow. If the physical or environmental condition is not in all respects entirely suitable for the use or uses to which the City Site will be put, the Developer may terminate this Agreement prior to the Close of Escrow whereupon the parties shall be mutually released from all further liability. If the Developer approves the physical and environmental condition of the City Site and accepts the conveyance of the City Site, then it shall be the sole responsibility and obligation of the Developer to take such action as may be necessary to place the physical and environmental conditions of the City Site in a condition entirely suitable for the purposes of the residential use and occupancy of the City Site as proposed by the Developer under this Agreement.
205.2 Physical and Environmental Investigations and Testing of City Site. The Developer and its agents, employees, contractors, consultants, prospective financial partners and representatives (including without limitations Developer’s environmental consultants (each an “Environmental Consultant”)) shall have the right at any time prior to the time of the Close of Escrow as the Developer deems necessary, including but not limited to tests, topographical surveys, ALTA surveys, appraisals, studies, invasive testing, geotechnical testing, and any “Phase I” and/or “Phase II” investigation of the City Site. The Developer shall promptly provide the City with a copy of all reports and test results prepared by an Environmental Consultant (collectively, the “Environmental Report”). The Developer shall investigate and approve or disapprove the physical and environmental condition of the City Site within the time set forth in the Schedule of Performance, and shall have the further right to review and approve any subsequent changes in the environmental condition of the City Site after Developer’s initial approval. The Developer’s failure to obtain the appropriate Environmental Reports and/or to deliver written notice to the City of its disapproval of the condition of the City Site within one hundred twenty (120) days following the Effective Date shall be deemed approval by the Developer of the physical and environmental condition of the City Site. If Developer delivers written notice to the City of its disapproval of the City Site for any reason, this Agreement shall terminate and the Parties shall have no further obligations hereunder except as explicitly provided in this Agreement.

205.3 Environmental Release of City. Subject to the Closing, the Developer for itself and for its successors and assigns hereby waives, releases and discharges forever the City, and its employees, officers, agents and representatives, from all present and future claims, demands, suits, legal and administrative proceedings and from all liability for damages, losses, costs, liabilities, fees and expenses, present and future, arising out of or in any way connected with the physical and environmental condition of the City Site, any Hazardous Materials on or under the City Site, or the existence of Hazardous Materials contamination due to the generation of Hazardous Materials from the City Site, however such Hazardous Materials may have come to be placed there, except that arising out of the negligence or misconduct of the City or its respective employees, officers, agents or representatives. An acknowledgement of this waiver, release and discharge of the City by the Developer shall be included in the text of the Grant Deed. The Developer further acknowledges that it is aware of and familiar with the provisions of Section 1542 of the California Civil Code which provides as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

As such relates to this Section 205.3, the Developer hereby waives and relinquishes all rights and benefits which it may have under Section 1542 of the California Civil Code.
205.4 Developer Hazardous Materials Precautions after Closing. From and after the time of the Closing, the Developer shall take all necessary but reasonable precautions to prevent the release into the environment of any Hazardous Materials which are located in, on or under the City Site. Such precautions shall include compliance with all Governmental Requirements with respect to Hazardous Materials. In addition, the Developer shall install and utilize such equipment and implement and adhere to such procedures as are consistent with commercially reasonable standards as respects the disclosure, storage, use, removal and disposal of Hazardous Materials.

205.5 Developer Indemnity. Upon the Closing, the Developer agrees to indemnify, defend and hold the City, its employees, officers, agents and representatives harmless from and against any claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage, or expense (including, without limitation, reasonable attorneys’ fees), resulting from, arising out of, or based upon (i) the presence, release, use, generation, discharge, storage or disposal of any Hazardous Materials on, under, in or about, or the transportation of any such Hazardous Materials to or from the City Site which occurs during the period of the Developer’s ownership thereof and is caused or exacerbated by Developer, or (ii) the violation, or alleged violation, of any statute, ordinance, order, rule, regulation, permit, judgment or license relating to the use, generation, release, discharge, storage, disposal or transportation of Hazardous Materials on, under, in or about, to or from, the City Site which occurs during the period of the Developer’s ownership of the City Site. This indemnity shall include, without limitation, any damage, liability, fine, penalty, or expense arising from or out of any claim, action, suit or proceeding for personal injury (including sickness, disease or death), tangible or intangible property damage, compensation for lost wages, business income, profits or other economic loss, damage to the natural resource or the environment, nuisance, contamination, leak, spill, release or other adverse effect on the environment (collectively, “Claims”); provided, however, that the City shall not be entitled to indemnification under this Section to the extent any Claim arises out of the negligence or misconduct of the City or its respective employees, officers, agents or representatives. At the request of the Developer, the City shall cooperate with and assist the Developer in its defense of any such Claims; provided that the City shall not be obligated to incur any cost or expense in connection with such cooperation or assistance if the City is entitled to indemnification hereunder.

300. DEVELOPMENT OF THE TYLER VALLEY METRO HOUSING PROJECT

301. Development Project Approvals. The City has previously granted the following “Development Project Approvals” for the Project:

Tentative Parcel Map No. 83105;
Affordable Housing Concession No. 01-20;
Affordable Housing Concession No. 02-20;
Affordable Housing Concession No. 03-20;
Density Bonus No. 01-20; and
302. **Development of the Project.** The Project shall generally consist of a multifamily apartment complex with fifty-two (52) restricted affordable apartment units and one (1) unrestricted on-site manager unit, and associated parking, landscaping and common areas. The Developer agrees to construct and develop the Project substantially in accordance with the Development Project Approvals incorporated herein and all applicable local codes, development project ordinances in effect at the time of the Developer Project Approvals. As of the Effective Date, the cost to acquire and construct the Project is estimated to be approximately Thirty-Four Million Nine Hundred Ninety-Eight Thousand Two Hundred Thirty Dollars ($34,998,230.00). Except for the City Loan and all other Project Financing, all other funds necessary to complete the acquisition and development of the Project shall be provided by the Tax Credit Limited Partnership.

303. **Mix of Apartment Units in the Project.** One Hundred Percent (100%) of the dwelling units in the Project (other than the manager unit) shall be reserved for occupancy by low and moderate income persons and families and shall be restricted by the City Loan Documents and will comply with the State TCAC’s income and rent standards. As of the Effective Date the Developer anticipates that the mix of bedrooms among the apartment units in the Project shall be as follows:

<table>
<thead>
<tr>
<th>Number of Units</th>
<th>Number of Bedrooms in Each Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>1</td>
</tr>
<tr>
<td>13</td>
<td>2</td>
</tr>
<tr>
<td>14</td>
<td>3</td>
</tr>
<tr>
<td>1</td>
<td>2 (Manager Unit)</td>
</tr>
<tr>
<td>53</td>
<td>N/A</td>
</tr>
</tbody>
</table>

304. **Project Development Plans and Ministerial Project Permits.**

304.1 Based upon the Development Project Approvals, the Developer shall promptly prepare at its sole cost and expense the appropriate plans, materials and drawings describing the means and methods for development of the Project (collectively, the “Development Plans”) for submittal to the City for the issuance by the City (or the applicable regulatory jurisdiction) of the regulatory and building permits (each a “Ministerial Project Permit”) as required under the Governmental Requirements for the initiation of construction and improvement of the Project. The Developer shall prepare and complete the applicable ministerial project permit applications and prepare and submit the appropriate Development Plans to obtain the issuance of the Ministerial Project Permits for the Project at the Close of Escrow. Upon the City’s disapproval or conditional approval of any such Ministerial Project Permit, the Developer shall revise the portion of such plans identified by the City as requiring a revision and resubmit the revised plans to the City. The City shall have all rights to review and approve or disapprove all Development Plans and other required submittals in accordance with the City Municipal Code. Any and all change orders or revisions required by the City, or a City official or building inspector which is/are required under the Municipal Code and all other applicable Uniform Codes (e.g. Building, Plumbing, Fire, Electrical, etc.) and under other
applicable laws and regulations shall be included by the Developer in its Development Plans and other required submittals. The City shall not be responsible either to the Developer or to any third party in any way for any defect or omission in the Development Plans, nor shall the City be liable for any structural or other defect in any work done according to the approved Development Plans, nor for any delays reasonably caused by the review and approval processes established by this Section 304.

304.2 The City hereby agrees to assist and cooperate with the Developer to obtain the Ministerial Project Permits for the Project provided however the words, “assist and cooperate” as used in the preceding sentence shall not require the City to contribute or make available any funds beyond the amount of the City Loan as set forth in this Agreement.

304.3 The Developer acknowledges and agrees that the City retains regulatory jurisdiction over the review of each application and issuance of Ministerial Project Permit in conformity with the Development Project Approvals. The City retains the sole and absolute discretion under its regulatory and other police powers to review each element of the Development Plans and to confirm that each of them is complete, and to issue the Ministerial Project Permits for the Project in accordance with applicable Government Requirements.

305. Construction Contract. Developer shall enter into a contract with Greenfield Construction, LLC, a California limited liability company, or one or more other general contractors reasonably acceptable to the City for the construction of the Project (the “General Contractor”).

306. Timing of Development of the Project. The Developer hereby covenants and agrees to apply for and make commercially reasonable efforts to obtain all Ministerial Project Permits as set forth in the Schedule of Performance and commence the improvement of the Project promptly following the Close of Escrow. The Developer further covenants and agrees after Closing to make commercially reasonable efforts to prosecute to completion the development of the Project in accordance with the approved Development Plans within the time set forth in the Schedule of Performance. Either party may request changes to the Schedule of Performance, which changes shall be subject to the reasonable approval of the other party as provided in Section 314 hereof.

307. [RESERVED – NO TEXT]

308. Insurance of the Developer.

308.1 In order to protect the City, its governing board, commissions, agents, officers, employees and authorized representatives against all claims and liability for death, injury, loss and damage as a result of Developer’s actions in connection with the City Loan and the design, construction, financing and operation of the Project, the Developer shall secure and maintain insurance as described in Attachment No. 9 (the “Insurance Requirements”). Such insurance shall be in full force and effect as of the Effective Date, and thereafter the Developer shall continuously maintain such insurance until the City Loan is paid in full. Developer shall pay any deductibles under all required insurance policies.

308.2 Developer shall require each contractor and sub-contractor engaged to
perform any work on the Project to provide workers’ compensation for all of such contractors’ or sub-contractors’ employees, unless the contractors’ or sub-contractors’ employees are covered by worker’s compensation insurance afforded by the Developer. If any class of employees engaged in work or services performed in connection with the Project is not covered by Labor Code Section 3700, the Developer shall provide and/or require each contractor or sub-contractor to provide adequate insurance for the coverage of employees not otherwise covered.

309. Indemnity. Separate and cumulative with the environmental indemnity of the Developer in favor of the City under Section 205.5, the Developer shall, at its expense, defend, indemnify, and hold harmless the City and its officers, agents, employees and representatives harmless from any and all losses, liabilities, claims, lawsuits, causes of action, judgments, settlements, court costs, attorneys’ fees, and other legal expenses, costs of evidence of title, costs of evidence of value, and other damages of whatsoever nature arising out of or in connection with, or relating in any manner to any act or omission of Developer or its agents, employees, contractors and subcontractors of any tier and employees thereof in connection with or arising from Developer’s performance or nonperformance of its obligations under this Agreement, Developer’s ownership or operation of the Project, or the development of the Project, except for any such loss, liability, claim, lawsuit or other damage to the extent arising from the gross negligence or willful misconduct of the City or its officers, agents, employees or representatives.

310. Right of Access and Inspection During Course of Construction. The City shall have the right at any time during normal business hours, and upon advance telephonic or written notice of at least 24 hours, to enter upon the City Site during the period of construction of the Project for purposes of inspection. If the City in its reasonable discretion determines that any work or materials are not in conformity with this Agreement or any Governmental Requirement, or that the Project is not being operated in conformity with this Agreement or any Governmental Requirement, the City may at its election, after notice to the Developer and affording the Developer thirty (30) days after such notice to cure the matter (or without notice in the case of an emergency) and the Developer fails to cure the matter the City at its discretion may in addition to its other remedies in the Event of Default by the Developer itself elect to cure the matter. In addition, during the course of construction, after the notice and cure periods in the prior sentence, and subject to the rights of other Lenders, City may immediately stop the work and order replacement or correction of any work or materials not in conformity with this Agreement or any Governmental Requirement. Inspection by the City of the Project or the City Site is not to be construed as an acknowledgment, acceptance or representation by the City that there has been compliance with any terms or provisions of this Agreement, or that the work of improvement of the Project will be free of faulty materials or workmanship.

311. Compliance with Laws. The Developer shall comply with all Governmental Requirements. As used herein, “Governmental Requirements” shall mean and include any and all laws, statutes, ordinances, codes, rules, regulations, directives, writs, injunctions, orders, decrees, rulings, conditions of approval, or authorizations, now in force or which may hereafter be in force, of any governmental entity, agency or political subdivision as they pertain to the performance of this Agreement or development or operation of the Project, including specifically but without limitation all code and other requirements of the City; the California Environmental Quality Act; fair housing laws, prevailing wage laws (e.g. California Labor Code 1720 et seq. and the federal Davis-Bacon Act (40 U.S.C. 276a), and any other applicable federal, state and
local laws. The indemnity of the Developer in favor of the City under Section 309 shall include the obligation of the Developer to hold the City harmless from any suit, cost, attorneys’ fees, claim, administrative proceeding, damage, wage award, fine, penalty or liability arising (whether by negligence, willful act or otherwise) out of or relating to the Developer’s failure to comply with any Governmental Requirements, including, without limitation, the nonpayment of any prevailing wages required to be paid, failure to maintain wage records, failure to post prevailing wage schedules, or other acts or omissions, regardless of whether they are the responsibility of the contractor or the party awarding the contract. The Developer shall pay prior to delinquency all ad valorem real estate taxes and assessments on the Project, subject to the Developer’s right to contest in good faith any such taxes, and to the Developer’s rights to request a property tax valuation exemption or reduction under California Revenue and Taxation Code Section 214 for the Project. The Developer may apply for and receive any exemption from the payment of property taxes or assessments on any interest in or to the Project without the prior approval of the City.

312. **Prevailing Wages.**

312.1 **State and Federal Prevailing Wage Laws Applicable to the Project.** The Developer shall carry out the improvement and construction of the Project and the development of the Site in conformity with all applicable federal and state labor laws, if any. If applicable, Developer and its contractors and subcontractors shall pay prevailing wages to all persons who provide labor services in connection with the improvement of the Project in compliance with the Davis-Bacon Act (40 USC Section 276a) and Labor Code Section 1770, et seq., and shall be responsible for the keeping of all records required pursuant to Labor Code Section 1776, complying with the maximum hours requirements of Labor Code Sections 1810 through 1815, and complying with all regulations and statutory requirements pertaining thereto. Developer shall be solely responsible for determining and effectuating compliance with such prevailing wage laws.

312.2 **Prevailing Wage Indemnity in Favor of City.** Separate and cumulative with the other indemnity provisions of this Agreement in favor of the City, the Developer shall indemnify, protect, defend and hold harmless the City and its officers, employees, contractors and agents, with counsel reasonably acceptable to the City, from and against any and all loss, liability, damage, claim, cost, expense and/or “increased costs” (including reasonable attorneys’ fees, court and litigation costs, and fees of expert witnesses) which, in connection with the development, construction, and/or operation of the Project, including, without limitation, any and all other public works (as defined by applicable law), results or arises in any way from any of the following: (1) the noncompliance by Developer of any applicable local, state and/or federal law, including, without limitation, any applicable federal and/or state labor laws (including, without limitation, if applicable, the requirement to pay Davis Bacon Act or State of California prevailing wages); (2) the implementation of the Davis Bacon Act and/or Section 1781 of the Labor Code, as the same may be amended from time to time, or any other similar law; and/or (3) failure by Developer to provide any required disclosure or identification as required by Labor Code Section 1781 or the Davis Bacon Act, as the same may be amended from time to time, or any other similar law. It is agreed by the parties that, in connection with the development of the Project, Developer shall bear all risks of payment or non-payment of prevailing wages under California law and/or the implementation of Labor Code Section 1781 and the Davis Bacon Act, as the
same may be amended from time to time, and/or any other similar law. The term “increased costs,” as used in this Section 312, shall have the meaning ascribed to it in Labor Code Section 1781, as the same may be amended from time to time. The foregoing indemnity shall survive termination of this Agreement and shall continue after completion of the development of the Project by the Developer.

313. City of El Monte Construction Job Employment Outreach Program of the Developer.

313.1 The Developer hereby agrees to use faith efforts to recruit residents of the City of El Monte for any new job or entry level employment positions, and to the extent of all other factors being equal and consistent with other applicable law, the Developer covenants on a best efforts basis to give El Monte residents preference for hiring for such new entry level job or employment positions and to the maximum reasonable and feasible extent, use the services of businesses which are located in the City of El Monte which result from the performance of this Agreement and which are performed within the City.

313.2 “Good faith efforts” of the Developer for the purposes of this Section 313 include, but are not limited to, the following factors:

(1) advertisement in local media concerning employment, contracting and subcontracting opportunities;

(2) providing written notice to a reasonable number of local business enterprises soliciting their interest in contracting or subcontracting in sufficient time to allow them to participate effectively;

(3) establishing an applicant pool of eligible persons who have responded to such entry level employment outreach efforts of the Developer;

(4) attendance at pre-solicitation or pre-bid meetings that were scheduled by the Authority to inform contractors or subcontractors of contracting and subcontracting opportunities for local business enterprises;

(5) following up initial solicitation of interest by contacting local business enterprises by telephone to determine with certainty whether they are interested in participating;

(6) selecting portions of the work to be performed by local business enterprises;

(7) providing interest local business enterprises and other enterprises with adequate information about the plans, specifications and requirements of contracts and subcontracts;

(8) negotiating in good faith with interested local business enterprises
to perform work; and

(9) making reasonable efforts to assist interested local business enterprises in obtaining necessary sources of supply, lines of credit or insurance in order to participate in such work associated with the Project.

313.3 If requested to do so by the City, the Developer shall provide the City with access to copies of all of its records pertaining or relating to its employment practices, except to the extent such records or portions of such records are confidential or privileged under state or federal law.

314. Project Implementation and Coordination Consultations.

314.1 Commencing upon the Effective Date, and thereafter following the Close of Escrow through the completion of the Project or earlier termination of this Agreement, the Developer and City staff shall conduct regular meetings at the City offices, to review the status of each of the following matters of mutual interest as applicable:

(i) the Developer investigations of the City Site;

(ii) the administration of the Escrow;

(iii) review of the Developer’s Pro Forma and the sources of funds available to the Developer and the City to pay for Project costs;

(iv) finalization of the text of each of the City Loan Documents including the City Regulatory Housing Agreement in preparation for the Close of Escrow;

(v) review of the State TCAC submissions of the Developer and the Tax Credit Limited Partnership Agreement;

(vi) review of the status of the other elements of the Project Financing, including the State TCAC allocation of tax credits for the Project and the other Developer equity requirements;

(vii) review of the Project construction budget and the Developer’s preparation of construction project documentation for the Project under Sections 304, 305 and 306;

(viii) review of the implementation of the Project job employment outreach program under Section 313;

(ix) review the Developer marketing plans for the rental housing dwelling units, and the preparation of one or more community outreach plans for the preparation of a tenant eligibility lists for persons who may qualify, occupy the City Affordable Units in the Project;

(x) review of the progress of specific items of construction and improvement
by the Developer of each element of the Project;

(xii) review the status of audit and accounting of various costs incurred by the parties under the Agreement;

(xiii) review of the CEQA and NEPA finding for the Project during the course of construction of the Project;

(xiv) review and confirmation of the dates set forth in the Schedule of Performance for the performance of the obligations of the parties and the satisfaction of various conditions precedent with respect to the redevelopment of the Project;

(xiv) review of other matters as requested in writing by either party.

314.2 In the event that either party confirms within ninety (90) days following the Effective Date that the dates of one or more milestones set forth either in this Agreement or in the Schedule of Performance cannot be feasibly accomplished within the time frame set forth in the Schedule of Performance, as such date or milestone appeared in the Schedule of Performance or this Agreement on the Effective Date, the parties shall consider under the provisions of Section 314.3 one or more specific extensions of the applicable date.

314.3 This Agreement and the Schedule of Performance set forth various dates and times relating to the implementation of the Project, and the accomplishment of the various tasks assigned to the responsible party including without limitation, the satisfaction of the conditions precedent for the Close of Escrow. The parties agree and declare that time is of the essence in the performance of such tasks and the satisfaction of conditions precedent for the Closing in view of the large investment of resources which both parties recognize will be required for the redevelopment of the Project. In the event that the date for the completion of a task or the satisfaction of a condition relating to the implementation of the Project and/or the Close of Escrow may not be achieved by the particular date ascribed to the task or condition as set forth either in the text of this Agreement or in the Schedule of Performance, including without limitation any extensions for delays due to force majeure, applications for state housing subsidy programs, LIHTCs and local subsidies, if applicable, then at least fifteen (15) days prior to such date the parties shall, as part of their consultations under Section 314.1, consider whether a modification to the Schedule of Performance may be indicated. Any decision to approve a modification or a series of such modifications to the time for performance of a task as provided in either this Agreement or the Schedule of Performance, shall be subject to the mutual reasonable discretion of the Developer and the City Manager and shall not be unreasonably withheld, conditioned or delayed by either party. Each such modification of a date in the Schedule of Performance shall be evidenced by a written modification of the Schedule of Performance, signed by the City Manager and Developer which references this Section 314.3. Notwithstanding the foregoing, City Manager may require any modification or series of modifications of a time or date for performance of a particular matter set forth in this Agreement or in the Schedule of Performance which results in a delay or extension of more than ninety (90) days later than the time as originally provided in the Schedule of Performance on the Effective Date, shall be made subject to the approval of the City Council in its reasonable discretion; provided, however, that the Close of Escrow shall occur by the Outside Closing Date as set forth.
in Section 202.4.

315. [Reserved – NO TEXT]

316. Enforced Delay: Extension of Time of Performance; Challenge of Agreement.

316.1 In addition to specific provisions of this Agreement, performance by either Party hereunder or under any agreement contemplated hereby shall not be deemed to be in default, or considered to be a default, where delays or defaults are due to force majeure events beyond the control of such Party, including, without limitation, war, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics, quarantine restrictions, government imposed moratorium legislation, delays in obtaining required governmental approvals caused by any governmental agency or department, the discovery of any Hazardous Materials on the City Site which requires a response, remediation, management, mitigation, removal or correction by the Developer under applicable law, freight embargoes, lack of transportation, weather-caused delays, inability to secure necessary labor, materials or tools, delays of any contractor, subcontractor or supplier, or other reason, that is not attributable to the fault of the Party claiming an extension of time, that suspends the Close of Escrow or the performance of a Party’s obligation hereunder; provided however that the Close of Escrow shall never the less occur by a date not later than the Outside Closing Date as set forth in Section 202.4, or following the Close of Escrow, the prosecution of the work of improvement of the Project, or if construction is complete, suspends the operation of the Project. An extension of time for any such force majeure cause shall be for the period of the enforced delay and shall commence to run from the date of occurrence of the delay; provided, however, that the Party claiming the existence of the delay first provides the other Party with written notice of the occurrence of the delay, promptly after the commencement of such occurrence of a force majeure event and, thereafter, takes prompt and reasonable action within its control to prosecute the delayed performance caused by such force majeure event.

316.2 The parties each expressly acknowledge and agree that changes in either general economic conditions or changes in the economic assumptions of either of them that provided a basis for entering into this Agreement occurring at any time after the execution of this Agreement, are not force majeure events and do not provide either party with grounds for asserting the existence of a forced delay in the performance of any covenant or undertaking arising under this Agreement. Each party expressly assumes the risk that changes in general economic conditions or changes in their economic assumptions could impose an inconvenience or hardship on the continued performance by such party under this Agreement and that such inconvenience or hardship is not a force majeure event and does not excuse the performance by such party of its obligations under this Agreement.

316.3 The Developer acknowledges that the City is a “public entity” and/or a “public agency” as defined under applicable California law. Therefore, the City must satisfy the requirements of certain statutes relating to the actions of public entities, including, without limitation, the California Environmental Quality Act (“CEQA”) and the National Environmental Protection Act (“NEPA”). Also, as a public body, the City’s action in approving this Agreement may be subject to proceedings to invalidate the Agreement. The Developer hereby assumes the
risk of delays and damages that may result to the Developer from any such third-party legal actions filed and served on the City which challenges this Agreement following the Effective Date, even in the event that an error, omission or abuse of discretion by the City is determined to have occurred. If a third-party files a legal action regarding the City’s approval of this Agreement or the pursuit of the activities contemplated by this Agreement, the City or the Developer may terminate this Agreement on thirty (30) days written notice to the other party of the terminating party’s intent to terminate this Agreement, referencing this Section 316.3, without any further obligation to perform the terms of this Agreement and without any liability to the other party resulting from such termination (except that the City shall return the Independent Consideration to the Developer), unless the other party unconditionally agrees to indemnify and defend the terminating party against such third-party legal action, as provided herein. Within thirty (30) days of receipt of the terminating party’s notice of intent to terminate this Agreement, as provided in the preceding sentence, the other party may offer to defend the terminating party in the third-party legal action and pay all of the court costs, attorney fees, monetary awards, sanctions, attorney fee awards, expert witness and consulting fees, and the expenses of any and all financial or performance obligations resulting from the disposition of the legal action. Any such offer from the other party must be in writing and in a form reasonably acceptable to the terminating party.

400. CITY LOAN

401. City Agreement to Provide City Loan. In consideration of the representations, covenants and obligations of the Developer in favor of the City to the terms and conditions of this Agreement, upon the satisfaction of the Conditions Precedent of the City and the Close of the Escrow, the City hereby agrees to provide the City Loan in the original aggregate principal amount of not to exceed One Million Four Hundred Seventy-Four Five Hundred Forty-Six Dollars ($1,474,546.00) to the Developer (or its permitted assignee) as borrower of the City Loan, less the amount of the Independent Consideration. The proceeds of the City Loan shall be used and applied by the Developer solely for the acquisition and improvement of the Project.

401.1 The City Loan shall be evidenced by the

(i) City Mortgage Note; and

(ii) AHRD Note.

401.2 The two (2) separate City Notes as each such promissory note may be modified, supplemented and replaced from time to time prior to the Closing:

(i) the City Mortgage Note in the not-to-exceed original principal amount of Nine Hundred Seventy Four Thousand Five Hundred Forty Six Dollars ($974,546.00) (subject to confirming appraisal); and

(ii) the AHRD Note in the not-to-exceed original principal amount of Five Hundred Thousand Dollars ($500,000.00).

Each of the City Notes may be modified, supplemented and replaced from time to
time prior to the Closing.

Each of the City Notes shall be secured by a deed of trust in favor of the City and shall set forth terms and conditions for its repayment to the City. As a condition for the disbursement of the City Loans, the Developer shall execute the City Notes at the Closing together with the other related City Loan Documents.

401.3 The City Loan Documents shall be subject to the final and conforming edits approved by City so as to conform the then text of the City Notes including the definition of “Residual Receipts” as set forth in each such City Note, to the final terms of the Project Financing as provided by the tax credit investor and the other Lenders, as applicable. At the Close of Escrow, the City shall deliver to the Escrow Agent the Project Escrow Closing Allonges for attachment to each of the City Notes.

401.4 The final forms of City Notes, City Deeds of Trust and the City Regulatory Housing Agreement shall be substantially in the form attached hereto as Attachments No. 4, No 5 and No. 7, respectively, with such changes as may be mutually approved in writing by the City, Developer, the tax credit investor and the other Lenders so as to conform to the applicable regulatory requirements of the City Loan in light of the final terms of the loan documents of such other Lenders and the tax credit investor.

402. Interest. The undisbursed and unpaid principal balance of the City Loan shall bear interest commencing on the date when the proceeds of the applicable City Notes are disbursed for the account of the Developer and ending on the date when paid, at the rate of three percent (3%) per annum simple interest (the “Basic Rate”). Interest shall be computed on the City Notes on the basis of the actual number of days elapsed and a three hundred and sixty (360) day year. Notwithstanding the foregoing, and without limiting any other remedy of the City in the event of a Default by the Developer following the Closing, amounts not paid by the Developer when due under the City Notes, subject to the notice and cure provisions of Section 801.1, shall bear interest from the Date when due to the date paid at the rate of ten percent (10%) per annum (the “Default Interest Rate”).

403. Payment Dates and Amounts; Term. As set forth in greater detail in the City Notes the Developer shall repay the City Loan, together with accrued interest at the Basic Rate in arrears, in annual installments on or before June 1st of each calendar year for the operating year of the Project that is two (2) years earlier. The initial payment under the City Notes will be made on or before June 1, 2025 and will be based on “Residual Receipts,” as defined in the City Notes, and only to the extent Residual Receipts are available, commencing until the first operating year ending December 31, 2023. Annually, thereafter upon the receipt of the “Single-Asset Audit,” as this term is defined in Section 409, the City shall calculate the Residual Receipts and corresponding City Note payment. The City shall then issue a written payment request to the Developer and payment is due from the Developer upon receipt of the payment request and no later than June 1st. All records and calculations of the Developer with respect to the amount of Residual Receipts of the Project are subject to audit by the City.

Absent prepayment or acceleration, shall be in an amount equal to the final percentage of Residual Receipts for the operating year of the Project that is two (2) years earlier which is
allocated to the City. After payment of 100% of the deferred developer fee to Developer, Residual Receipts shall be allocated as follows: Developer – fifty percent (50.0%), and fifty percent (50%) to the City.

In no event shall any City Note payment attributable to an Event of Default (as hereafter defined) or an acceleration of the City Loan be deferred.

Notwithstanding any other provision of a City Note or of this Agreement to the contrary, unless due sooner, the entire outstanding principal balance of the City Loan together with any outstanding interest and any other sums payable under the applicable City Note then outstanding shall be due and payable in full on the date that is fifty-seven (57) years following the Close of Escrow ("Maturity Date").

404. Acceleration. Notwithstanding the payment terms set forth in Section 403 above, upon the occurrence of any Event of Default by the Developer as set forth in Section 801, the entire outstanding principal balance of the City Loan, together with any outstanding interest and other amounts payable thereunder, shall, at the election of the City and upon notice to the Developer thereof, become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Developer.

405. Prepayment of City Loan. At any time after the disbursement of the proceeds of the City Loan, the Developer may prepay all or a portion of the unpaid principal amount of one or more of the City Notes and accrued interest and any other sums outstanding without penalty. The Developer hereby agrees and understands that the prepayment of any of the City Notes shall not relieve the Developer of the duty to comply with the covenants described in Section 500 and such obligations and covenants shall remain in full force and effect pursuant to their terms. All payments, including any prepayments or funds received upon acceleration pursuant to Section 404, shall be applied first toward any outstanding costs of collection or other amounts (excluding principal or accrued and unpaid interest under any of the City Notes) due under the City Notes or this Agreement, then toward outstanding unpaid interest accrued at the Default Rate of ten percent (10%) per annum (simple interest), if any, then toward outstanding unpaid interest accrued at the Basic Rate prior to the commencement of accrual of interest at the Default Rate, if any, and finally toward the remaining principal balance under the applicable City Note.


406.1 The obligation of the Developer to repay the City Loan and any associated interest and other amounts payable under this Agreement or any City Note shall, at all times during which any amount remains outstanding, be secured by the applicable City Deed of Trust (as amended, modified, supplemented, and replaced from time to time) recorded against the Developer's fee interest in the Site and the Project and creating a security interest therein and such other related rights as are described therein (collectively, referred to in the City Deeds of Trust as the "Mortgaged Property"). The security interest in the Mortgaged Property granted to the City pursuant to the City Deeds of Trust shall be subordinate only to the security interest of the other Lenders in the Project, the other Permitted Encumbrances and such other exceptions to title shown in the title report for the Mortgaged Property which are approved in writing by City prior to the Closing as set forth at Section 204.1.10.
406.2 Except to the extent any Event of Default hereunder results directly or indirectly from any willful misconduct, fraud or intentional misrepresentation by the Developer in connection with this Agreement or the City Loan, the City Loan is a nonrecourse obligation of the Developer, and in the event of the occurrence of an Event of Default, the only recourse of the City under the City Deeds of Trust shall be against the Mortgaged Property, the proceeds thereof, the rents and other income arising from its use and occupancy as provided in the City Deeds of Trust, and any other collateral given to City as security for repayment of the City Loan such that neither the Developer nor any partner of the Developer shall have personal liability for repayment of the City Loan.

406.3 At Close of Escrow, the Developer shall also submit in form and substance satisfactory to City such additional instruments, documents or pledges required by City to further perfect, confirm or establish its security interest in the Mortgaged Property and interests related thereto, subject to the approval of the Tax Credit Limited Partnership investor limited partner and other Lenders, including but not limited to:

(i) assignment of Construction Contracts and Documents to the City; and

(ii) collateral assignment of Architect’s Contract to the City; and

(iii) subordination agreement in favor of the other Lenders in form acceptable to the City.

407. Escrow; Conditions for City Loan Closing and Disbursement.

407.1 Escrow. Delivery of the executed City Notes, the City Deeds of Trust and other City Loan Documents shall be accomplished through the Escrow.

The Parties may execute supplemental instructions to Escrow Holder with respect to the City Loan consistent with the terms of this Agreement, but in the event of a conflict between the terms of this Agreement and any supplemental escrow instructions with respect to the City Loan, the terms of this Agreement shall control unless the supplemental escrow instructions are executed by both Parties hereto. Except as otherwise expressly provided herein, any fees and costs incurred by Escrow Holder in the performance of its duties with respect to the administration of the City Loan shall be paid by the Developer.

407.2 [RESERVED – NO TEXT]

407.3 [RESERVED – NO TEXT]

407.4 City Loan Closing Conditions. The obligation of the City to make disbursements of City Loan proceeds under this Agreement shall be expressly subject to satisfaction of all of the Conditions Precedent set forth in Section 204.1.

408. [RESERVED – NO TEXT]

409. Covenants of Developer. As additional consideration for providing the City
Loan and the Close of Escrow, the Developer covenants as follows:

409.1 The Developer shall comply with all Governmental Requirements.

409.2 The Developer shall make available for inspection and audit to the City, upon five (5) business days written request, from time to time, at the office of the Developer, or, if requested by the City, at another location within Los Angeles County, all of the books and records relating to the operation of the Project and this Agreement. All such books and records shall be maintained by the Developer until three (3) years of the end of the Term of this Agreement; provided that in the event any litigation, claim or audit is started before the expiration of the Term, such books and records shall be retained until all litigation, claims, or audit findings involving such books and records shall have been resolved.

409.3 Other Reports. Upon fifteen (15) business days’ written notice the Developer shall prepare and submit to the City, any financial, program progress, monitoring, evaluation or other reports (including, but not limited to, documents related to construction and project financing) reasonably required by the City as they relate to the Project or this Agreement; provided, however, if such requested reports are not capable of being prepared and submitted to the City within such fifteen (15) –day period, then within a reasonable time thereafter. The Developer shall ensure that its employees, agents, officers, and board members furnish such information, which in the reasonable judgment of the City, may be relevant to a question of compliance with this Agreement, and the City Loan Documents. The Developer shall retain all existing records and data relating to the Project until three (3) years after the end of the Term of this Agreement. In the event any litigation, claims or audit is started during the Term, such books and records shall be retained until all litigation, claims or audit findings involving such books and records have been resolved.

409.4 On or before October 1st of the year following the initial occupancy of the Project and on or before each subsequent October 1st thereafter during the Term of the Agreement, the Developer will be required to submit a Single-Asset Audit. “Single-Asset Audits” are cash-based audits of operations at the Project for the prior Project Accounting Year. The Single-Asset Audit is to be prepared internally and to be conducted in accordance with Generally Accepted Auditing Standards. If the Developer does not provide the Single-Asset Audit within ninety (90) days of such October 1st date, such a failure following the giving of notice and the failure by the Developer to cure shall be an Event of Default.

409.5 Along with the Single-Asset Audit description in Section 409.4, the Developer shall deliver to City, on forms prepared and provided by the City from time to time, but no more often than once (one time) in any 12-month period, a statement certified by the Developer’s accountant (the “Annual Statement”), separately setting forth:

(i) the aggregate Gross Rents (as defined in the City Notes) received during the Project’s previous operating year;

(ii) the aggregate Operating Expenses (as defined in the City Notes) expended during the Project’s previous operating year; and

(iii) the resulting Residual Receipts (as defined in the City Notes).
If the Developer provides any written report regarding the financial condition, operating condition, management condition or projection thereof related to all or any part of the Project to nonaffiliated parties, including State TCAC, any other Lender, or credit rating agency, the Developer shall concurrently provide a copy of any of such written report to the City.

409.6 In the event this Agreement or any element of the City Loan is subjected to audit, monitoring or other inspections by appropriate state and federal agencies, during or after the Term of this Agreement, the Developer shall comply with such inspections and pay on behalf of itself and the City, the full amount of the cost to the inspecting agency which result from such inspections, if any, unless such inspection and any resulting liability arises solely from the gross negligence or willful misconduct of City.

409.7 The Developer shall allow the City to inspect and monitor its facilities and program operations as they relate to the Project the financial reports and disclosures set forth in Section 409.2 through 409.6, inclusive and the applicable Government Requirements, and in this regard, the City may meet with and interview any of the Developer’s staff, tenants, and other program participants, as reasonably required by City.

409.8 The Developer shall comply in all material respects with all monetary and nonmonetary covenants associated with any loan secured by an interest in the Site or the Project (“Other Secured Obligations”) for all of the other elements of Project Financing, in addition to the City Loan.

409.8.1 The Developer shall provide to the City with a copy of any notice of default which arises under any of the other Secured Obligations within five (5) business days after receiving any notice of a default or alleged default of such covenants by the Developer, and the Developer shall promptly cure any such default, and if applicable, the Developer shall cooperate in permitting the City, to the extent the City in its sole discretion elects to do so, to cure or assist in curing the default. The Developer shall not agree to or allow any material change in its Other Secured Obligations, now or hereafter existing, without (i) providing thirty (30) day’s prior notice to the City of such proposed action, (ii) providing the City with true and complete copies of all documentations related to such action, (iii) obtaining the prior written consent of the City to such action. A “material change” shall mean:

(i) an increase in the maximum principal amount or applicable interest rate of the Other Secured Obligation for any purpose other than in accordance with documentation for such Other Secured Obligation provided to City by the Developer; (ii) a shortening or acceleration of the maturity date of the Other Secured Obligation (other than an acceleration upon the occurrence of a default under such Other Secured Obligation) or the date on which any portion of the Other Secured Obligation is due and payable; (iii) an elimination or curtailment of the terms of any notice or cure period afforded to the Developer under the Other Secured Obligation; or (iv) the addition of any provisions to cross-default or cross collateralize the Other Secured Obligation with any other loan that has been or is made by such lender with respect to matters unrelated to the Project.

409.8.2 The provisions of this Section 409.8 may be implemented by
means of a City Loan intercreditor and/or subordination agreement by and among each of the other Lenders with a security interest in the Project. Such an intercreditor or subordination agreement shall be subject to the mutual reasonable review and approval of the Developer, the Developer’s Tax Credit limited partner, the other Lenders and the City, as consistent with this Agreement and subject to such mutual review and approval among the parties thereto, such intercreditor and/or subordination agreement for the City Loan shall be fully executed by the parties thereto and filed for recordation upon the Closing.

409.9 Promptly following the Close of Escrow, the Developer shall cause the Project construction work to commence and thereafter, proceed diligently, and make commercially reasonable efforts to achieve “Completion of the Project,” as defined below, no later than twenty-two (22) months following the Close of Escrow, subject to extension for up to an additional twelve (12) months to the extent of force majeure delays beyond the Developer’s reasonable control. “Completion of the Project” shall be deemed to have occurred when the City has received satisfactory evidence that all final permits and certificates necessary to the occupancy and operation of the Project as contemplated herein have been obtained and that the Project has been completed in compliance with this Agreement. This evidence shall include, without limitation, the following, each of which is subject to the City’s review and approval:

(1) a signed certificate of substantial completion from the Project’s architect or General Contractor, in a form reasonably acceptable to the City, certifying to the City that construction was completed substantially in accordance with the requirements of the plans and specifications and this Agreement, and all other related on-site and off-site improvements have been completed;

(2) a temporary certificate of occupancy and other final permits and licenses necessary to permit the use and occupancy of the Project for its intended purposes, which have been issued by the City;

(3) unconditional waivers and releases upon final payment, in statutory form, showing no amounts in dispute, have been received from the General Contractor, all subcontractors, and all other persons or entities providing services or furnishing materials in connection with the Project;

(4) a copy of the notice of completion recorded by the Developer in compliance with California Civil Code;

(5) expiration of all applicable statutory periods for the enforcement of any mechanics’ liens pursuant to applicable California laws and a Mechanics’ Lien – Notice of Completion Endorsement from Title Company in favor of the City certifying that the Mortgaged Property is free from liens; and

(6) a certification in a form acceptable to the City from the Developer that all of the work has been performed in accordance with
applicable laws and the City Loan Documents.

Upon the City’s confirmation that the foregoing conditions have been satisfied, the City shall cause the Certificate of Completion for the Project to be executed on behalf of the City and filed for recordation. The issuance and recordation of the Certificate of Completion with respect to the Project shall not supersede, cancel, amend or limit the continued effectiveness of any obligation of the Developer relating to the maintenance, or use of the Project, or any obligation of the Developer which arise under the City Loan Documents, except for the obligation to complete the construction of the Project.

409.10 During the course of improvement of the Project, the Developer shall comply with all CEQA and NEPA mitigation measures or other environmental conditions imposed by the City, or any other applicable governmental authority in connection with the Project.

409.11 The Developer agrees that it shall notify the City of the occurrence of any event that has caused, will cause, or is reasonably likely with the passage of time to cause, the rescission or reduction of a preliminary or final reservation of state or federal low-income housing tax credits ("LIHTC"), a reduction in the amount of limited partner equity as forecast for the Project as the time of the Close of the Eserow, or the withdrawal of any limited partner (collectively "Low-Income Housing Tax Credit Events") within fifteen (15) days of the occurrence of such event or within fifteen (15) days of the date when the Developer gains specific knowledge of the occurrence of such event. This provision shall not apply to fluctuations in Project development costs that occur in the normal course of business during construction of the Project that affect the amount of the preliminary or final LIHTC reservation and/or the amount of limited partner equity.

409.12 HOME Regulatory Agreement. The Developer hereby agrees to cooperate with the City to substitute the City’s source of the ARHD Loan funding of the Project to the HOME Program fund of the City; provided however, that such substitution of funding source, if accomplished by the Authority shall not result in any change of the term of the City Loan. If the City Loan includes HOME funds, Developer hereby agrees to comply with the provisions of a “HOME Regulatory Agreement.” If the City Loan includes HOME funds, the execution of a HOME Regulatory Agreement shall be a condition precedent to the transfer of the City Site to the Developer under this Agreement. Pursuant to the requirements of the HOME Program rules and 24 CFR Part 92, Developer and the City further agree that in addition to the provisions set forth in this Agreement, in the event that the City Loan includes funding from HOME Program sources, the HOME Regulatory Agreement for the Project shall contain the following additional provisions:

(i) So-called HOME Units shall be designated from time-to-time by the Developer within the Housing Project upon initial occupancy as necessary to ensure compliance with the HOME rent and occupancy requirements in the Housing Project.

(ii) The Parties intend that the HOME Units shall remain available solely to eligible renter participants at rent affordable low- and very low-income households as
determined by the United States Department and Housing and Urban Development (HUD) for Los Angeles County, annually, for a term of not less than fifty-five (55) years. This shall be known as the “HOME Affordability Covenant,” as confirmed in the HOME Regulatory Agreement.

(iii) HOME Regulatory Agreement shall remain in effect for the duration of the HOME Affordability Covenant.

(iv) Developer shall review and agree to comply with the affordability requirements of Section 92.252 and 92.253 of 24 CFR Part 92 of the HOME Regulations as apply to the Housing Project.

(v) Developer shall review and agree to conduct audits of the development and operation of the Housing Project in accordance with federal regulations set forth in the Code of Federal Regulations and applicable circulars.

(vi) Developer shall review and agree to comply with the maximum per unit HOME subsidy amount required by HUD and defined in 24 CFR Section 92.250 as to the HOME units.

(vii) Developer shall review and agree to comply with all local codes, zoning ordinances, cost effective energy conservation, and effectiveness standards (24 CFR Part 39), and will meet the current edition of the Model Energy Code published by the Council of American Building Officials.

(viii) Developer shall carry out the development of the Project in compliance with all federal laws and regulations.

(ix) The HOME Regulatory Agreement shall contain provisions which are consistent with State TCAC requirements and the other affordable rental housing financing obtained by the Developer from third party sources.

(x) Notwithstanding any other provision of the foregoing, the Authority shall not substitute the use of HOME Program funds for the City Loan, if by so doing, such substitution of HOME Program funds results in an unreasonable interference with the Developer’s use of other sources of funds to acquire and construct the Housing Project.

500. USE OF THE SITE, THE TYLER VALLEY METRO HOUSING PROJECT AND LEASING AND MANAGEMENT

501. Limitations on Tenants. Notwithstanding anything to the contrary in this Agreement, the Developer hereby covenants on behalf of itself, and its successors and assigns, which covenants shall run with the land and bind every successor and assign in interest of the Developer, that, throughout the term of the City Regulatory Housing Agreement, the Developer and such successors and assigns shall use the Site solely for the purpose of developing and operating the Project as a residential rental facility as set forth in the City Regulatory Housing
502. Limitations on Residential Tenants. The Developer agrees to comply with the City Regulatory Housing Agreement and with any other income, rent, and occupancy restrictions imposed by other Lenders under the Project Financing and by the State TCAC. If there is a conflict between the requirements of the various other providers of the Project Financing or State TCAC, the most restrictive income, rent and occupancy requirement will prevail; provided however, that no such restrictive rental or occupancy requirement shall cause the Project to not be in compliance with the applicable provisions of Article XXXIV of the State Constitution. The requirements to comply with the provisions of Internal Revenue Code Section 42, including Section 42(h)(6)(E)(ii), are hereby acknowledged by the Parties.

The Developer and its successors and assigns shall develop and operate the Project with the number of total units and, with respect to the rental dwelling units as designated in the City Regulatory Housing Agreement to be assisted as consideration for the City Loan, at the tenant income levels, specified in the City Regulatory Housing Agreement. The Developer shall construct, reserve and maintain for occupancy by “Eligible Households,” as this term is defined in the City Regulatory Housing Agreement, at least fifty-two (52) dwelling units as “City Affordable” as this term is also defined in the City Regulatory Housing Agreement. Each of the City Affordable Units shall be rented only at “Affordable Rent,” as this term is defined in the City Regulatory Housing Agreement. City Affordable Units shall be dispersed throughout the Project, and shall be no less attractive or desirable on average (whether because of convenient access, views, amenities, or other reasons) than other rental dwelling units in the Project. For the purposes of satisfying the limitation on the maximum number of units in the Project which may be reserved for occupancy by Eligible Households, the City Affordable Units may be restricted to rent and occupancy requirements as set forth under the affordable rental housing regulatory agreement of the other Lenders, as applicable. The covenants described in this Section 502 and the City Regulatory Housing Agreement shall remain in effect throughout the term of the City Regulatory Housing Agreement, notwithstanding the earlier repayment of the City Loan by the Developer. The Developer shall specifically provide in each City Affordable Unit lease and shall strictly enforce the requirement that each City Affordable Unit be occupied at all times by the Eligible Household who has leased that City Affordable Unit, and that any other occupant of the unit be another qualified member of the lessee’s household. The City shall be identified in each such lease as a third-party beneficiary of this covenant and the City shall have the right to directly enforce that restriction in the event the Developer fails to do so.

503. Prior to execution of any City Affordable Unit lease with respect to the Project, the Developer shall submit to the City and obtain its written approval of a standard form occupancy lease and the Developer shall thereafter use the approved form for all leases of City Affordable Units in the Project, with any material modifications thereto to be first submitted to the City by the Developer and reasonably approved in writing by the City.

504. Required Submittals – Pre-Occupancy and Tenant Selection. At least ninety (90) days prior to occupancy of the Project and before the acceptance of tenant applications, the Developer shall have obtained written approval by the City of (i) an affirmative marketing plan, (ii) leasing guidelines, (iii) lease form, and (iv) form of and a summary of the rules, procedures and programs for the Project, including, specifically, the prospective tenant selection procedures
to be used by the Developer to designate the tenants of the City Affordable Unit in the event that, at any given time, the number of Eligible Households applying to lease units at the Project exceeds the number of units available for rent. Following the time of such approval by the City any amendments, modifications, supplements or replacements to the marketing plan, leasing guidelines, lease form, and the form of and a summary of the rules, procedures and programs for the Project, shall be submitted to the City for its prior written approval.

505. Tenant Selection Process; Reports and Records Concerning Tenancies. The Developer shall maintain such records and satisfy such reporting requirements as may be required. Such reports shall set forth the name of each tenant, the unit occupied and the income of the tenant and the amount of rent payable by each tenant and include such other tenant information required by the City. The Developer shall require each prospective tenant complete a rental application prior to occupancy and to obtain evidence from each such tenant as may be reasonably required by the City to certify such tenant's qualification for occupancy at the Project and the Developer shall maintain all such tenant applications for at least three (3) years following receipt. The obligation of the Developer to provide such reports to the City shall remain in force and effect for the duration of the City Regulatory Housing Agreement.

506. Management of the Project. The Developer shall at all times during the operation of the Project retain an entity to perform the management and/or supervisory function ("Manager") with respect to the operation of the Project including day-to-day administration, maintenance and repair. The Developer shall, before execution or any subsequent amendment or replacement thereof, submit and obtain the written approval by the City of a management contract ("Management Contract") entered into between the Developer and the Manager reasonably acceptable to the City. Subject to any regulatory or licensing requirements of any other applicable governmental agency, limited partner or Lender, the Management Contract:

(1) may be for a term of up to fifteen (15) years and may be renewed for successive terms in accordance with its terms, but may not be amended or modified without the written consent of the City;

(2) will provide that the Manager shall be subject to termination for failure to meet project maintenance and operational standards set forth herein or in other agreements between the Developer and the City. The Developer shall promptly terminate any Manager which commits or allows such failure, unless the failure is cured within a reasonable period in no event exceeding sixty (60) days from the giving of notice by the City or the Developer to the Manager of such failure.

(3) will provide that (i) its books and records with regard to the Project shall be maintained in an office in Los Angeles County; (ii) such books and records shall be subject to review and copying by the City and its representatives at any time during business hours and on business days upon the request of the City given at least 48 hours in advance, and (iii) after the occurrence of an Event of Default or a default beyond any applicable cure period under any of the other City Loan Documents that the City may give notice to the Manager that from and after the date of such notice, the Manager shall comply with the directions of City in the place of the Developer with regard to the Management Agreement.
The obligation of the Developer to retain a Manager shall remain in force and effect for the same duration as the use covenants set forth in the City Regulatory Housing Agreement.

507. Operations and Maintenance. The Developer hereby covenants on behalf of itself, and its successors and assigns, which covenant shall run with the land and bind every successor and assign in interest of the Developer, that the Developer and such successors and assigns shall use the Site solely for the purpose of developing and operating the Project and ancillary improvements thereon, in accordance with and of the quality prescribed by this Agreement and the City Regulatory Housing Agreement. The Developer further covenants and agrees for itself, its successors and assigns, which covenants shall run with the land and bind every successor or assign in interest of Developer, that during development of the Site pursuant to this Agreement and thereafter, neither the Site nor the Project, nor any portion thereof, shall be improved, used or occupied in violation of any Governmental Restriction or the restrictions contained in this Agreement, the City Regulatory Housing Agreement or the other City Loan Documents. Furthermore, the Developer and its successors and assigns shall not maintain, commit, or permit the maintenance or commission on the Site or in the Project, or any portion thereof, of any nuisance, public or private, as now or hereafter defined by any statutory or decisional law applicable to the Site or the Project, or any portion thereof. The Developer shall, at its expense, (i) maintain all improvements and landscaping on the Site in good working order, condition, and repair (and, as to landscaping, in a healthy and thriving condition) in accordance with the plans for the Project and all Governmental Requirements, and (ii) manage the Project and Project finances in a reasonable and prudent business like fashion and in compliance with Governmental Requirements so as to maintain a safe and attractive living environment for Project residents while maximizing Residual Receipts to the extent reasonably possible consistent with applicable rent and tenant requirements and without compromising the safety and attractiveness of the living environment of the Project.

508. Property Tax Welfare Exemption. If the Developer is comprised in whole or in part of an organization exempted under 501(c)(3) of the Internal Revenue Code, the Developer hereby covenants on behalf of itself, and its successors and assignees, that it will make diligent efforts to obtain a welfare exemption, under Article XIII of the California constitution, for low-income housing properties for the Project within twelve (12) months of receipt of a certificate of occupancy. The Developer further covenants on behalf of itself, and its successors and assignees, that it will make diligent efforts to maintain such property tax exemption.

509. Documents Shall be True, Correct and Complete. All documents, agreements, certificates, reports, written information and other materials delivered by the Developer to the City shall be deemed certified by the Developer as being true and complete copies without further action. If the Developer determines that the information contained in any materials provided to the City is not true and complete or omits any material fact, the Developer shall notify the City and update such information as appropriate. It is understood that budgets and projections submitted to City are not by this provision intended to be more than good faith and informed estimates by the Developer.

510. Developer's Obligation to Refrain from Discrimination.

510.1 There shall be no discrimination against or segregation of any person, or
group of persons, on account of race, color, national origin, sex, religion, marital or familial status, handicap (disability), sexual orientation, ancestry, or source of income in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site, nor shall the Developer itself or any person claiming under or through the Developer establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Site or any portion thereof. The nondiscrimination and nonsegregation covenants set forth herein shall remain in effect in perpetuity.

510.2 The Developer shall refrain from restricting the rental, sale or lease of the Site or any portion thereof on the basis of race, color, creed, religion, sex, marital status, national origin, or ancestry of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(1) In deeds: "The grantee" (or such term that describes the Developer in the particular deed) "herein covenants by and for himself or herself, and his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, national origin, sex, religion, marital or familial status, handicap (disability), sexual orientation, ancestry or source of income in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the land herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the land herein conveyed. The foregoing covenants shall run with the land."

(2) In leases: "The lessor" (or such term that describes the Developer in the particular deed) "herein covenants by and for himself or herself, and his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, national origin, sex, religion, marital or familial status, handicap (disability) sexual orientation, ancestry or source of income, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the land herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the land herein leased."

(3) In contracts: "There shall be no discrimination against or segregation of any person or group of persons, on account of race, color, national origin, sex, religion, marital or familial status, handicap (disability), sexual orientation, ancestry, or source of income, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the parties to this contract or any person claiming under or through them, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the premises."
600. TRANSFERS OF INTEREST IN THE SITE FOR THE TYLER VALLEY METRO HOUSING PROJECT

601. Without the prior written approval of the City, which approval City may withhold in its sole and absolute discretion, the Developer shall not directly or indirectly, by operation of law, voluntarily or involuntarily, sell, gift, encumber, assign or otherwise transfer or permit the transfer (collectively, "Transfer") of: (i) all or any portion of its interest in the Site or the Project (excluding tenant leases pursuant to the terms hereof) which is greater than forty-nine percent (49%) of its ownership and/or control, in the aggregate, taking all transfers into account on a cumulative basis of the Project; or (ii) any of its rights or obligations under the City Loan Documents. Notwithstanding the foregoing, the City hereby consents to the specific events described in Section 605 hereof without the Developer obtaining any further consent from the City (each, a "Permitted Transfer"). The Developer hereby agrees that any purported Transfer not approved by the City as required herein shall be (unless the City elects to the contrary in its sole discretion) ipso facto null and void, and no voluntary or involuntary successor to any interest of the Developer under such a proscribed Transfer shall acquire any rights pursuant to this Agreement.

602. At any time the Developer desires to effect a Transfer hereunder, the Developer shall notify the City in writing a notice which references this Section 600 (the "Transfer Notice") and shall submit to the City for its prior written approval (i) all proposed agreements and documents (collectively, the "Transfer Documents") memorializing, facilitating, evidencing and/or relating to the circumstances surrounding such proposed Transfer, and (ii) a certificate setting forth representations and warranties by the Developer and the proposed transferee to the City sufficient to establish and ensure that all requirements of this Section 600 have been and will be met. No Transfer Documents shall be approved by the City unless they expressly provide for the assumption by the proposed transferee of all of the obligations of the Developer under the City Loan Documents and this Agreement. The Transfer Notice shall include a request that the City consent to the proposed Transfer. The City agrees to make its decision on Developer’s request for consent to such Transfer promptly, and use reasonable efforts to respond not later than thirty (30) days after the City receives the last of the items required by this Section 600. In the event the City consents to a proposed Transfer, then such Transfer shall not be effective unless and until the City receives copies of all executed and binding Transfer Documents which Transfer Documents shall conform with the proposed Transfer Documents originally submitted by the Developer to the City. From and after the effective date of any such Transfer, the former Developer shall be released from obligations under the City Loan Documents arising or accruing subsequent such effective date and such transferee shall be deemed to be the "Developer" hereunder.

603. Notwithstanding anything in this Agreement to the contrary, the Developer agrees that it shall not be permitted to make any Transfer, whether or not the City’s consent is required therefore, if there exists an Event of Default under this Agreement at the time the applicable Transfer Notice is tendered to the City or the Transfer has otherwise occurred, or at any time thereafter unless such an Event of Default has been first cured.

604. The provisions of this Section 600 shall apply to each successive Transfer and proposed transferee in the same manner as initially applicable to the Developer under the terms
set forth herein.

605. Notwithstanding Sections 601 and 602, if the Project receives funding through an allocation of LIHTCs:

(1) The City hereby consents to the following transfers in furtherance of such financing: (i) transfer by Developer to the Tax Credit Limited Partnership; (ii) syndication of limited partnership interests in the Developer to an equity investor and subsequent transfers of limited partnership interests; and (iii) the grant and exercise of a purchase option and/or right of first refusal with respect to the Project from the Developer to its general partners or their nonprofit corporate members, which may involve the sale of the Developer’s interest in the Site or the Project and/or the Transfer of greater than forty-nine percent (49%) of its ownership and/or control. Notwithstanding the above, at least thirty (30) days after the date of such transfer, the Developer shall notify City that such transfer of partnership interest has occurred in the case of (i) or (iii) above.

(2) If the managing general partner of the Tax Credit Limited Partnership will be removed, this should only be done pursuant to the terms of the Tax Credit Limited Partnership Agreement, as it may be amended from time to time, and the replacement managing general partner shall be approved by the City, which approval shall not be unreasonably withheld. At least sixty (60) days before the scheduled date of replacement of the managing general partner of the Tax Credit Limited Partnership, the Tax Credit Limited Partnership shall provide evidence acceptable to the City with regard to such successor general partner’s financial capability, management experience and history of compliance with affordable housing, landlord/tenant, and health and safety laws, and such other information as requested by the City. Notwithstanding anything contained herein to the contrary, the Limited Partner shall have the right to remove and replace the General Partner pursuant to the terms of the Tax Credit Limited Partnership Agreement without prior approval by the City. The Limited Partner shall provide notice to the City within a reasonable time of such removal.

(3) The Developer shall use its best efforts to provide the City concurrently with the closing of any Transfer (but in no event later than thirty (30) days after the closing of such Transfer) copies of all documents pertaining to the transaction, including any amendments to the organizational documents of the Developer or any constituent partners or members.

606. Exit of Limited Partner. The Developer agrees to submit to the City, for its approval, a detailed plan for the exit of any limited partner no later than six (6) months prior to the closing of any such transaction. At minimum, the exit plan shall include the following:

(1) A summary of applicable limited partner exit provisions in the limited
partnership agreement, along with a true and complete copy of the limited partnership agreement and all amendments;

(2) A summary of any approvals required under the other elements of Project Financing to approve or accomplish limited partner exit;

(3) A calculation of the exit / disposition price specified in the limited partner exit provisions of limited partnership agreement;

(4) the Developer’s plan for financing the exit / disposition price;

(5) The limited partner’s concurrence with the exit / disposition plan;

(6) the Developer’s certification that no Event of Default exists and no event or circumstance exists with the giving of notice or the passage of time or both would result in an Event of Default;

(7) A detailed description of the effect of the partnership change on the capitalization and ability of the Developer to meet its financial obligations; and

(8) True and complete copies of all documents and agreements pertaining to the exit of the limited partner, including but not limited to, drafts of proposed amendments to the partnership agreement of the Developer as well as the executed final agreements pertaining to such transaction.

The Developer shall use its best efforts to provide the City concurrently with the closing of said transaction(s) (but in no event later than thirty (30) days after the closing of such transaction) copies of all documents pertaining to the transaction, including any amendments to the organizational documents of the Developer or any constituent partners or members.

700. ASSIGNMENT OF THIS AGREEMENT.

This Agreement shall be assignable by the Developer only if the Developer obtains the prior express written consent of the City which consent may be withheld by the City in its sole discretion. Notwithstanding anything to the contrary in this Agreement, no purported assignment of this Agreement and the City Loan Documents shall be effective if such assignment would violate the terms, conditions and restrictions of any Governmental Regulations. The consent of the City to such assignment shall be expressly conditioned upon (i) the assignee's execution of such documents as required by the City in its sole discretion including, without limitation, any and all documents deemed necessary by the City to provide for said assignee's assumption of all of the obligations of the Developer hereunder and under the City Loan Documents, and (ii) the City approval of the financial and credit-worthiness of such proposed assignee and the assignee's ability to perform all of the Developer’s obligations under this Agreement and the City Loan Documents.

Any attempt by the Developer to assign any performance or benefit under the terms of this Agreement without the prior written consent of the City as provided herein shall be null and void.
and shall constitute a material breach of this Agreement. In accordance with the foregoing, in the event of a sale or transfer of the Developer's interest in the Site, or (iii) a sale or transfer of more than forty-nine percent (49%) of its present ownership and/or control, in the aggregate, taking all transfers into account on a cumulative basis, then the City may, at its option, by written notice to the Developer, declare the Developer in default under this Agreement. Notwithstanding the foregoing, the City consents to the Permitted Transfers as described in Section 601 hereof without the Developer obtaining any further consent from the City, including, without limitation, an assignment of this Agreement to the Tax Credit Limited Partnership.

800. EVENTS OF DEFAULT AND REMEDIES.

801  Developer Events of Default. The occurrence of any of the following shall constitute an event of default by the Developer hereunder ("Event of Default"), each of which is acknowledged by The Developer to constitute a material default under this Agreement:

801.1 The failure of the Developer to pay or perform any monetary covenant or obligation hereunder or under the terms of any City Note or City Deed of Trust or any other City Loan Document, without curing such failure within ten (10) days after receipt of written notice of such default from the City (or from any party authorized by the City to deliver such notice as identified by the City in writing to the Developer). Notwithstanding anything herein to the contrary, the herein described cure period shall not apply to a failure by the Developer to timely repay the City Loan at the Maturity Date of the City Notes.

801.2 The failure of the Developer to perform any nonmonetary covenant or obligation hereunder or under the terms of any City Note or City Deed of Trust or any other City Loan Document, without curing such failure within thirty (30) days after the giving of written notice of such default from City (or from any party authorized by the City to give such notice as identified by the City in writing to the Developer) specifying the nature of the event or deficiency giving rise to the default and the action required to cure such deficiency; provided, however, that if any default with respect to a nonmonetary obligation is such that it cannot be cured within a thirty (30) day period, it shall be deemed cured if the Developer commences the cure within said thirty (30) day period and diligently prosecutes such cure to completion thereafter with the cure completed in any event within one hundred eighty (180) days after the giving of said notice. Notwithstanding anything herein to the contrary, the herein described notice requirements and cure periods shall not apply to any Event of Default described in Section 801.4; or for nonmonetary covenants or obligations otherwise set forth in the City Loan Documents where an express time period is otherwise provided elsewhere in the City Loan Documents.

801.3 The falseness of any representation when made by the Developer under the terms of or in connection with this Agreement, the City Notes or City Deeds of Trust or the other City Loan Documents shall be an Event of Default.

801.4 An Event of Default shall have occurred following notice and opportunity to cure when the Developer or any constituent member or partner, or majority shareholder, of the Developer shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator or custodian or the like of its property, (ii) fail to pay or admit in writing its inability to pay its debts generally as they become due, (iii) make a general assignment for the benefit of creditors, (iv) be
adjudicated as bankrupt or insolvent or (v) commence a voluntary case under the Federal bankruptcy laws of the United States of America or file a voluntary petition that is not withdrawn within ten (10) days of the filing thereof or answer seeking an arrangement with creditors or an order for relief or seeking to take advantage of any insolvency law or file an answer admitting the material allegations of a petition filed against it in any bankruptcy or insolvency proceeding;

801.5 An Event of Default shall have occurred following notice and opportunity to cure when if without the application, approval or consent of the Developer, a proceeding shall be instituted in any court of competent jurisdiction, under any law relating to bankruptcy, in respect of the Developer or any constituent member or partner, or majority shareholder, of the Developer, for an order for relief or an adjudication in bankruptcy, a composition or arrangement with creditors, a readjustment of debts, the appointment of a trustee, receiver, liquidator or custodian or the like of the Developer or of all or any substantial part of assets of the Developer, or other like relief in respect thereof under any bankruptcy or insolvency law, and, if such proceeding is being contested by the Developer, in good faith, the same shall (i) result in the entry of an order for relief or any such adjudication or appointment, or (ii) continue undismissed, or pending and unstayed, for any period of more than ninety (90) consecutive days;

801.6 An Event of Default shall have occurred following notice and opportunity to cure when following initial completion of the Project, voluntary cessation of the operation of the Project for a period of more than thirty (30) consecutive days or the involuntary cessation of the operation of the Project in accordance with this Agreement for a period of more than ninety (90) consecutive days.

801.7 An Event of Default shall have occurred following notice and opportunity to cure when the Developer shall suffer or attempt to effect a Transfer or assignment in violation of Section 600 or Section 700.

801.8 An Event of Default shall have occurred following notice and opportunity to cure when the Developer shall be in default under the City Regulatory Housing Agreement.

801.9 An Event of Default shall have occurred following notice and opportunity to cure when the Developer is in default under the any other element of the Project Financing.

802 City Remedies. Upon the occurrence of an Event of Default hereunder, the City may, in its sole discretion, take any one or more of the following actions:

802.1 By notice to the Developer, declare the entire then unpaid principal balance of all City Notes immediately due and payable, and the same shall become due and payable without further demand, protest or further notice of any kind, all of which are hereby expressly waived by the Developer. Upon such declaration, outstanding principal and (to the extent permitted by law) interest and any other sums outstanding in connection with the City Loan shall thereafter bear interest at the Default Rate, payable from the date of such notice to the Developer until paid in full.

802.2 Subject to the nonrecourse provisions of Section 400, take any and all
actions and do any and all things which are allowed, permitted or provided by law, in equity or by statute, in the sole discretion of the City, to collect the amounts then due and thereafter to become due hereunder and under the City Notes or any other City Loan Documents, to exercise its rights under the City Deeds of Trust or any other City Loan Documents, and to enforce performance and observance (by specific performance or otherwise) of any obligation, agreement or covenant of the Developer under this Agreement or under any other City Loan Documents.

802.3 Subject to the nonrecourse provisions of Section 400, upon the occurrence of an Event of Default based upon Developer’s failure to pay money, whether under this Agreement or any of the City Notes or any other City Loan Documents, the City may, but shall not be obligated to, make such payment. If such payment is made by the City, the Developer shall deposit with the City, upon written demand therefor, such sum plus interest at the Default Rate. The Event of Default with respect to which any such payment has been made by the City shall not be deemed cured until such repayment has been made by the Developer. Until repaid, such amounts shall have the security afforded disbursements under the applicable City Note.

802.4 Subject to the nonrecourse provisions of Section 400, upon the occurrence of an Event of Default described in Section 801.4 or 801.5, the City shall be entitled and empowered through intervention in such proceedings, or otherwise, to file and prove a claim for the whole amount owing and unpaid on the City Notes and, in the case of commencement of any judicial proceedings, to file such proof of claim and other papers or documents as may be necessary or advisable in the judgment of the City and its counsel to protect the interests of the City and to collect and receive any monies or other property in satisfaction of its claim;

802.5 If the City has not yet funded all amounts of the City Loan to be disbursed to the Developer under this Agreement the City may suspend further disbursement of City funds without liability to the Developer.

803. No Remedy Exclusive. No remedy herein conferred upon or reserved to the City is intended to be exclusive of any other available remedy or remedies, but each such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute; and may be exercised in such number, at such times and in such order as the City may determine in its sole discretion. No delay or omission to exercise any right or power upon the occurrence of any Event of Default hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient by City. In order to entitle the City to exercise any right or remedy reserved to it under this Agreement, no notice shall be required except as expressly provided herein.

804 City Default and Developer Remedies. Upon fault or failure of City to meet any of its obligations under this Agreement without curing such failure within thirty (30) days after receipt of written notice of such failure from the Developer specifying the nature of the event or deficiency giving rise to the default and the action required to cure such deficiency, The Developer may, as its sole and exclusive remedies:

804.1 Demand and obtain payment from the City of any sums due to or for the
benefit of Developer pursuant to the express terms of this Agreement;

804.2 Bring an action in equitable relief seeking the specific performance by the City of the terms and conditions of this Agreement or seeking to enjoin any act by the City which is prohibited hereunder; and

804.3 Bring an action for declaratory relief seeking judicial determination of the meaning of any provision of this Agreement.

804.4 Without limiting the generality of the foregoing, the Developer shall in no event be entitled to, and hereby waives, any right to seek indirect or consequential damages of any kind or nature from the City or any of its elected officials, officer, employees, representatives and agents arising out of or in connection with this Agreement, and in connection with such waiver the Developer is familiar with and hereby waives the provisions of Section 1542 of the Civil Code which provides as follows: “A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

805. Limited Partner Right to Cure. The Developer, on behalf of and at the request of its limited partner(s) has requested the inclusion of the following cure rights for its limited partner(s) as follows:

805.1 The limited partner in Developer shall have the right to cure any of the Developer’s defaults under this Agreement within the same time period and subject to the same terms and conditions as a cure by Developer.

805.2 The City shall use reasonable efforts to provide a copy of any notice of default given to the Developer concurrently to the limited partner at the address provided therefor in this Agreement, provided however, the failure to give such notice or for the limited partner to receive such notice shall not adversely affect the validity of the notice of default given to the Developer or extend the time for a cure of such default.

805.3 In the event the Developer and the limited partner exercise or attempt to exercise any such cure, (i) the City shall have the right in its sole discretion to accept the cure in whole or in part of either the Developer or the limited partner (as well as any additional cures if a given cure is incomplete); (ii) the City’s rights under this Agreement or any other City Loan Documents, shall not be waived, impaired or delayed by any disagreement, litigation or other conflict between the Developer, its limited partner and any other managers or partners, including but not limited to City’s right to commence and prosecute a foreclosure on its collateral, (iii) all costs and expenses and any additional costs or expenses incurred by the City arising from the provisions of this section shall be an expense of the Developer, however the City may require the limited partner to pay costs incurred by the City arising from a cure prosecuted by the limited partner, and at City’s sole discretion any or all of such costs may be added to the outstanding loan.
amount, and (iv) the City shall have no liability whatsoever to the Developer or the limited partner or any manager or other partner of the Developer arising from the exercise of City’s rights under this section and the Developer, the limited partner and any other manager or general partners hereby jointly and severally indemnify, agree to defend (with counsel acceptable to the City) and hold the City harmless from any claim, cost, expense or other liability arising from this section. The City may extend the cure period for any default in its sole discretion and without prior notice to the Developer or the limited partner and the City shall have no liability to any party on account of such extension.

806. Joint and Several Liability. If, at any time during the Term of this Agreement, the Developer comprises more than one person or entity, all such persons and entities shall be jointly and severally liable for performance of every obligation of the Developer under this Agreement without offset or deduction or allocation of liability and any right of subrogation among such persons or entities shall be suspended unless and until the City has been paid in full for all amounts related to this Agreement and all obligations of the Developer have been performed. It is not the intent of this provision that if the Developer is an entity such as a limited partnership or limited liability company that each of the constituent limited partners or members shall be liable under this provision.

900. MISCELLANEOUS PROVISIONS

901. Condemnation and Risk of Loss Prior to Close of Escrow. If prior to the Close of Escrow any condemnation or eminent domain proceeding or proceeding in lieu of condemnation (each a “Condemnation Proceeding”) affecting the Site is commenced for which the City receives notice, the City shall promptly notify the Developer. Both the Developer and the City shall have a right at the sole option of either of them, to terminate this Agreement by giving thirty (30) days written notice to the other Party; provided, however, that the City shall have no such terminate right if the Condemnation Proceeding would not, in Developer’s reasonable opinion, have a negative material impact on the Project, and Developer does not elect to terminate this Agreement as provided herein. If this Agreement is so terminated neither Party shall have any further right, duty or obligation to the other Party which arises under this Agreement. In the event of the occurrence of a personal injury or casualty loss to property arising on the Site prior to the Close of Escrow, the City shall be responsible for such loss unless such a loss was caused by the Developer or results from the presence of the Developer or any of its consultants.

902. Conflict of Interest. No official or employee of the City shall have any personal interest, direct or indirect, in this Agreement or any other City Loan Document, nor shall any official or employee of the City participate in any decision relating to this Agreement or any other City Loan Document which affects such official's or employee's pecuniary interest in any corporation, partnership or association in which such official or employee is directly or indirectly interested. The Developer shall within not less than ten (10) days after learning of any such conflict of interest or facts which reasonably indicate that a conflict of interest may exist, notify the City.

903. No Personal Liability of City Officials. No official or employee of the City shall be personally liable in the event of termination or a default under this Agreement or under any of the City Loan Documents.
904. Amendments, Changes and Modifications. This Agreement may not be amended, changed, modified, altered or terminated without the prior written consent of the parties hereto; provided however, that the City has the option, under its sole discretion, to terminate this Agreement if the Developer does not obtain all financing commitments necessary for the construction and permanent financing of the Project that the Parties agree is necessary for Closing to occur by no later than the Outside Closing Date as set forth in Section 202.4.

905. Execution of Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same document. The submission of this Agreement, any of the other City Loan Documents to the Developer for review or signature does not constitute a commitment by the City to make the City Loans to the Developer, and the City Loan Documents shall have no binding force or effect unless and until they are executed and delivered by and between the Developer and the City and all of the other conditions set forth in this Agreement with regard to the effectiveness of this Agreement have been satisfied.

906. Notices. All notices, demands, requests, elections, approvals, disapprovals, consents or other communications given under this Agreement shall be in writing and shall be given by personal delivery, facsimile, certified mail (return receipt requested), or overnight guaranteed delivery service and addressed or faxed as follows:

If to City: City of El Monte
City Hall – East
11333 Valley Boulevard
El Monte, California 91731
Attn: City Manager

With a copy to: Office of the City Attorney
City of El Monte
City Hall – West
11333 Valley Boulevard
El Monte, California 91731
Attn: City Attorney

If to Developer: Tyler-Valley Metro Housing, LP
P.O. Box 310
29700 Woodford-Tehachapi Road
Keene, CA 93531
Attn: Paul S. Park

With a copy to: Lubin Olson & Niewiadomski LLP
Transamerica Pyramid
600 Montgomery Street, 14th Floor
San Francisco, California 94111
Attn: Charles R. Olson and
Elizabeth S. Anderson

If to Limited Partner: ______________________

Attention: ______________________

With a copy to:

Attention: ______________________

Notices shall be effective upon receipt, if given by personal delivery; upon receipt, if such notice is transmitted by FAX, provided there is written confirmation of receipt (except that if received after 5 p.m., a FAXED notice shall be deemed received on the next business day); the earlier of (i) three (3) business days after deposit with First Class United States Mail, or (ii) the date of actual receipt as evidenced by the return receipt, if delivered by certified mail; and one (1) day after deposit with the delivery service, if delivered by overnight guaranteed delivery service. Each party shall promptly notify the other party of any change(s) of address or fax to which notice shall be sent pursuant to this Agreement.

907. Severability. The invalidity or unenforceability of any one or more provisions of this Agreement will in no way affect any other provision.

908. Interpretation. Whenever the context requires, all words used in the singular will be construed to have been used in the plural, and vice versa, and each gender will include any other gender. The captions of the paragraphs of this Agreement are for convenience only and do not define or limit any terms or provisions. Time is of the essence in the performance of this Agreement by the Developer. Each Party has been represented by counsel in the negotiation and preparation of this Agreement, and it shall not be interpreted in favor of or against any Party on account of relative responsibilities in drafting. As used in this Agreement, the word "includes or "including" means including without limitation, the word "or" is not exclusive and the words "herein," "hereof," "hereeto" and hereunder refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (i) to articles, paragraphs, sections and exhibits mean the articles, paragraphs, sections and exhibits which are part of this Agreement, (ii) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and by this Agreement and (iii) to a statute means such statute as amended from time to time and includes any successor legislation thereto. This Agreement is made solely for the benefit of the City and the Developer and their respective permitted successors and assigns, and no other person or entity shall have or acquire any rights under this Agreement unless expressly stated to the contrary in this Agreement. Notwithstanding any other provision of this Agreement, nothing herein or in any of the City Notes shall be deemed to require the Developer to pay interest in excess of any applicable usury law or other legal limitation on interest, and the terms hereof and each of the City Notes shall be interpreted to require in each instance the lesser of (i) the amount stated in the City Notes; and (ii) the maximum applicable legal limit.

909. No Waiver; Consents. Any waiver by the City must be in writing and will not be construed as a continuing waiver. No waiver will be implied from any delay or failure by the City to take action on account of any default of the Developer. Consent by the City to any act or
omission by the Developer will not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the City’s consent to be obtained in any future or other instance.

**910. Governing Law.** This Agreement shall be governed by the laws of the State of California.

**911. Representations, Warranties and Additional Covenants of the Developer.** The Developer hereby represents, warrants and covenants to the City that:

911.1 The Developer is a legal entity duly formed, qualified to operate in California and validly existing and in good standing in the State of California, and has all requisite power and authority to enter into and perform its obligations under this Agreement, the City Notes, the City Deeds of Trust, the City Regulatory Housing Agreement, and all other City Loan Documents.

911.2 This Agreement, and when executed by the Developer in final form the City Mortgage Note, the City Deeds of Trust, the City Regulatory Housing Agreement, and all other City Loan Documents constitute the legal, valid and binding obligation of the Developer, without joinder of any other party.

911.3 The execution, delivery and performance of this Agreement and all other City Loan Documents is consistent with the operating agreement, partnership agreement, or articles and bylaws governing the Developer, and have been duly authorized by all necessary action of the Developer’s members, partners, directors, officers and shareholders.

911.4 This Agreement and all other City Loan Documents, will, as of the date of their execution, have been duly and validly executed by the Developer.

911.5 The Developer will obtain and maintain all material licenses, permits, certificates of occupancy, consents and approvals required by all applicable governmental authorities to own and operate the Project.

911.6 There are no suits, other proceedings or investigations pending or threatened against, or affecting the business or the properties of the Developer or any constituent partners or members or shareholders (other than those as have been previously disclosed in writing to the City) which could impair its ability to perform its obligations under this Agreement, nor is the Developer or any constituent partners or members or shareholders in violation of any laws or ordinances which could impair the Developer’s ability to perform its obligations under this Agreement or any other City Loan Document.

911.7 There are no facts in existence as of the Effective Date which would, with the giving of notice or the lapse of time, or both, constitute an Event of Default, as described in Section 800.

911.8 The execution and delivery of this Agreement, the City Mortgage Note and
each of the other City Loan Documents, and the performances thereunder by the Developer, will not constitute a breach of or default under any instrument or agreement to which the Developer may be a party nor will the same constitute a breach of or violate any law or governmental regulation. As of the Effective Date, to the Best Knowledge of the Developer, there is no pending legal violations pertaining to the Project, the Site or the Developer.

911.9 Nothing contained in this Agreement shall be construed to create a partnership or joint venture between the Parties or between the successor or assigns of one Party and the other Party.

911.10 The Developer is not under common ownership or is otherwise affiliated with any Lender who is providing any part of the Project Financing.

910.11 All information and materials provided by the Developer or its representatives to the City as relates to the Project at any time prior to the Effective Date is true and complete and does not omit to state any material facts. There has been no material adverse change in the conditions or circumstances with regard to such information and materials and the Project, including, the financial feasibility of the Project, the Site conditions, other factors as of the Effective Date which may affect the timeliness of the completion of the Project, its costs, legal requirements applicable to the Project and its construction or the projected vacancy absorption.

912. **Patriot Act Compliance.** To the Best Knowledge of the Developer and the City, each represents to the other that it is (i) in compliance with the regulations of the Office of Foreign Assets Control ("OFAC") of the U.S. Department of Treasury and any statute, execute order, or regulation relating thereto (collectively, the "OFAC Rules"), (ii) not listed on the Specially Designated Nationals and Blocked Persons List maintained by OFAC and/or on any other similar list maintained by OFAC or other governmental authority pursuant to any authorizing statute, executive order or regulation, and (iii) not a person or entity with whom a U.S. person is prohibited from conducting business under the OFAC Rules. This Section 912 shall not apply to any person or entity to the extent that such person’s or entity’s interest in the Developer is through a U.S. Publicly-Traded entity. As used in this Agreement, “U.S. Publicly-Traded Entity” means an entity whose securities are listed on a national securities exchange, or quoted on an automated quotation system, in the United States, or a wholly-owned subsidiary of such entity.

[SIGNATURES ON NEXT PAGE]
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as evidenced by the signatures of the authorized members or officers of each of them which appear below.

DEVELOPER

Tyler-Valley Metro Housing, LP, a California Limited Partnership

By: Tyler-Valley Metro Housing, LLC, a California limited liability company, its General Partner

By: Vista del Monte Affordable Housing, Inc., its sole member

By: ________________________________
    Paul S. Park, Secretary

Date: ______________, 202__

[NOTARIZED SIGNATURE REQUIRED]
CITY

City of El Monte, a municipal corporation

Date: _____________, 202__

By: ____________________________
   Alma K. Martinez
   City Manager

[NOTARIZED SIGNATURE REQUIRED]

APPROVED AS TO FORM:

______________________________
City Attorney

EFFECTIVE DATE IS: _____________, 202__
RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of El Monte
Attn: City Attorney
City Hall -- West
11333 Valley Boulevard
El Monte, California 91731

APN 8575-019-909

[The undersigned public officers whose signatures appear below hereby declare that the
recording of this public agency-to-public agency instrument of transfer of property is exempt
from the payment of documentary transfer taxes (Revenue and Taxation Code Section 11922)
and is further exempt from the payment of all other recording fees (Government Code Section 6103)]

CITY OF EL MONTE AS SUCCESSOR AGENCY TO THE FORMER EL MONTE
COMMUNITY REDEVELOPMENT AGENCY

SUCCESSOR AGENCY QUITCLAIM DEED

(Property: El Monte Successor Agency Long Range Property Management Plan Property 51)

PART ONE

The El Monte Successor Agency hereby remises, transfers and quitclaims to the City of El
Monte, a municipal corporation (the “City”), all of the right, title and interest of the El Monte
Successor Agency in certain real property (the “Property”) which is located in the City of El
Monte, California, and more particularly described in the legal description of the Property
attached to this El Monte Successor Agency Quitclaim Deed as Exhibit “A” and incorporated
herein by this reference.

The Property is hereby quitclaimed by this El Monte Successor Agency Quitclaim Deed, subject
to all easements, encumbrances, liens and other exceptions to title whether public record or
apparent upon inspection of the Property, and other matters referenced in PART TWO, PART
THREE, PART FOUR and PART FIVE of this El Monte Successor Agency Quitclaim Deed.

PART TWO

This El Monte Successor Agency Quitclaim Deed is delivered to the City in furtherance of the
implementation of the Redevelopment Dissolution Act, ABX1 26 Ex. Session Stats 2011:
Chapter 5, as subsequently amended, which dissolved the former El Monte Community
Redevelopment Agency.

The City of El Monte as Successor Agency to the former El Monte Community Redevelopment
Agency, a public body corporate and politic (the “El Monte Successor Agency”) was created by
ABX1 26 (Ex. Session 2011: Chapter 5, as amended (Health and Safety Code Section 34161 et
seq.,)) and City of El Monte City Council Resolution No. 9250, dated January 10, 2012 for the
purpose of dissolving the operation of the former El Monte Community Redevelopment Agency. The real property as described in this El Monte Successor Agency Quitclaim Deed was originally acquired by the former El Monte Community Redevelopment Agency.

PART THREE

The Property is hereby quitclaimed by the El Monte Successor Agency to the City in an “AS IS” “WHERE IS” condition, subject to all faults, as of the date of recordation of this El Monte Successor Agency Quitclaim Deed, with no warranty expressed or implied, as between the City and the Successor Agency, as to the environmental condition of the Property, the presence or absence of any patent or latent adverse environmental condition thereon or therein, and any other matter affecting the Property including without limitation, the suitability of the Property for any particular use or occupancy hereafter.

PART FOUR

A. Notice of Lead-Based Paint and Asbestos-Containing Material in Buildings on the Property and Disclaimer.

1. Lead-Based Paint (LBP). The Property may have been improved with buildings, facilities and equipment that were constructed before 1978 and are presumed to have contained LBP. Each successor in interest of the El Monte Successor Agency in the Property for itself and its successors and assigns assumes the responsibility that in its use and occupancy of the Property, it will comply with Title X and all applicable Federal, State, and local laws relating to LBP. The El Monte Successor Agency assumes no responsibility or liability for payment of the cost of abatement of the soils on the Property or demolition of any structure on the Property containing LBP or liability for damages arising after the recordation of this El Monte Successor Agency Quitclaim Deed for personal injury, illness, disability, or death to any person, including members of the general public, from or incident to the purchase, transportation, removal, handling, use, disposition, or other activity causing or leading to contact of any kind whatsoever with LBP on the Property, whether the successor of the El Monte Successor Agency as the owner of the Property has properly warned, or failed to properly warn, persons injured.

2. Asbestos-Containing Materials (ACM). The Property may have been improved with buildings, facilities and equipment that contain ACM. Each successor in interest of the El Monte Successor Agency in the Property for itself and its successors and assigns that in its use and occupancy of the Property, it will comply with all applicable Federal, State, and local laws relating to ACMs. The Agency assumes no responsibility or liability for payment of the cost of abatement or demolition of any structure containing ACM or liability for damages arising after the recordation of this El Monte Successor Agency Quitclaim Deed for personal injury, illness, disability, or death to any other person, including members of the general public, arising from or incident to the purchase, transportation, removal, handling, use, disposition, or other activity causing or leading to contact of any kind whatsoever with ACMs on the Property, whether the successor of the El Monte Successor Agency as the owner of the Property has properly warned, or failed to properly warn, the persons injured.
B. **Anti-Discrimination.**

The Property is transferred to the City subject to compliance by the City and its successors and assigns with the provisions of Health and Safety Code Section 33436. The text of Health and Safety Code Section 33436 is incorporated into the text of this El Monte Successor Agency Quitclaim Deed by this reference.

**PART FIVE**

This El Monte Successor Agency Quitclaim Deed is executed by the El Monte Successor Agency and delivered to the City, as authorized by the First Supervisorial District Consolidated Oversight Board, having jurisdiction over the El Monte Successor Agency, Resolution No.____, dated ______________, 2020.

The El Monte Successor Agency has caused this El Monte Successor Agency Quitclaim Deed to be executed and delivered to the City as of the date indicated next to the signature of the Executive Director of the El Monte Successor Agency which appears below.

**EL MONTE SUCCESSOR AGENCY**

City of El Monte as Successor Agency to the former El Monte Community Redevelopment Agency, a public body corporate and politic

Date: ____________________________

By: ____________________________

Alma K. Martinez
Executive Director

[Notary Acknowledgement Attached]

APPROVED AS TO FORM:

______________________________
Successor Agency Counsel
CITY OF EL MONTE

ACCEPTANCE OF EL MONTE SUCCESSOR AGENCY QUITCLAIM DEED

The undersigned officer of the City of El Monte, hereby acknowledges and declares that the City Council of the City of El Monte has adopted its City Council Resolution No. _____, dated ____________, 2020, in which the City Council has acknowledged its acceptance of the delivery of the Property from the El Monte Successor Agency pursuant to the terms and conditions set forth in the within El Monte Successor Agency Quitclaim Deed.

CITY

City of El Monte, a municipal corporation

Date: ________________

By: ____________________________
   Alma K. Martinez
   City Manager

[Notary Acknowledgement Attached]

APPROVED AS TO FORM:

______________________________
City Attorney
Exhibit “A”

LEGAL DESCRIPTION

(PROPERTY: El Monte Successor Agency Long Range Property Management Plan: # 51)

The legal description of the Property consists of two (2) parts: PART A of the legal description of the Property sets forth certain technical and financial accounting data which is not formally a legal description of the Property but which is relevant to tracing historical origins of the Property and administering the financial books and records of the City and the El Monte Successor Agency as to the Property; PART B of the legal description of the Property presents the metes and bounds or subdivision map parcel description of the Property.

- PART A -

1) Street address: 3637 Tyler Avenue

2) L.A. County Assessor’s Parcel Number (APN) as of January 1, 2019: 8575-019-909

3) Former Redevelopment Project Area: Downtown El Monte Redevelopment Project Area

4) Original Acquisition Date: 06/30/10

5) Original Acquisition Deed Recordation No.: 20100674082

6) Original Acquisition Price/Cost: $214,008

7) Source of Funds

   The Property was acquired by the former El Monte Community Redevelopment Agency using, in whole or in part, either:
   ☑ Former Agency non-housing funds, and/or
   ☐ Former Agency Low-Moderate Income Housing Funds, an/or
   ☐ Other funds (specify):

8) El Monte Successor Agency Long Range Property Management Plan:
   Identification No. 51 for the Property
Exhibit “A”

LEGAL DESCRIPTION

- PART B -

The Property is situated in the City of El Monte, California and is more particularly described as follows:

PARCEL 1:

ALL OF LOT 11 IN BLOCK 4 OF RESURVEY OF E.J. BALDWIN’S ADDITION TO EL MONTE, IN THE RANCHO SAN FRANCISQUITO, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 4 PAGE 95 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THAT PORTION CONVEYED TO THE CITY OF EL MONTE, IN DEED RECORDED FEBRUARY 24, 1949 IN BOOK 29442 PAGE 320, OFFICIAL RECORDS, AND FURTHER EXCEPTING THAT PORTION CONVEYED TO THE STATE OF CALIFORNIA, BY DEED RECORDED NOVEMBER 28, 1956 IN BOOK 52972 PAGE 132, OFFICIAL RECORDS.

PARCEL 2:

LOT 12 IN BLOCK 4 OF RESURVEY OF E.J. BALDWIN’S ADDITION TO EL MONTE, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 4 PAGE 95 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THAT PORTION OF SAID LAND DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWESTERLY CORNER OF SAID LOT; THENCE ALONG THE SOUTHERLY LINE OF SAID LOT SOUTH 69 DEGREES 20’ 05” EAST 8.69 FEET; THENCE NORTH 55 DEGREES 34’ 37” WEST 8.95 FEET TO THE POINT IN THE WESTERLY LINE OF SAID LOT, DISTANCE ALONG SAID WESTERLY LINE NORTH 20 DEGREES 34’ 37” WEST 2.13 FEET TO THE SAID POINT OF BEGINNING AS GRANTED TO THE STATE OF CALIFORNIA BY DEED RECORDED APRIL 30, 1957 IN BOOK 54357 PAGE 252, OFFICIAL RECORDS.
RESOLUTION NO. 3572

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, APPROVING TENTATIVE PARCEL MAP (TPM) NO. 83105, DESIGN REVIEW (DR) NO. 03-20, DENSITY BONUS (DB) NO. 01-20, AFFORDABLE HOUSING CONCESSION (AHC) NO. 01-20, AFFORDABLE HOUSING CONCESSION NO. 02-20, & AFFORDABLE HOUSING CONCESSION NO. 03-20, ADOPTION OF A CATEGORICAL AFFORDABLE HOUSING EXEMPTION TO PERMIT THE CONSTRUCTION OF A FOUR-STORY AFFORDABLE HOUSING APARTMENT COMPLEX WITH 53 UNITS ON A 27,884 SF (OR 0.64 ACRES) SITE LOCATED AT 3637 & 3649 TYLER AVENUE, EL MONTE, CALIFORNIA

The Planning Commission of the City of El Monte, County of Los Angeles, State of California, does hereby find, determine and resolve as follows:

SECTION 1 – PROJECT DESCRIPTION. On April 16, 2020, The Cesar Chavez Foundation, 316 W. 6th Street, Suite 600, Los Angeles, CA 90012, filed an application for Tentative Parcel Map (TPM) No. 83105, Design Review (DR) No. 03-20, Density Bonus (DB) No. 01-20, Affordable Housing Concession (AHC) No. 01-20, Affordable Housing Concession (AHC) No. 02-20, Affordable Housing Concession (AHC) No. 03-20 for the construction of an approximate 55,769 SF four-story affordable housing project with 53 apartment units on a 27,884 SF (or 0.64 acres) project site that is located within the SP-4 (Downtown Main Street Transit-Oriented District Specific Plan – Station Sub-Area) zone.

SECTION 2 – PUBLIC HEARING. This request is made pursuant to the requirements of Chapters 16.12, 17.22 and 17.85 of the El Monte Municipal Code (EMMC). The subject properties are located at 3637 & 3649 Tyler Avenue, El Monte, California, and described as follows, to wit:
APN Nos: 8575-019-909 (4,999 SF portion thereof) & 8575-019-030

Pursuant to which after due notice as required by law, a full and fair public hearing was held to consider an adoption of a Categorical Exemption per the CEQA guidelines, and approval of Tentative Parcel Map (TPM) No. 83105, Design Review (DR) No. 03-20, Density Bonus (DB) No. 01-20, Affordable Housing Concession (AHC) No. 01-20, Affordable Housing Concession (AHC) No. 02-20, and Affordable Housing Concession (AHC) No. 03-20 for the construction of an approximate 55,769 SF four-story affordable housing complex with 53 apartment units, before this Planning Commission on June 11, 2020 at which time all interested persons were given full opportunity to be heard and present evidence.

SECTION 3 - ZONING. The property is located within the SP-4 (Downtown Main Street Transit-Oriented District Specific Plan Station Sub-Area) zoning district. Surrounding properties are of similar land uses and are as follows:

- **North:** SP-4 (Station Sub-Area): Metrolink parking lot.
- **East:** SP-4 (Station Sub-Area): Multi-family residences.
- **South:** SP-4 (Station Sub-Area): Office & retail stores.
- **West:** SP-4 (Station Sub-Area): Trolley Station (to be developed w/ housing)

SECTION 4 - GENERAL PLAN. The General Plan Land Use Designation is “Downtown Core”. The Downtown Core area is intended for land use and development types that create a vibrant mixed-income and multi-use environment, including high-density residential and transit uses. The proposed development consist of an approximate 55,769 SF four-story affordable housing complex with 53 apartment units, is consistent with the goals of the EMMC and the 2011 El Monte General Plan.

SECTION 5 - ENVIRONMENTAL. In accordance with the criteria and authority contained in the California Environmental Quality Act (CEQA) of 1970 and the
CEQA Guidelines as amended, staff has conducted the appropriate environmental analysis and based on that assessment, the City has determined the requested project to be Categorically Exempt pursuant to Sections 15194 in accordance with the requirements of the State CEQA Guidelines. City staff is hereby directed to expeditiously and timely file a Notice of Exemption with Los Angeles County.

SECTION 6 – TENTATIVE PARCEL MAP (TPM) FINDINGS. All necessary findings for the granting of the Tentative Parcel Map pursuant to Chapter 16.12 of the EMMC can be made in a positive manner and are as follows:

A. The proposed map is consistent with applicable general and specific plans.

   Finding of Fact:
   The proposed project is consistent with the General Plan land use designation of Downtown Core. Specifically, the Downtown Core land use designation is described as follows:

   "The Downtown Core allows a range of land uses and development types that create a vibrant mixed-income and multiuse environment."

   The proposed project is consistent with the description above in that the Downtown Core allows high density residential uses, which is consistent with the proposed four-story affordable housing complex with 53 units on a 27,884 SF (or 0.64 acre) project site.

B. The design or improvement of the proposed subdivision is consistent with applicable general and specific plans.

   Finding of Fact:
   The design and improvements of the proposed subdivision are consistent with the General Plan in that the project is consistent with Community Design Element Goal CD-9.8, which states that new multi-family residential projects be designed to convey a high level of visual and physical quality. Specifically, the proposed project is best described as contemporary architecture that reflects an urbanized approach to modern living with a focus on mass-transit and walkability. The proposed design allows for the use of varying elements to provide building articulation and there are variations in materials, colors, and angled and curved elements. Adequate open space consistent with City design guidelines is proposed to ensure a livable quality environment. The proposed project will be distinct in that it is a high quality new development which is designed to add value to its surrounding context. Further, the
project will be in substantial compliance with the Downtown Main Street Transit-Oriented District Specific Plan Station Sub-Area which has a set of design requirements that the project design adheres to.

C. The site is physically suitable for the type of development.

Finding of Fact:
The site is physically suitable for the development in that the proposed Tentative Parcel Map is to consolidate two (2) parcels: 1) 8,770 SF vacant City-owned parcel and 2) 23,780 SF privately-owned parcel. The project also proposes 50 parking spaces within a subterranean garage. Given the shape and topography of the 0.64-acre project site, the proposed development contains adequate land for 53 affordable multiple-family dwelling units, accompanying subterranean garage and open space areas to service the development. Furthermore, staff has worked with the Applicant to achieve a site plan that is able to meet the intent of the Zoning Code to the greatest feasible extent. As such, the site is physically suitable for the proposed development.

D. The site is physically suitable for the proposed density of development.

Finding of Fact:
The site is physically suitable to accommodate the proposed four-story affordable housing complex with 53 units on the 0.64 acre subject site for a total of 82 units per acre. The density proposed is allowed with a combination of density provisions as specified in the Downtown Transit-Oriented District Specific Plan Station Sub-Area, the Development Opportunity Reserve (DOR), and a density bonus. Therefore, the site is physically suitable for the proposed density of development.

E. The design of the subdivision or the proposed improvements are not likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat.

Finding of Fact:
The design of the subdivision or the proposed improvements are not likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat in that the subject site was previously occupied by and is surrounded by urban development and is not habitat to any fish or wildlife. Further, the proposed project will comply with the policies and regulations of the El Monte Municipal Code and General Plan and with all local or regional plans, policies, regulations, and any applicable requirements by the California Department of Fish and Game or U.S. Fish and Wildlife Service. Based on these factors, the proposed subdivision will not cause substantial environmental damage or injure wildlife or their habitat.

F. The design of the subdivision or the type of improvements is not likely to cause serious public health problems.
Finding of Fact:
The design of the proposed project and the type of improvements are not likely to cause serious problems to public health because the building and infrastructure improvements shall be constructed to conform to all City standards, including all conditions set forth in the resolution. Prior to issuance of City development permits and/or a Certificate of Occupancy, the project is required to comply with all conditions set forth in the resolution, from the Building and Safety Division, Engineering/Public Works Division, and Fire Department requirements. The referenced agencies through the permit and inspection process will ensure that the proposed project will not be detrimental to the public health, safety or welfare nor will it be materially injurious to the properties or improvements in the vicinity.

G. The design of the subdivision or the type of improvements will not conflict with easements, acquired by the public at large, for access through or use of, property within the proposed subdivision. In this connection, the governing body may approve a map if it finds that alternate easements for access or for use will be provided, and that these will be substantially equivalent to ones previously acquired by the public. This subsection shall apply only to easements of record and to easements established by judgment of a court of competent jurisdiction. No authority is granted to a legislative body to determine that the public at large has acquired easements for access through or use of property within the proposed subdivision.

Finding of Fact:
The design of the subdivision or type of improvements will not conflict with other easements acquired by the public at large. The subject site is currently comprised of two (2) parcels: 1) a 4,999 SF portion of a vacant City-owned parcel (APN No. 8575-019-909) and 2) 23,780 SF privately-owned parcel. The 4,999 SF portion of the City-owned parcel will be sold to the Applicant for fair market value and combined with the privately-owned parcel to effectuate the project. The remainder (3,446 SF) of the City-owned parcel shall be used for public street improvement purposes, including a southbound right turn only lane for traffic going from Tyler Avenue west onto Valley Boulevard. The 4,999 SF portion of the City-owned parcel qualifies as “exempt surplus land,” pursuant to Government Code Section 54221(f)(1)(B) as it is less than 5,000 square feet in area and is not contiguous to land owned by a state or local agency that is used for open space or low and moderate-income housing purposes. Accordingly, the requirements and protocols for land disposition set forth in the Surplus Land Act (Gov. Code, § 54220 et seq.) shall not apply to the proposed land disposition (Gov. Code, § 54222.3.). The project will result in new affordable residences and there are no records of easements acquired by the public at large for access through the property. Tentative Parcel Map No. 83105 has been evaluated by the City’s Public Works Engineering Department, which has identified conditions and public improvements that will be required to be performed and completed in an acceptable manner to the City in accordance with all applicable rules and laws.
SECTION 7 – DESIGN REVIEW (DR) FINDINGS. All necessary findings for the granting of a Design Review pursuant to Section 17.22.060 of the El Monte Municipal Code can be made in a positive manner and are as follows:

A. The granting of the design review request will not be detrimental to the public health or welfare or be injurious to the property or to improvements in such zone or vicinity.

Finding of Fact:
The proposed project will be located in an urbanized built-out community with existing and compatible residential and commercial uses, and therefore will not be detrimental to the public health or welfare or be injurious to the property or to improvements in such zone or vicinity. Conditions of approval have been incorporated into the project to ensure that the proposed project will not negatively impact the surrounding properties or land uses in the area. Additionally, before the issuance of City development permits and/or a Certificate of Occupancy, the project is required to comply with all conditions set forth in the resolution of approval, from the Building and Safety Division, Engineering/Public Works Division, and Fire Department requirements. The referenced agencies through the permit and inspection process will ensure that the proposed project will not be detrimental to the public health, safety or welfare nor will it be materially injurious to the properties or improvements in the vicinity.

B. The design of the proposed project would provide a desirable environment for its occupants and visiting public as well as its neighbors through good aesthetic use of materials, textures, and colors that remain appealing and will retain a reasonably adequate level of maintenance.

Finding of Fact:
The design of the proposed project would provide a desirable environment for its occupants and visiting public as well as its neighbors through good aesthetic use of materials, textures, and colors that remain appealing and will retain a reasonably adequate level of maintenance in that the proposed development is designed in a contemporary modern architecture that reflects an urbanized approach to modern living with a focus on mass-transit and walkability. Additionally, the proposed design allows for the use of varying elements to provide building articulation and there are variations in materials, colors, and angled and curved elements. Adequate open space consistent with City design guidelines is proposed to ensure a livable quality environment. The proposed project will be distinct in that it is a high quality new development which is designed to add value to its surrounding context. Therefore, the design of the project will provide a desirable environment for its occupants and visiting public as well as its neighbors.
C. The design and layout of the proposed project would not unreasonably interfere with the use and enjoyment of neighboring existing or future development, and will not result in vehicular and/or pedestrian hazards.

Finding of Fact:
The design and layout of the proposed project would not unreasonably interfere with the use and enjoyment of neighboring existing or future development, and will not result in vehicular and/or pedestrian hazards in that the proposed project will be located in an urbanized built-out community adjacent to an existing train station (Metrolink) and therefore not likely unreasonably interfere with the use and enjoyment of neighboring existing or future development. The site has adequate access from Valley Boulevard, Tyler Avenue and Railroad Street and also provides an efficient internal circulation system. The project improvements and land uses are consistent with the intent and the applicable development standards of the City’s Zoning Code, Subdivision Code, the Downtown Main Street Specific Plan, and the General Plan. Tentative Tract No. 83105 has been evaluated by the City’s Public Works Engineering Division, which has identified conditions and public improvements that will be required to be performed and completed in an acceptable manner to the City in accordance with all applicable rules and laws.

D. The architectural design of the proposed project is compatible with the character of the surrounding neighborhood and the provisions of this chapter and the general plan contemplate harmonious, orderly and attractive development.

Finding of Fact:
The proposed project will provide high quality architectural and landscape design and use of sustainable materials and practices. The architectural treatment of building elevations and modulation of the massing stimulates visual interest. Adequate open space consistent with City design guidelines is proposed to ensure a livable quality environment. Therefore, the proposed project will be compatible with the character of the surrounding neighborhood and the provisions of the Design Review Chapter and the general plan contemplate harmonious, orderly and attractive development.

E. The landscape considerations including the location, type, size and coverage of plant materials, provisions for irrigation, maintenance and protection of landscaped areas, have been provided to insure visual relief, to complement buildings and structures and to provide an attractive environment.

Finding of Fact:
The proposed conceptual landscaping plan is designed to define street edges, building entrances, the central courtyard, walkway paths, and open space areas throughout the project. The conceptual landscaping plan includes a combination of water efficient trees, shrubs, and ground cover plants. A variety of plant materials are proposed that will beautify the project site. All new landscaping is required to
have a fully automatic irrigation system. Irrigation (including spray and/or drip) shall be provided, in the Construction Document phase, and to be installed per local California water regulations. The new design will provide an attractive environment for residents, employees and visitors on site.

**SECTION 8 - DENSITY BONUS (DB) FINDINGS.** – The Planning Commission finds that the proposed affordable housing development conforms with Chapter 17.85 of the EMMC - Density Bonus Provisions in that the proposed units will provide 100 percent of low/very low income units; thus allowing the applicant to request a 35 percent increase in density. Furthermore, the project is also entitled to a maximum of three (3) concessions. All necessary findings for the granting of density bonus concessions pursuant to Section 17.85.070(C) of the EMMC can be made in a positive manner and are as follows:

A. The incentive or concession is required in order to provide for affordable housing costs or for affordable rents for the restricted units.

*Finding of Fact:*
Concessions are needed because the proposed development will provide 100 percent (53-units) of low/very low income housing. The concessions to reduce the first-floor building height, deviate from the front setback clearance and reduce the private open space requirement are necessary in order to provide for affordable housing costs or for affordable rents for the restricted units. Without the proposed concessions, the project as proposed would not be feasible and the project would provide a significantly less number of affordable units.

B. The concession or incentive would not have a specific adverse impact upon the public health or safety, and there is no feasible method to satisfactorily mitigate or avoid the specific adverse without rendering the development unaffordable to low and moderate-income households. A specific adverse impact means a significant, unavoidable impact, as provided in written standards, policies, or conditions.

*Finding of Fact:*
The concessions would not have a specific adverse impact upon the public health or safety because the proposed development will provide 100 percent (53-units) of low/very low income housing, the concessions to reduce the first-floor building height, deviate from the front setback clearance and reduce the private
open space requirement are necessary as the proposed project would not be feasible and would provide a significantly less number of affordable units.

Furthermore, the project as proposed will be located in an urbanized built-out community adjacent to an existing train station (Metrolink) with existing residential and commercial uses, and therefore would not have an adverse impact upon the public health or safety. Conditions of approval have been incorporated into the project or will be implemented to ensure that the proposed project will not negatively impact the surrounding properties or land uses in the area. Additionally, before the issuance of City development permits and/or a Certificate of Occupancy, the project is required to comply with all conditions set forth in the resolution of approval, from the Building and Safety Division, Public Works Engineering Division, and Fire Department requirements. The referenced agencies through the permit and inspection process will ensure that the proposed project will not be detrimental to the public health, safety or welfare nor will it be materially injurious to the properties or improvements in the vicinity.

C. The incentive or concession would not be contrary to state or federal law.

Finding of Fact:
The proposed concessions do not contradict state and federal law as the concessions are allowed per the density bonus provisions of the EMMC and the EMMC is in compliance to state and federal law. Furthermore, the project is required to comply with all conditions set forth in the resolution of approval, from the Building and Safety Division, Public Works Engineering Division, and Fire Department requirements. The referenced agencies through the permit and inspection process will ensure that the proposed project will comply with state and federal law.

SECTION 10 – PARKING REDUCTION FINDING. A finding to reduce the parking standards, pursuant to Section 17.08.100(E) of the El Monte Municipal Code and the Downtown Specific Plan can be made in a positive manner:

Finding of Fact:
Per the EMMC, for projects that provide “very low” to “low” income housing units, one (1) parking space is required for each affordable unit. Because the project provides 53 units of low-income housing, the applicant is required to have a minimum of 53 parking spaces. However, the Downtown Specific Plan allows the Planning Commission to reduce the requirement if justified through factors such as the availability/accessibility of alternative parking, potential shared parking arrangements, the characteristics of the use, etc.

The project proposes a total of 50 parking spaces within a subterranean parking garage. The total number of proposed parking spaces includes: 42 open
parking spaces, four (4) ADA compliant spaces, and four (4) rideshare spaces. Because the applicant is proposing an all affordable housing project that is located within close proximity to major transportation nodes (e.g., Metrolink Station and LA Metro’s Bus Route 76), Staff believes that the character of the use and the accessibility to adjacent mass transit lines are able to justify the request to reduce the overall parking requirement from 53 parking spaces to 50 parking spaces. In addition, the project will include four (4) rideshare spaces that are intended to serve residents that do not own a vehicle. Two (2) micro-mobility parking areas (each encompassing approximately 50 SF) are also proposed at the site which will be located between the subterranean garage’s driveway entrance and northern exercise area as well as within the parking garage. The micro-mobility areas are intended for parking of shared electric scooters that will offer residents additional alternative transportation options.

SECTION 11 – APPROVALS AND CONDITIONS. The Planning Commission determines that the project is in accordance with the criteria and authority contained in the California Environmental Quality Act (CEQA) of 1970 and the CEQA Guidelines as amended, and has determined the project is Categorically Exempt from CEQA and does hereby approve Tentative Parcel Map (TPM) No. 83105, Design Review (DR) No. 03-20, Density Bonus (DB) No. 01-20, Affordable Housing Concession (AHC) No. 01-20, Affordable Housing Concession (AHC) No. 02-20, and Affordable Housing Concession (AHC) No. 03-20, subject to the following conditions:

GENERAL

1. The project shall substantially conform to Tentative Parcel Map (TPM) No. 83105, Design Review (DR) No. 03-20, Density Bonus (DB) No. 01-20, Affordable Housing Concession (AHC) No. 01-20, Affordable Housing Concession (AHC) No. 02-20, Affordable Housing Concession (AHC) No. 03-20 and the associated plans presented to the Planning Commission on June 11, 2020.

2. The Tentative Parcel Map approval as contained herein shall be effective for a period of twenty-four (24) months from the date of effective approval thereof; provided however, that if the Tentative Parcel Map is not recorded during such 24-month period the application may apply for a time extension subject to the approval of the Planning Commission in accordance with Section 16.10.140 of the EMMC and the State Subdivision Map Act. The expiration date for the TPM will be effective on June 21, 2022.
3. Approvals for Design Review No. 03-20, Density Bonus No. 01-20, Affordable Housing Concession No. 01-20, Affordable Housing Concession No. 02-20, and Affordable Housing Concession No. 03-20 shall be effective for the term of Tentative Parcel Map No. 83105 and for a period of six (6) months following the date of recordation of the map; provided however, that prior to such date, building permits shall have been obtained or a time extension for the project shall have been approved by the Planning Commission.

4. A signed copy of the approving resolution of the Planning Commission shall be printed or attached to the development plans that are to be submitted during the plan check process.

5. All applicable conditions of approval shall be met or confirmed to have been appropriately addressed by the Community and Economic Development Director or designee prior to issuance of building permits and subsequently confirmed prior to occupancy of any buildings.

6. All Planning Division, Building Division, Code Enforcement Division, and Public Works Engineering Division, standards and conditions shall be complied with prior to the issuance of building or at the other specified time set forth in these conditions or approval or as set forth in City Codes.

7. All City and Los Angeles County Fire Department standards and conditions shall be implemented prior to final inspection and prior to occupancy of any building.

8. The Applicant and property owner shall sign and submit an affidavit accepting all conditions of approval contained in this Planning Commission Resolution within fifteen (15) days following the adoption of this Planning Commission Resolution.

9. Prior to the issuance of building permits, the Applicant shall provide documentation of the amenities or incentives of the Development Opportunity Reserve (DOR) in conjunction with the proposed development have been accepted into the building design elements. The amenities or incentives incorporated into the building design elements shall amount to a minimum of 29 DOR credits at the time of completion of improvement of the project or the applicant shall pay the difference into the DOR Public Improvement in-lieu Fund in accordance with the Downtown Main Street Transit Oriented District Specific Plan.

10. From the date of approval of the project by the Planning Commission until the time when the City has accepted the property maintenance agreement for the development project as provided in Condition No. 14, herein, the owner of the property shall maintain the property in a good condition to include:
a) The continuous maintenance of landscaping and vegetation on the property in a vigorous and weed free condition or if the property is unimproved, the prompt removal of weeds and volunteer vegetation on the property;

b) The prompt removal of any debris or trash from the property regardless of whether such debris or trash is disposed on the property by third persons;

c) The installation of temporary security fencing to limit unauthorized entry if the property is otherwise vacant in whole or in part;

d) The installation on each vacant structure on the property of secure and tamper-proof door and window coverings to prevent trespass and illegal occupancy of such vacant structures;

e) The prompt demolition or restoration of any structure on the property which has been materially damaged by fire or vandalism;

f) The prompt removal of evidence of graffiti vandalism from any surface on the property, including graffiti as applied to temporary security fencing or to walls or structures including any wall or structure which is proposed for demolition; and

g) Other property maintenance and property security measures as may be indicated for the property under EMMC Chapter 8.59 or other applicable law.

11. The applicant shall submit to the Planning Division a “Parking Management Plan” for the assignment of parking spaces within the underground parking structure for review and approval, prior to the issuance of Building permits. **Added by the Planning Commission on June 11, 2020.**

12. The applicant shall work with the Planning Division to finalize all locations for “micro-mobility” spaces, prior to the issuance of Building permits. Designated micro-mobility spaces shall not encroach or obstruct vehicular-path of travel. **Added by the Planning Commission on June 11, 2020.**

**LEGAL**

13. By acceptance of the approval of the project by the City, the Applicant shall defend, indemnify, and hold harmless the City and its agents, officers, and employees from any claim, action, or proceeding against the City or its agents, officers, and employees to challenge, set aside, void or annul the approval of the project from an action which may be brought within the time period provided for such actions or challenges under applicable law. The City shall promptly notify the applicant of any claim, action, or proceeding and the City shall cooperate in any such defense.

14. The Applicant shall enter into and comply with all necessary agreement and covenants with the City or other relevant party that may be required to effectuate the Project, and project approvals shall only be valid upon City approval of a Disposition Development and Affordable Housing Loan Agreement for the project site, in the sole and absolute discretion reserved to the City Council.
15. The Applicant and City shall enter into a Subdivision Improvement Agreement prior to recordation of the Final Tract Map for the design, acquisition, installation, construction, dedication and one-year warranty for all of the public infrastructure improvements required by the conditions of approval for Tentative Parcel Map No. 83105.

16. An agreement for property maintenance is required and shall be reviewed and approved by the City Attorney. Such agreement for property maintenance may be included in the City’s affordable rental housing regulatory agreement. The Agreement shall be submitted for review by the City Attorney and shall be approved and recorded before building permits are issued or recorded concurrently with the final map.
   a) Parking. The agreement shall address and ensure that all residential and guest parking is allocated and properly marked for use. A total of 50 parking spaces shall be provided. Each parking stall space shall be kept clear and available for the parking of vehicles. Parking decals shall be required for all cars registered with the leasing agreement. All office parking shall be made available for guest parking after business hours. Parking shall be monitored and enforced 24-hours by onsite management.
   b) On-going maintenance criteria, repair and upkeep of the property and all improvements located thereupon (including but not limited to controls on the proliferation of trash and debris about the property, the proper and timely removal of graffiti; the timely maintenance, repair and upkeep of damaged, vandalized and/or weathered buildings, structures and/or improvements; the timely maintenance, repair and upkeep of exterior paint, parking areas/striping, pedestrian pathways/open space areas, lighting and irrigation fixtures, walls and fencing, landscaping and related landscape improvements and the like, as applicable).
   c) The agreement shall include provisions which confer a power on the City upon notice to the owner, to enter the property to perform maintenance and repair work and create a lien in favor of the City to secure reimbursement of City costs to correct any maintenance deficiency.

CONSTRUCTION

17. The Applicant shall ensure that the contractors conduct construction activities between the hours of 7:00 AM and 6:00 PM on weekdays and 9:00 AM to 5:00 PM on Saturdays, with no construction permitted on Sundays or Federal holidays.

18. The Applicant shall distribute a notice prior to the commencement of construction activities to property owners and tenants within 300 feet of the project boundary of properties that abut the project site. The notice shall include the contact information of the applicant project manager and City of El Monte Planning Division staff.
19. A truck/traffic construction management plan is required for this project pursuant to the Department of Transportation. All construction traffic regarding the movement of heavy equipment and graded materials are limited to off peak hours. This plan shall be approved prior to the issuance of Building Permits.

20. The project must comply and be designed to meet all requirements of the current applicable California Building Code. All building safety, geotechnical, mechanical, electrical, plumbing, and accessibility requirements will be reviewed for compliance during plan review.

21. Prior to commencing site preparation activities, the project site shall be secured with a fence to prevent unauthorized access to the site and the fence shall contain a screening material to screen construction activities from view. The temporary screening fence shall be installed to the satisfaction of the Community and Economic Development Department and shall be maintained in good condition (free of tears, holes, crack lines, debris, etc.) at all times. At the primary entrance to the site, the screening material shall be reduced to a maximum height of four feet to provide visibility into the site at all times and for public safety purposes. The project site shall also have a minimum of one sign of quality material depicting the proposed development, which shall include renderings, project opening date, and City Council information. The signs shall be designed and installed to the satisfaction of the Community and Economic Development Department and maintained in good condition (free of tears, graffiti, holes, cracks, fading, debris, etc.) at all times.

22. Prior to the commencement of construction on the site, the Applicant shall schedule a pre-construction meeting between the general superintendent or field representative and the Planning Division to review the approved plans and construction requirements, and project construction staging and sequencing.

23. The Applicant and project construction manager shall be required to work with City Staff to identify all public and private schools within a 1,000-foot radius from the project site. The applicant/construction manager shall be required to contact all identified schools to notify the principal of the school about the proposed project, construction periods, and planned trucking routes, and to coordinate trucking activities to and from the site. Trucking deliveries and pickups from the project site shall be prohibited during the periods identified by a school within the radius and during peak hours when children are coming to or leaving the school. Additionally, all project sites located within this specified radius shall be required to maintain one onsite flag personnel to direct trucking activities coming to and leaving the site during all phases of project construction and until the project has received final approval. The applicant shall be required to submit to the Planning Division a written letter showing evidence that this condition has been satisfied prior to issuance of a building permit.
24. During the construction process all related activities, including but not limited to, loading, unloading, storage of equipment and materials, and parking of employee vehicles are prohibited within the public R.O.W. All such activities shall be conducted only on the project site and not in the public R.O.W.

25. All onsite activities shall comply with the City of El Monte Noise Ordinance at all times.

26. Automatic gas shut off/earthquake safety valves shall be installed for each gas meter location.

27. All trash and refuse (i.e. solid waste) shall be disposed of in dumpsters or other like containers; and all such waste shall be removed from the premises on a routine basis, as provided under EMMC Chapter 8.20, by a solid waste hauler duly franchised to provide such service to the property. Applicant shall divert fifty percent (50 percent) of its solid waste through recycling services provided by a solid waste hauler duly franchised to provide such service to the property. Pending completion of all construction activities upon the property, surplus construction materials shall be stored so as to be screened from view when not actually in use. All construction and demolition debris shall be removed from the property in compliance with EMMC Chapter 8.20. The removal of all solid waste arising out of the construction and demolition process shall be undertaken by a duly franchised solid waste hauler authorized to provide solid waste services for construction and demolition projects within the City of El Monte. The removal of all other wastes from the property shall be undertaken by a duly franchised solid waste hauler authorized to provide solid waste services to residential and commercial properties within the City of El Monte.

a) Prior to the issuance of a Building Permit, the applicant shall submit to the Building Safety Division, the Environmental Services Division and the City Code Enforcement Division, the name and contact information for the contracted waste hauler. It shall be the applicant's obligation to ensure that the waste contractor utilized has obtained permits from the City of El Monte to provide such services.

b) Prior to final approval for occupancy, and in addition to any other requirements set forth under the El Monte Municipal Code or by the Chief Building Official, the applicant shall submit to the Building and Safety Division, the receipt(s) showing evidence that the waste and debris generated during the demolition and construction process were properly disposed and/or diverted.

c) Except as otherwise authorized pending the completion of the construction and demolition activities authorized under this resolution, solid waste containers and bulky items may not be stored or maintained at locations designated for parking and must be maintained in those locations designated for the temporary storage of solid waste and bulky items.
28. The site and the public R.O.W. adjacent to any portions of the site shall be maintained in a condition which is free of debris both during and after the construction, addition or implementation of the entitlements granted herein. All trash and refuse shall be disposed of in dumpsters and be removed from the premises on an as needed basis. Any surplus construction materials shall be stored so as to be screened from public view when not actually in use and be removed from the property upon completion of construction activities. The removal of all trash, debris, and refuse, whether during or subsequent to construction shall be done only by the property owner, the applicant or by a permitted waste contractor, who has been authorized by the City to provide collection, transportation, and disposal of solid waste from residential, commercial, and construction areas within the City.

a) Prior to issuance of a Building Permit, the applicant shall submit to the City, the name and contact information for the contracted waste hauler. It shall be the applicant's obligation to insure that the waste contractor utilized has obtained permits from the City of El Monte to provide such services.

b) Prior to final approval for occupancy, the applicant shall submit to the Planning Division, the receipt(s) showing evidence that the waste and debris generated during the construction process were properly disposed.

29. Fire protection facilities; including access, must be provided prior to and during construction.

30. All staging areas and storage of equipment and materials shall be set back from adjacent residential uses.

31. Commencement of construction of the project including the demolition of the existing El Monte Trolley Station improvements shall be coordinated to the satisfaction of the Community and Economic Development Director within the completion of the temporary El Monte Trolley Station improvement on the west side of Center Avenue.

ART IN PUBLIC PLACES

32. The proposed project is subject to comply with the El Monte Art in Public Places Program Ordinance (EMMC Chapter 15.07) unless the project is exempt pursuant to EMMC Section 15.07.040(B).

SITE PLAN

33. Prior to the recording of the Final Map, the City and/or Applicant shall prepare and submit a composite development plan to the City showing all required and intended public and private improvements for the land parcels and public roadway as delineated in the Map approved herein.
34. The Applicant shall submit a design for the onsite trash enclosure(s) for review and approval by the Planning Division and the City’s Solid Waste Service Provider during the plan check process. All trash enclosures shall be screened and buffered from public view. The trash enclosures shall include a designated area for solid waste disposal and a designated area for recycling disposal. The design will be reviewed for aesthetic value and use of quality materials. All outside trash and garbage collection areas shall be paved and enclosed on at least three (3) vertical sides by a solid five (5) foot high wall and on the fourth side by a view obscuring gate to screen the containers from view. Trash enclosures shall be of a size sufficient to contain all trash containers maintained outside the building. The finish and color of the enclosure shall be designed to match a primary element from the site building style as well as incorporate a decorative cover per the approval of the Community and Economic Development Director.

35. Decorative driveway surface materials that provide anti-squeaking qualities shall be installed at the project vehicular entrance to the satisfaction of the Community and Economic Development Director.

36. The Applicant shall install a security system with HD cameras throughout the project site. The plan shall be reviewed by the El Monte Police Department and such recording shall be available for the El Monte Police Department for a minimum of 45 days.

LANDSCAPING

37. The Applicant shall be required to submit to the Planning Division for review and approval of a detailed landscape/irrigation plan for the site that is prepared by a State Licensed Landscape Architect. The plan shall address the following items:
   a. Comply with the State mandated Model Water Efficient Landscape Ordinance (MWLEO) 2015 update and Chapter 17.11 - Water Efficiency of the El Monte Municipal Code (EMMC). The document package may be downloaded on the City website under Building and Safety or contact the Building and Safety Division at (626) 580-2050.
   b. An automatic timed underground irrigation system shall be installed and maintained for each landscaped area.

38. The landscape plan shall provide for a variety of groundcover, grasses, shrubs, perennials, and ornamental trees with various textures, heights, size and a variety of foliage and flower color, per EMMC Section 17.10.030(A)(1) and the Downtown Main Street Specific Plan. The landscape plan shall include a Plant Legend containing: plant symbol, scientific name of plant material, common name of plant material, plant container size, and plant spacing in “inches”. Single row and triangle plant spacing are preferred. Very low, low and medium water usage plant materials are encouraged.
39. The minimum size for required trees shall be 24" box and subject to the review and approval of the Community and Economic Development Director. An automatic timed underground irrigation system shall be installed and maintained for each landscaped area.

40. All street trees shall be approved by the Planning Division/Cty Arborist.

41. All landscape and irrigation areas shall be installed prior to a certificate of occupancy.

LIGHTING

42. The Applicant shall submit a photometric plan to the Community and Economic Development Department for review and it shall provide a minimum of 1 foot-candle throughout the site. Where available and deemed necessary by the Community and Economic Development Director, the system must be equipped with vandal resistant covers and be shielded to direct light away from all neighboring uses, and comply with CALGreen or local ordinance, whichever is more stringent. The lighting plan shall include the design and specifications for all proposed exterior site lighting fixtures and shall be reviewed for quality, aesthetics, and illumination values.

43. The Applicant shall submit for review by the Planning and Building Division, the design and specifications for all proposed lighting fixtures proposed for the buildings, drive aisles, parkways, parking areas, pathways, and surrounding areas within the development. The fixtures shall be reviewed for quality, aesthetics, illumination values, sustainability values such as LED and shall be decoratively and architecturally consistent with the building design. The number, location, height, style and design shall be reviewed and approved by the Planning Division and Building Division prior to issuance of building permits.

UTILITIES AND MECHANICAL EQUIPMENT

44. All onsite utilities service lines shall be underground and not visible to the public view.

45. The Applicant shall submit a composite utility plan depicting the location of above ground utility appurtenances. The exact location of the equipment shall be approved by the Planning Division, during the plan check process, and shall be installed as per approved plans.

46. All mechanical equipment placement and screening shall be included on the composite development plan and shall be reviewed and approved by the Planning Division prior to installation. Where practicable and as shown on the plans approved by the Planning Commission in the course of obtaining the requested entitlements, mechanical equipment, heating, ventilation, air
conditioning (HVAC) units, satellite dish systems, solar panels, thermal solar heaters, utility meters, above ground utility and fire safety connections will be, screened, located out of public view or be architectural integrated into the project design.

**FENCES AND WALLS**

47. Prior to the demolition of any existing property line walls and/or fences and construction of a new property line concrete block wall(s), the applicant shall make reasonable efforts to coordinate and obtain approval from neighboring property owner(s) to remove any existing wall(s) and/or fence(s). Written authorization from the neighboring property owner shall be provided for the removal of an existing wall and construction of a new property line wall upon submittal for plan check.

48. All fences and walls shall be decorative. Block walls shall provide a stucco finish to match the proposed development.

49. Where proposed, new interior and perimeter fences and walls for the project site shall be of a decorative design and manufactured/built using durable materials and protective surfaces. The application of graffiti resistant coating and/or other anti-graffiti measures are required.

50. All pedestrian gates shall be equipped with a key (security) code and meet ADA requirements.

51. Architectural plans including a site plan, elevations, and mechanical specifications for all walls/fences/gates shall be submitted to the Planning Division for review and approval.

**ARCHITECTURE**

52. The Applicant shall continue to work with Planning Division staff to further refine and finalize the design of the proposed project prior to the issuance of building permits.

53. Prior to issuance of building permits, the plans shall specify the type of materials and colors that will be installed on exterior of residences.

54. All guard rails must be decorative and high quality material and shall be reviewed by the Planning Division during the plan check process.

55. During the plan check process the elevations shall be printed in color. All proposed materials shall be presented on a board and noted on the architectural plans.
56. The Applicant shall work with staff to finalize the color palette for exterior finish materials.

SIGNS

57. The Applicant shall submit and receive approval of a Sign Permit for all proposed signage.

POLICE DEPARTMENT

Lighting
58. Pedestrian walkways leading to residential units and parking spaces should provide LED lighting.

59. Common outdoor areas shall be provided with adequate lighting.

Landscape
60. Building entrances should be accentuated and well defined with landscaping, architectural design and lighting.

61. Open spaces and walkways should be designed to enhance security and safety.

62. Mail boxes should be visible by the residents and located in the interior of the property lines/boundaries.

Building Signage
63. Building address numbers should be visible from the public road as well as depicted on each unit/residence.

64. The building address numbers should be legible and large enough to identify the buildings by first responders.

ENGINEERING & PUBLIC WORKS

The following conditions and public improvements will be required to be performed and completed in an acceptable manner to the City in accordance with all applicable rules and laws. Federal, State, County and local laws and regulations for project implementation must be adhere to throughout the duration of the project. The City Engineer may require other information or may impose additional conditions and requirements as deemed necessary to protect public health and safety.

65. General:

a) The estimated amount of Development Impact Fees associated with the project based upon the site plan documentation submitted as part of the Project Approvals include but are not limited to the following fees and deposits;
applicable sewer fee, street fee, storm drain fee, traffic fee, park facility Impact fee, Quimby (dedication or in lieu Parkland Focs), deposits, technology enhancement fees, and all applicable fees associated with demolition of existing structures, drainage, site development, and construction are based on actual number of residential units. EMMC 15.08 and EMMC 16.34.030

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The foregoing amounts of the various development impact fees are based on 53 units of a multi-family development subject to refinement and changes based on the design plans for the project as approved by the City and/or changes in the City development impact fees.

b) Project Applicant shall obtain approval from the Los Angeles Fire Department (LACFD) for development's fire protection, fire flow requirements, emergency access circulation for development, etc. and shall construct all Fire Department required improvements. LACFD approval will be required:
   i. Prior to Tentative Map Approval (LACFD Land Development Division)
   ii. Prior to Grading/Building Permits (LACFD Building Division)
   iii. Prior to Final Map Approval

c) Environmental Documentation. The time limits set forth in El Monte Municipal Code (EMMC) Chapter 16.12.040 for taking action on tentative maps shall not be deemed to commence until the environmental documentation for the subdivision is completed in compliance with the California Environmental Quality Act (CEQA) as required by the City.

d) The Project Applicant shall provide such additional data and information and shall deposit and pay such fees as may be required for the preparation and processing of environmental review documents pursuant to the City’s procedures for implementation of the California Environmental Quality Act.

e) Engineering Geology and/or Seismic Safety Report. A preliminary engineering geology and/or seismic safety report, prepared in accordance with Los Angeles County guidelines, is required if the property lies within a “medium risk” or “high risk” geologic hazard area, as shown on maps on file contained within the safety element of Los Angeles County.
f) Comply with the City's ordinances and regulations pertaining to construction debris recycling. Contact the Building & Safety Department to obtain a Construction & Demolition Debris Diversion Program form. The Construction & Demolition Debris Diversion Program is also applicable with respect to the grading process.

g) All USA/Dig Alert graffiti markings must be removed by the contractor from the sidewalk, curb & gutter and/or asphalt pavement prior to final approval.

h) No encroachment into the City right-of-way from private property will be allowed.

i) The City Engineer may require other information or may impose additional conditions and requirements as deemed necessary to protect health and safety, and to benefit the public.

66. **Parcel Maps (subject to reasonable amendment and revision by the City Engineer and/or Public Works Director as part of the finalization of the Parcel Map):**

a) Prepare Parcel Map in substantial conformance with approved Tentative Parcel No. 83105. All Parcel Maps are to be recorded in the Los Angeles County Recorder's Office prior to issuance of "Notice of Completion"/Certificate of Occupancy" and an electronic copy of the approved Parcel Map is submitted to the Engineering Division for our records. A Registered Civil Engineer or Land Surveyor licensed by the State of California must prepare and submit the proper documents, legal descriptions and maps describing the parcel map. The final City of El Monte approved parcel map must be submitted to the Los Angeles County Recorder's Office for recordation.

b) Project Applicant is responsible to install, document, and submit centerline tie information for new streets, revisions to existing streets, and replacement of centerline ties removed during construction.

c) Streets fronting the project shall be improved to meet current General Plan requirements for Right of Way and Roadway. Dedications required:
   I. Valley Blvd: Dedicate (in fee) 20 feet of Right-of-Way as required to obtain full half-street width of 60-feet to the City of El Monte along Valley Blvd for street purposes and future street widening.
   II. Tyler Avenue: Dedicate (in fee) 2 to 12 feet of Right-of-Way as required to obtain full half-street width of 42 to 52 feet to the City of El Monte along Tyler Avenue for street purposes and future dedicated right turn lane. Abandon Existing 15 feet easements for public road and highway purposes and dedicate them in fee instead to the City of El Monte for street purposes.
III. Valley Blvd/Tyler Avenue: Dedication (in fee) for Corner Cutoff and
dedicated right turn lane southbound Tyler Avenue to westbound Valley
Blvd. required.

d) Parcel Map shall include 8-foot Private Easement (reserved for the benefit of
Parcel 1) along Valley Blvd for landscaping and patio/balcony encroachments.

e) Preserve existing survey monuments (property corners, centerline ties, etc.) in
the public right of way. All disturbed and removed survey monuments in the
public right of way shall be re-established and record of survey shall be filed with
the County surveyor in accordance with applicable provisions of the state law.

f) City Attorney's Office to approve the CC&R's for the project. Owner or project
applicant to contact the City Attorney's Office directly at (626) 580-2010 with any
questions and comments.

g) The Title Company must submit to the Engineering Division a Final Subdivision
Guarantee in the amount of $25,000 prior to final Parcel Map approval by the
City Engineer.

67. Grading and Drainage:

a) The Grading and Drainage Plan must include standard City of El Monte NPDES
and Grading and Drainage Notes and be prepared in accordance with the City of
El Monte Grading Manual.

b) A bond shall be submitted to the City of El Monte in an amount determined by the
City to complete minimum grading and drainage improvements deemed critical
by the City.

c) Soils Report. A preliminary soils report prepared in accordance with the city’s
grading ordinance shall be submitted. If the preliminary soils report indicates the
presence of critically expansive soils or other soil problems which, if not
corrected, would lead to structural defects, the soils report accompanying the
final map shall contain an investigation of each lot within the proposed
development.

d) A Hydrology Study Report, based on a 50-year frequency design storm for
Capitol Facilities and a 25-year frequency design storm for all other instances as
dictated by the LA County DPW 2006 Hydrology Manual, must be submitted to
the Engineering Division. The study must provide hydraulic calculations based on
the given area and the ability of the proposed/existing storm drain infrastructure
to receive and support the allotted drainage runoff. Drainage calculations shall
adhere to City of El Monte standards, NPDES, and environmental regulations
and requirements.
e) Historical drainage patterns from adjacent lands to the property shall be identified and maintained. The Project shall accept and include in the drainage design any current drainage from adjacent land.

f) Trash Enclosures must comply with Planning Department requirements, have a solid cover, and be designed to contain fluids from the temporarily stored solid wastes, and fitted with a drain that connects to the Sewer.

g) Comply with all Federal, State, and local agency requirements pertaining to the Clean Water Act, which established regulations, set forth in the Countywide National Pollutant Discharge Elimination System (NPDES) Permit.

h) Low Impact Development (LID) is a requirement of the NPDES Permit No. CAS004001, Order No. ORDER NO. R4-2012-0175 and City of El Monte Ordinance No. 2840 This permit was issued by the State of California Regional Water Quality Control Board, Los Angeles Region on December 28, 2012 and the City Ordinance was passed and adopted June 10, 2014. The LID is a narrative report that explains the type of development and drainage of the site. It must address the post-construction water quality and habitat impact issues. Once the site has been developed, how will runoff be maintained? Was there a system that was designed to treat the runoff prior to discharging into the public system? Best Management Practices (BMPs) should be implemented to address storm water pollution and peak flow discharge impacts. All BMPs must be sized to meet specified water quality design and/or peak flow discharge criteria.

   i. Filtration and infiltration methods must be used to defray a large percentage of the storm water runoff into the storm drain system.

68. **Sewer:**

a) Project Applicant / Civil Engineer shall show the location of the sewer mainline, nearest manholes, lateral serving the project and configuration of the onsite sewer including diameter and material of the onsite sewer.

   i. Connect to existing distribution line in Tyler Avenue. Direct connection to Sewer Trunkline is not permitted.
   
   ii. Sewer cleanouts must be positioned at 100-foot intervals on the lateral coming off the main sewer line and at property line.
   
   iii. Project Applicant must obtain Will Serve Letter from County Sanitations District of Los Angeles County in customary form prior to issuance of a grading permit for the Project.

69. **Water**

a) It is the Project Applicants’ responsibility to contact the Water Purveyor (City of El Monte Water Department) to obtain approval of service and that the purveyor has adequate water to provide such service. A Will Serve letter from City of El Monte Water Department will be required.
b) Provide acceptable analysis to verify sufficient water pressure and flow for:
   i. General conditions
   ii. During MID (maximum instantaneous demand) conditions
   iii. During fire flow and MID conditions

c) The water supply system serving the development shall be adequately sized to accommodate the total required domestic water and fire flows, in compliance with the City of El Monte Water Department and Los Angeles County Fire Department requirements.
   i. Project Applicant / Civil Engineer shall submit water system improvement plans and calculations for the development to the City for review and approval; or
   ii. Project Applicant / Civil Engineer shall submit copy of all water system improvement plans and calculations required and approved by City of El Monte Water Department for coordination and verification as needed.

d) A minimum ten (10) feet wide non-exclusive easement is required for water system pipelines and facilities and incidental purposes for all water lines operated by the City of El Monte utilized in providing water to the Project.

e) All existing water services no longer required as part of the Project shall be abandoned at the mainline.

f) Relocate existing water meter out of existing drive approaches.

70. **Overhead Utilities:**

   a) Project Applicant shall underground any existing overhead utilities that are to serve the property in accordance with EMMC Chapter 16.28.110. The final scope and design of the undergrounding of these overhead facilities is subject to SCE and other relevant utility provider approval.

   b) Any utility poles conflicting with the proposed improvements shall be relocated at the expense of the Project Applicant.

71. **Parking Lot and Driveways:**

   a) All parking lots and driveways shall be surfaced with asphaltic concrete to a minimum thickness of three (3) inches over a minimum aggregate base of six (6) inches or surfaced with Portland Cement concrete with a minimum thickness of five (5) inches over a three (3) inch aggregate base. After review of the probable vehicular traffic and the soils report for the project, additional material may be required at the discretion of the City Engineer (EMMC 17.08.030) and/or in accordance with recommendations of the Geotechnical Engineer.
b) All drive approaches shall be ADA compliant. Insufficient width in the parkway will require Project Applicant to dedicate an easement at each drive approach to the City to accommodate a compliant drive approach.

72. **Street & Traffic:**

a) All Streets fronting property shall be improved to meet current General Plan requirements for Right of Way and Roadway. Use Geotechnical Engineer’s Report and APWA standard plans and specifications for roadway improvements. Prepare offsite improvement plans as necessary and provide an engineer’s estimate for all public improvements. All offsite improvements shall be in complete compliance with the Americans with Disabilities Act (ADA).

b) Traffic control plans must be signed by a licensed State of California Traffic Engineer and submitted for review and approval prior to issuance of encroachments for work in the public right-of-way.

c) Work in concrete streets that requires trenching, excavations, or otherwise cutting into the street will require full concrete panel replacement for all panels affected.

d) Streets that have been paved or repaved within the previous 5-years are subject to City Ordinance No. 2873 which states: Streets fronting the proposed project have been repaved within the past 5-years and subject to City Ordinance No. 2873 and will require grind and overlay for one-half of street for all pavement cuts on project side of street only and full street grind and overlay for pavement cuts that cross street centerline/striped centerline in accordance with City guidelines and requirements along entire project frontage for the following streets:

e) Public improvements will be generated on the basis of the approved site plan. P.C.C. pavement and asphalt-concrete (A.C.) thicknesses and strengths will be determined by the Registered Civil Engineer (project engineer of record) preparing the street plans and utility improvement plans.

f) Repair, remove, and replace deficient and/or damaged sidewalk and standard curb & gutter adjacent to the development at the direction of the City Engineer/City Inspector. Use APWA standard plans and specifications.

g) Remove all existing improvements no longer intended for use (drive approaches, under sidewalk drains, meter boxes, etc.) and replace with new sidewalk and full height curb and gutter as required. Use APWA standard plans and specifications.

h) Project Applicant shall remove all existing curb paint and replace in kind on all curbs fronting the proposed development.
i) All traffic markings, street striping, street signs, legends and curb painting, including all crosswalks at the intersection of Tyler Avenue/Valley Blvd. on streets adjacent to the proposed development shall be restored as directed by the City Engineer.

j) Parkway trees shall be installed by the Project Applicant within the street public right-of-way segments per the City of El Monte Tree Ordinance in the quantities and locations as directed by the City of El Monte Public Works Department.

k) A Traffic Assessment Letter that specifies the project description, project generated traffic and trip distribution shall be prepared by a Registered Traffic Engineer and submitted to the Public Works Department for review and approval.

l) Enter into a public improvement agreement with the City and post a Faithful Performance bond and a Labor and Materials Bond in the amount of 150 percent of the estimated cost to cover the construction of the proposed offsite improvements. A Warranty Bond shall be provided in the amount of 100 percent of the cost of the estimated improvements and shall be in effect for one year after the date of acceptance of the project improvements. Alternate security or Cash deposits will be accepted in lieu of the required bonding.


Final Map Requirements

73. A copy of the Final Map shall be submitted to the Fire Department for review and approval prior to recordation. The Final Map shall be submitted online to the Land Development Unit for review. Please visit epiclca.lacounty.gov for the submittal of the Final Map. The applicant will need to apply for the following Plan Type: Fire–Land Development–City Request–Final Map–Parcel. The applicant shall follow the steps and upload the required digital information.

74. Access as noted on the Tentative and the Exhibit Maps shall comply with Title 21 (County of Los Angeles Subdivision Code) and Section 503 of the Title 32 (County of Los Angeles Fire Code), which requires an all-weather access surface to be clear to sky.

Access Requirements

75. Fire Apparatus Access Roads must be installed and maintained in a serviceable manner prior to and during the time of construction. Fire Code 501.4

76. All fire lanes shall be clear of all encroachments, and shall be maintained in accordance with the Title 32, County of Los Angeles Fire Code.

77. The Fire Apparatus Access Roads and designated fire lanes shall be measured from flow line to flow line.
78. Railroad Street and Valley Blvd (project side of the street only) shall be posted “No Parking-Fire Lane”. For buildings where the vertical distance between the access roadway and the highest roof surface exceeds 30 feet, an approved Fire Apparatus Access roadway with a minimum width of 28 feet, exclusive of shoulders, shall be provided in the immediate vicinity of the building or portion thereof. This roadway shall have an unobstructed clearance of clear to the sky. The highest roof surface is determined by the measurement of the vertical distance between the access roadway and the eave of a pitched roof, the intersection of the roof to the exterior wall, or the top of parapet walls, whichever is greater. Fire Code 503.2.1.2.2

79. Railroad Street and Valley Blvd. shall be used to meet this this condition, with the closest sides of the building which is being served are between 10 feet and 30 feet from the building. Fire Code 503.2.1.2.2.1

80. The dimensions of the approved Fire Apparatus Access Roads shall be maintained as originally approved by the fire code official. Fire Code 503.2.2.1

81. Fire Apparatus Access Roads shall be designed and maintained to support the imposed load of fire apparatus weighing 75,000 pounds, and shall be surfaced so as to provide all-weather driving capabilities. Fire Apparatus Access Roads having a grade of 10 percent or greater shall have a paved or concrete surface. Fire Code 503.2.3; Appendix D102.1

82. Provide approved signs or other approved notices or markings that include the words "NO PARKING - FIRE LANE". Signs shall have a minimum dimension of 12 inches wide by 18 inches high and have red letters on a white reflective background. Signs shall be provided for fire apparatus access roads, to clearly indicate the entrance to such road, or prohibit the obstruction thereof and at intervals, as required by the Fire Inspector. Fire Code 503.3

83. A minimum 5-foot wide approved firefighter access walkway leading from the fire department access road to all required openings in the building's exterior walls shall be provided for firefighting and rescue purposes. Fire Code 504.1

84. Security barriers, visual screen barriers or other obstructions shall not be installed on the roof of any building in such a manner as to obstruct firefighter access or egress in the event of fire or other emergency. Parapets shall not exceed 36 inches on at least two sides of the building. These sides should face the access roadway, or yard, to accommodate ladder operations. Fire Code 504.5

85. Approved building address numbers, building numbers or approved building identification shall be provided and maintained so as to be plainly visible and legible from the street fronting the property. The numbers shall contrast with their
background, be Arabic numerals or alphabet letters, and be a minimum of 4
inches high with a minimum stroke width of 0.5 inch. Fire Code 505.1

86. All fire hydrants shall measure 6"x 4"x 2-1/2" brass or bronze, conforming to
current AWWA standard C503 or approved equal, and shall be installed in
accordance with the County of Los Angeles Fire Code.

87. All required public fire hydrants shall be installed, tested and accepted prior to
beginning construction. Fire Code 501.4

88. The required fire flow for the public fire hydrants for this project is 2125 GPM at
20 psi residual pressure for 2 hours. Two (2) public fire hydrants flowing
simultaneously may be used to achieve the required fire flow. Fire Code 507.3 &
Appendix B105.1

a) An approved automatic fire sprinkler system is required for the proposed
buildings within this development. Submit design plans to the Fire
Department Sprinkler Plan Check Unit for review and approval prior to
installation.

89. Install one (1) public fire hydrant as noted on the tentative parcel map. The public
fire hydrant is required to be installed with the development of Tract Map 82656.
SECTION 12 – PLANNING COMMISSION APPROVAL. The Secretary of
the Planning Commission of the City of El Monte, California, shall certify to the adoption
of this resolution and shall cause a copy of the same to be forwarded to the applicant.

ATTEST:

Amy Wong, Chairperson

Jason Mikaelian, Secretary
El Monte City Planning Commission

STATE OF CALIFORNIA )
COUNTY OF LOS ANGELES ) SS:
CITY OF EL MONTE )

I, Jason Mikaelian, Secretary of the Planning Commission of the City of El Monte, do
hereby certify that the above and foregoing is a full, true, and correct copy of Resolution
No. 3572 adopted by the Planning Commission of the City of El Monte, at a regular
meeting by said Commission held on June 11, 2020 by the following votes to wit:

AYES: 4 (WONG, PERALTA, GONZALEZ, NUNO)

NOES: 0

ABSTAIN: 0

ABSENT: CRUZ

Jason Mikaelian, Secretary
El Monte City Planning Commission
Appraisal Of

Tyler Valley Metro Affordable Housing Site

APN: 8575-019-030, 909
3637 & 3649 Tyler Avenue
El Monte, California 91731

Effective Date: October 28, 2019
Report Date: November 12, 2019

George Lopez
Cesar Chavez Foundation
316 W 2nd Street, Suite 600
Los Angeles, California 90012

KINETIC VALUATION GROUP, INC.

Midwest Omaha
11060 Oak Street Suite 6
Omaha, Nebraska
(402) 202-0771

Southern California
PO Box 68
Corona Del Mar, California
(818) 914-1892
November 12, 2019

George Lopez
Cesar Chavez Foundation
316 W 2nd Street, Suite 600
Los Angeles, California 90012

Re: Appraisal of Tyler Valley Metro Affordable Housing Site
    3637 & 3649 Tyler Avenue
    El Monte, California 91731

Dear Mr. Lopez:

We are pleased to present our findings with respect to the value of the above-referenced property. The intended users of this report include Cesar Chavez Foundation and assigns, City of El Monte, Los Angeles County Development Authority (LACDA), HUD, Step Up on Second, Inc. and assigns, Citibank, and Hudson Housing Capital and assigns. California Tax Credit Allocation Committee and the California Debt Limit Allocation Committee may rely upon the appraisal as an intended user related to the low income housing tax credits application. The intended use of the appraisal is to provide assistance with investment analysis. Neither this report nor any portion thereof may be used for any other purpose or distributed to third parties without our express written consent. Neither this report nor any portion thereof may be used for any other purpose or distributed to third parties without our express written consent.

This valuation engagement was conducted in accordance with the Code of Professional Ethics and Standards of Valuation Practice of the Appraisal Institute, and the Uniform Standards of Professional Appraisal Practice (USPAP). In accordance with these standards, we have reported our findings herein in an appraisal report as defined by USPAP.

Our value conclusions were based on general economic conditions as they existed on the date of the analysis and did not include an estimate of the potential impact of any sudden or sharp rise or decline in general economic conditions from that date to the effective date of our report. Events or transactions that may have occurred subsequent to the effective date of our opinion have not been considered. We are not responsible to update or revise this report based on such subsequent events, although we would be pleased to discuss with you the need for revisions that may be occasioned as a result of changes that occur after the valuation date.
As a result of our investigation and analysis, it is our opinion that subject to the limiting conditions and assumptions contained herein, our opinion of the market value of the fee simple interest in the Subject, free and clear of financing, as of October 28, 2019, is:

THREE MILLION SEVEN HUNDRED TEN THOUSAND DOLLARS
$3,710,000

We appreciate this opportunity to be of service. Please contact us if you have any comments or questions.

Respectfully submitted,

KINETIC VALUATION GROUP, INC.

Jay A. Wortmann, MAI
California Certified General Appraiser
No.3001293 Expiration 09/10/2021
jay@kvgteam.com
402-202-0771

Byron Lea, MAI
California Certified General Appraiser
No.AG008505 Expiration 11/21/2020
byron@kvgteam.com
970-699-1748
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ADDENDA
FACTUAL DESCRIPTION

Property Identification
The property appraised is located at 3637 & 3649 Tyler Avenue, identified as Assessor’s Parcel Numbers 8575-019-030, 909, located in El Monte, Los Angeles County, California. The site area is 0.74 acres and is currently improved with a vacant commercial building and parking areas. The developer is acquiring the site and plans to construct a total of 53 units that will be income-restricted, as per LIFTC guidelines. Photos of the Subject have been included in the Addenda.

Intended Use and Intended Users of Appraisal
The intended users of this report include Cesar Chavez Foundation and assigns, City of El Monte, Los Angeles County Development Authority (LACDA), HUD, Step Up on Second, Inc. and assigns, Citibank, and Hudson Housing Capital and assigns. California Tax Credit Allocation Committee and the California Debt Limit Allocation Committee may rely upon the appraisal as an intended user related to the low income housing tax credits application. The intended use of the appraisal is to provide assistance with investment analysis.

Compliance and Competency Provision
We are aware of the compliance and competency provisions of USPAP, and within our understanding of those provisions, this report complies with all mandatory requirements, and the authors of this report possess the education, knowledge, technical skills, and practical experience to complete this assignment competently, in conformance with the stated regulations.

Unavailability of Information
In general, all information necessary to develop an estimate of value of the Subject property was available to the appraisers.

Legal Description
Included in the Addenda.

Property Interest Appraised
The property interest appraised is the fee simple estate.

Market value is defined as:
The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in what they consider their best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and,
5. The price represents normal considerations for the property sold, unaffected by special or
creative financing or sales concessions granted by anyone associated with the sale.\footnote{4th Edition of The Dictionary of Real Estate Appraisal.}

**Date of Inspection and Effective Date of Appraisal**
The Subject was inspected and photographed on October 28, 2019. This shall be the effective date of the appraisal.

**Scope of Appraisal**
As part of this appraisal, we have completed the following steps to gather, confirm, and analyze the data.

- Byron N. Lea, MAI performed a physical inspection of the property and the Subject’s neighborhood October 28, 2019.
- The identification of the property to be appraised is based on information provided by the client and the property representative.
- Regional, city, and county data were based on information obtained from newspaper articles, city of El Monte, Los Angeles County, ESRI Demographics, the Bureau of Labor Statistics, and other resources available to the appraiser. This was performed by Michael Stuben. This was done under the supervision of Jay A. Wortmann, MAI.
- Data collection and analysis of market conditions currently affecting the county’s real estate market on a national and regional level was conducted. This included, but was not limited to, the review and analysis of data pertaining to supply and demand for real estate properties, availability of financing and current financing terms, current interest and yield rates, buyer preferences, and economic forecasts. This was performed by Byron N. Lea, MAI.
- The research for land sales and listings included El Monte, Los Angeles County County, and other surrounding areas from 2015 to the present. The market data was collected from the appraiser’s office files, other appraisers, Realtors, newspapers articles, CoStar, title companies, LoopNet, and public records. This was performed by Byron N. Lea, MAI.
- The information gathered from these surveys and investigations was then analyzed, and comparisons were made to the property. The valuation process included the sales comparison approach. This was performed by Byron N. Lea, MAI.
- Jay A. Wortmann, MAI reviewed the final report but did not inspect the Subject.

**Ownership and History of Subject**
Ownership of the parcel identified as APN 8575-019-909 site is vested in the City of El Monte (Seller). There is an Exclusive Negotiating Agreement dated March 20, 2018 between the Seller and Cesar Chavez Corporation (Buyer); there is not an identified purchase price. Ownership of the parcel identified as APN 8575-019-030 site is vested in Siblings Holding, Inc. There is a purchase agreement dated October 19, 2019 for $2,500,000. Analysis of the transaction reflects some assemblage value attributed to the proposed development. We are not aware of any other prior transfers of the Subject property in the past three years.
REGIONAL AND LOCAL AREA ANALYSIS

The Subject is located in the central portion of El Monte, Los Angeles County, California, in a primarily mixed-use area. The city is neighbored by Rosemead, California to the west and Baldwin Park to the east and has a population of approximately 113,475 residents as of the 2010 census.

Located in southern California, Los Angeles County has a population of 9,818,605 people as of the 2010 census and is the most populated county in the United States. Los Angeles County combines with the adjacent Orange County, to make up the Los Angeles-Long Beach-Anaheim, California Metropolitan Statistical Area (MSA). The Los Angeles–Long Beach–Anaheim MSA is home to nearly 13.3 million residents.

Transportation

Highway: Several highways intersect and serve the El Monte area. The major highways that serve El Monte are as follows.

Intestate 10 traverses east/west approximately 0.5 miles south of the Subject. The Intestate is a major thoroughfare that provides access to Los Angeles approximately 8 miles to the west and San Bernardino approximately 40 miles to the east. The interstate terminates at the Atlantic Ocean border in Florida to the east and the Pacific Ocean border in Santa Monica, CA to the west.

Air: Hollywood Burbank Airport (BUR), is owned by the Burbank-Glendale-Pasadena Airport Authority and operated by the TBI Airport Management, Inc. It is located approximately 3 miles northwest of downtown Burbank and is the only airport in the area with direct rail connection to downtown Los Angeles. Non-stop flights mostly serve cities in the western United States, while JetBlue Airways has daily red-eye flights to New York City and Boston. The airport averages a volume over two million annual passengers and is located approximately 20 miles northwest of the Subject.

Public Transportation

The El Monte Transit provides mass transportation in the Los Angeles suburb of EL Monte, California. Five local routes compliment the Los Angeles County Metropolitan Transportation Authority’s crosstown routes through the city. The El Monte Metrolink Station- San Bernardino Line is less than 300 feet north of the property, LA Metro’s Bus Route 74 is located off of Valley Boulevard (20 feet south of the property line), and LA Metro’s El Monte Bus Station is less than ½-miles southwest of the project site.

Healthcare

Greater El Monte Community Hospital is the nearest full-service hospital to the Subject. Greater El Monte Community Hospital is a for-profit 117-bed facility with services that include critical care, diagnostic services, rehabilitation, surgery, and the only 24/7 emergency room in a six mile radius. It is located approximately 1.95 miles from the Subject.
Education
The Subject is located in the El Monte School District. The school district consists of twenty-one individual schools with an enrollment of over 10,000 preschools through 12th grade students. Students residing in the Subject would attend Columbia School and El Monte High School, which are located between 0.36 miles and 0.81 miles from the Subject.

DELINEATION OF MARKET AREA

Primary and Secondary Market Area
For the purpose of this study, it is necessary to define the market area, or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very “neighborhood oriented” and are generally very reluctant to move from the area where they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below market rents.

The Subject is located within El Monte. The primary market area (PMA) for the Subject consists of the cities of El Monte, Temple City, Arcadia, Monrovia, and Rosemead, California. According to market participants, tenants are willing to relocate throughout the PMA in order to find good quality affordable housing. The boundaries are outlined below.

North: Interstate 210
South: Highway 60
East: Interstate 605
West: Highway 19

The PMA boundaries and overall market health assessment are based upon an analysis of demographic and socioeconomic characteristics, target tenant population, political jurisdictional boundaries, natural boundaries, experience of nearby comparable developments, accessibility to mass transit or key transportation corridors and commute patterns, and market perceptions as well as surveys of existing market rate and affordable apartment projects undertaken by Kinetic Valuation Group, Inc., and insights gained from resident managers, area planning staff, and others familiar with the multifamily market. We recognize a smaller sub-market may exist within this PMA; however, market data demonstrates that a significant amount of the renter base considers housing opportunities within this defined area. Given the opportunity to locate good quality affordable housing, the renter base will move within these areas. We anticipate the majority of demand will be generated from this geographic area. However, some leakage would be anticipated from outside the PMA from other parts of Los Angeles County.

There are no natural boundaries in El Monte or Los Angeles County that would inhibit anyone from relocating to the Subject. The market area boundaries identified are a reasonable approximation regarding the potential renter market for the Subject. Both market rate and affordable rental housing of all types is in strong demand. Rental housing in the PMA appears to be stable, with low vacancy rates.
The secondary market area (SMA) for the Subject is the Los Angeles-Long Beach-Anaheim, CA Metropolitan Statistical Area (MSA). Maps outlining the PMA and SMA can be found on the following page.

Primary and Secondary Market Area Maps

PMA
MARKET AREA ECONOMY
The following discussion includes an analysis of the local economy. This section will present and analyze information regarding employment by industry, the major employers, and unemployment trends. Information was provided, where available, for the Subject’s PMA. We obtained economic information from ESRI Demographics, the Bureau of Labor Statistics, and California Employment Development Department. These data sources are reliable and current.

Employment by Industry
The following charts illustrate the distribution of employment sectors by industry within the PMA and SMA.

![Pie chart showing employment distribution by industry](image)

Source: ESRI Demographics

The largest employment sector in the PMA is the service sector with 47.4 percent, followed by the manufacturing sector with 11.9 percent and the retail trade sector with 10.3 percent.
The largest employment sector in the SMA is the services sector with 50.5 percent, followed by the manufacturing sector with 10.0 percent and the retail trade sector with 9.8 percent.

**Major Employers**
The following charts identify the major employers in El Monte and Los Angeles County in 2018.

<table>
<thead>
<tr>
<th>City of El Monte Major Employers - 2018</th>
<th># Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>El Monte City Elementary School District</td>
<td>1,500</td>
</tr>
<tr>
<td>El Monte Union High School District</td>
<td>1,400</td>
</tr>
<tr>
<td>Mountain View Elementary School District</td>
<td>1,000</td>
</tr>
<tr>
<td>Longo-Toyota-Lexus-Scion</td>
<td>840</td>
</tr>
<tr>
<td>City of El Monte</td>
<td>505</td>
</tr>
<tr>
<td>McGill Corporation</td>
<td>460</td>
</tr>
<tr>
<td>Staffing Solutions</td>
<td>266</td>
</tr>
<tr>
<td>Asian Pacific Health Care Venture Inc</td>
<td>260</td>
</tr>
<tr>
<td>The Home Depot</td>
<td>244</td>
</tr>
<tr>
<td>Sam's Club</td>
<td>203</td>
</tr>
<tr>
<td>Employer</td>
<td>Industry</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>AHMC Healthcare Inc</td>
<td>Alhambra</td>
</tr>
<tr>
<td>American Honda Motor Co Inc</td>
<td>Torrance</td>
</tr>
<tr>
<td>Cedar-Sinai Medical Ctr</td>
<td>West Hollywood</td>
</tr>
<tr>
<td>Century Plaza Towers</td>
<td>Los Angeles</td>
</tr>
<tr>
<td>Crowne Plaza-Commerce Casino</td>
<td>Commerce</td>
</tr>
<tr>
<td>Edd</td>
<td>Los Angeles</td>
</tr>
<tr>
<td>JET Propulsion Laboratory</td>
<td>Pasadena</td>
</tr>
<tr>
<td>Kaiser Permanente Los Angeles</td>
<td>Los Angeles</td>
</tr>
<tr>
<td>LAC &amp; USC Medical Ctr</td>
<td>Los Angeles</td>
</tr>
<tr>
<td>Long Beach City Hall</td>
<td>Long Beach</td>
</tr>
<tr>
<td>Los Angeles County Sheriff</td>
<td>Monterey Park</td>
</tr>
<tr>
<td>Los Angeles Intl Airport-Lax</td>
<td>Los Angeles</td>
</tr>
<tr>
<td>Los Angeles Police Dept</td>
<td>Los Angeles</td>
</tr>
<tr>
<td>Nestle USA Inc</td>
<td>Glendale</td>
</tr>
<tr>
<td>Paramount Special Events</td>
<td>Los Angeles</td>
</tr>
<tr>
<td>Radford Studio Cth Inc</td>
<td>Studio City</td>
</tr>
<tr>
<td>Security Industry Specialist</td>
<td>Culver City</td>
</tr>
<tr>
<td>Sony Pictures Entertainment</td>
<td>Culver City</td>
</tr>
<tr>
<td>UCLA Health System</td>
<td>Los Angeles</td>
</tr>
<tr>
<td>University of Ca Los Angeles</td>
<td>Los Angeles</td>
</tr>
<tr>
<td>University of Ca Los Angeles</td>
<td>Los Angeles</td>
</tr>
<tr>
<td>University of Southern Califor</td>
<td>Los Angeles</td>
</tr>
<tr>
<td>Vxi Global Solutions</td>
<td>Los Angeles</td>
</tr>
<tr>
<td>Walt Disney Co</td>
<td>Burbank</td>
</tr>
<tr>
<td>Warner Bros Studio</td>
<td>Burbank</td>
</tr>
</tbody>
</table>

**Employment Expansion/Contractions and Trends**

We obtained the data below from the Employment Development Department (EDD) about Los Angeles County.

"Industry Employment, which includes self-employment, private household workers, farm, and nonfarm employment in Los Angeles County, is expected to reach 5,063,300 by 2024, an increase of 12.7 percent over the 10-year projections period. Twelve of 13 nonfarm industry sectors are projected to grow between 2014 and 2024."
Total nonfarm employment is projected to grow by nearly 535,700 jobs by 2024. Seventy-five percent of all projected nonfarm job growth is concentrated in three industry sectors.

- Educational services (private), health care, and social assistance is projected to add the most jobs (208,800). This sector is also expected to be the fastest growing at 29.0 percent.

- Leisure and hospitality is projected to add 110,300 jobs, led by a growth of 88,900 jobs in restaurants and other eating places.

- Professional and business services anticipates job gains of 81,200. More than half the growth is expected to occur in the professional, scientific, and technical services sector (41,700).

Occupational Employment forecasts approximately 608,800 new jobs from industry growth and more than 1,032,000 job openings from replacement needs for a combined total of approximately 1,640,800 job openings.

The 50 occupations with the most job openings are forecasted to generate 90,400 total job openings annually, which is 55 percent of all job openings. The top three occupations with the most job openings are personal care aides; combined food preparation and serving workers, including fast food; and retail salespersons. These occupations have median wages ranging from $9.64 to $11.19 per hour and require no formal educational credential. Higher-skilled occupations, requiring a
bachelor’s degree or higher, include registered nurses, management analysts, and accountants and auditors.

The 50 fastest growing occupations anticipate an annual growth rate of 2.4 percent or higher. Twenty percent of the fastest growing occupations are in construction and extraction. Occupations range from helpers—painters, paperhangers, plasterers, and stucco masons that require no formal educational credential and earn a median annual wage of $19,688 to law teachers, postsecondary that require a doctoral or professional degree and earn a median annual wage of $134,887.”

The September 2019 Los Angeles-Long Beach-Glendale Metropolitan Division (Los Angeles County) press release published by the “State of California Employment Development Department, Labor Market Information Division” summarizes the following information.

“Between July 2019 and August 2019, total nonfarm employment in Los Angeles County increased by 27,200 to reach 4,544,000.”

- “Professional and business services added 8,900 jobs, reaching a record high employment total of 637,700. The job additions were most concentrated in administrative and support and waste services (up 7,809). An addition of 4,900 jobs in employment services accounted for more than half of the overall growth in the subsector. Professional and business services has expanded by more than 25 percent post-recession.
• Educational and health services reported an increase of 8,500 jobs. Health care and social assistance (up 6,300) accounted for 74 percent of the upturn, driven almost entirely by gains in social assistance (up 6,000). Private educational institutions added the remaining 2,200 jobs.

• Information employment increased by 5,200. Motion pictures and sound recording made up more than half of the increase with an addition of 2,700 jobs as smaller job gains in other subsectors supplemented the remaining sector growth.

• The start of the academic year for many public schools helped drive up government payrolls by 4,500. Local government (up 5,500), specifically local government educational services (up 6,200), accounted for all employment gains in the sector, though declines in other subsectors offset some of the gain. Federal government remained unchanged, and a reduction of 1,000 jobs in state government detracted from total sectoral gains.”

• Leisure and hospitality recorded a month-over-month employment decline of 1,600. Reductions in arts, entertainment, and recreation (down 1,900) were slightly offset by an increase of 300 jobs in accommodation and food services (up 300). Construction posted a decline of 1,500 jobs, primarily in specialty trade contractors (down 1,300). The last time construction reported a job decline in August was just prior to the recession in August of 2007.”

**Employment Trends in Relation to the Subject**

Employment levels in the PMA are expected to increase. The most prevalent type of employment in the area is in services, manufacturing, and retail sectors, providing job opportunities to the Subject’s tenants.

**Workforce and Unemployment Trends**

The table below illustrates the workforce and unemployment trends for the city of El Monte and Los Angeles County.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Labor Force</th>
<th>Total Employment</th>
<th>Unemployment Rate (%)</th>
<th>(% Change)</th>
<th>Total Labor Force</th>
<th>Total Employment</th>
<th>Unemployment Rate (%)</th>
<th>(% Change)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>51,916</td>
<td>47,015</td>
<td>9.4</td>
<td>-</td>
<td>4,928,959</td>
<td>4,555,103</td>
<td>7.6</td>
<td>-</td>
</tr>
<tr>
<td>2009</td>
<td>52,314</td>
<td>44,848</td>
<td>14.3</td>
<td>4.9</td>
<td>4,914,702</td>
<td>4,345,182</td>
<td>11.6</td>
<td>4.0</td>
</tr>
<tr>
<td>2010</td>
<td>52,120</td>
<td>44,174</td>
<td>15.2</td>
<td>0.9</td>
<td>4,917,375</td>
<td>4,302,274</td>
<td>12.5</td>
<td>0.9</td>
</tr>
<tr>
<td>2011</td>
<td>52,119</td>
<td>44,373</td>
<td>14.9</td>
<td>-0.3</td>
<td>4,928,464</td>
<td>4,327,923</td>
<td>12.2</td>
<td>-0.3</td>
</tr>
<tr>
<td>2012</td>
<td>51,858</td>
<td>44,927</td>
<td>13.4</td>
<td>1.3</td>
<td>4,915,263</td>
<td>4,378,392</td>
<td>10.9</td>
<td>1.3</td>
</tr>
<tr>
<td>2013</td>
<td>52,202</td>
<td>45,952</td>
<td>12.0</td>
<td>-1.4</td>
<td>4,967,167</td>
<td>4,482,594</td>
<td>9.8</td>
<td>-1.1</td>
</tr>
<tr>
<td>2014</td>
<td>52,169</td>
<td>46,862</td>
<td>10.2</td>
<td>-1.8</td>
<td>4,992,593</td>
<td>4,580,294</td>
<td>8.3</td>
<td>-1.5</td>
</tr>
<tr>
<td>2015</td>
<td>51,694</td>
<td>47,463</td>
<td>8.2</td>
<td>-2.0</td>
<td>4,989,791</td>
<td>4,659,651</td>
<td>6.6</td>
<td>-1.7</td>
</tr>
<tr>
<td>2016</td>
<td>51,095</td>
<td>48,424</td>
<td>5.2</td>
<td>-3.0</td>
<td>5,041,430</td>
<td>4,776,678</td>
<td>5.3</td>
<td>-1.3</td>
</tr>
<tr>
<td>2017</td>
<td>51,650</td>
<td>49,209</td>
<td>4.7</td>
<td>-0.5</td>
<td>5,096,516</td>
<td>4,853,818</td>
<td>4.8</td>
<td>-0.5</td>
</tr>
<tr>
<td>2018</td>
<td>52,061</td>
<td>49,642</td>
<td>4.6</td>
<td>-0.1</td>
<td>5,136,341</td>
<td>4,896,512</td>
<td>4.7</td>
<td>-0.1</td>
</tr>
<tr>
<td>2019</td>
<td>51,563</td>
<td>49,236</td>
<td>4.4</td>
<td>-0.2</td>
<td>5,100,309</td>
<td>4,857,528</td>
<td>4.8</td>
<td>0.1</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics
The unemployment rate in El Monte has fluctuated between 4.4 and 15.2 percent from 2008 through 2019 year to date. The El Monte unemployment rate is at a low of 4.4 percent in 2019 year to date. Between 2008 and 2010 unemployment increased in El Monte, peaking at 15.2 percent. Since 2011, unemployment has decreased. The county follows a similar trend.
Below we have compared the city, county, state, and national unemployment rates over the past 24 months.

![Monthly Unemployment Rate Aug 17 to Aug 19](image)

Source: Bureau of Labor Statistics

The city, county, and state have fluctuated above national unemployment rate over the past 24 months. The state and national unemployment analysis appear to be trending downward, while the city and state has shown a recent trend upward in unemployment.

**Employment Trends**

The following table illustrates the employment trends in El Monte and Los Angeles County from 2008 to 2019 year to date.

<table>
<thead>
<tr>
<th></th>
<th>Employment Trends - 2008 - 2019 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>El Monte, CA</td>
</tr>
<tr>
<td><strong>Year</strong></td>
<td><strong>Total Employment</strong></td>
</tr>
<tr>
<td>2008</td>
<td>47,015</td>
</tr>
<tr>
<td>2009</td>
<td>44,848</td>
</tr>
<tr>
<td>2010</td>
<td>44,174</td>
</tr>
<tr>
<td>2011</td>
<td>44,373</td>
</tr>
<tr>
<td>2012</td>
<td>44,927</td>
</tr>
<tr>
<td>2013</td>
<td>45,952</td>
</tr>
<tr>
<td>2014</td>
<td>46,862</td>
</tr>
<tr>
<td>2015</td>
<td>47,463</td>
</tr>
<tr>
<td>2016</td>
<td>48,424</td>
</tr>
<tr>
<td>2017</td>
<td>49,209</td>
</tr>
<tr>
<td>2018</td>
<td>49,642</td>
</tr>
<tr>
<td>2019 YTD</td>
<td>49,286</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics
The employment level in El Monte and Los Angeles County has increased every year since 2011 with the exception of 2019 year to date.

**Wages by Occupation**
The chart below shows the wages by occupation for Los Angeles County.

<table>
<thead>
<tr>
<th>Occupational Title</th>
<th>Number of Employees</th>
<th>Average Hourly Wage</th>
<th>Average Annual Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total all occupations</td>
<td>4,472,670</td>
<td>$28.47</td>
<td>$59,213</td>
</tr>
<tr>
<td>Management Occupations</td>
<td>255,570</td>
<td>$65.03</td>
<td>$135,253</td>
</tr>
<tr>
<td>Business and Financial Operations Occupications</td>
<td>268,470</td>
<td>$40.34</td>
<td>$83,890</td>
</tr>
<tr>
<td>Computer and Mathematical Occupications</td>
<td>116,740</td>
<td>$47.06</td>
<td>$97,872</td>
</tr>
<tr>
<td>Architecture and Engineering Occupications</td>
<td>69,780</td>
<td>$49.37</td>
<td>$102,704</td>
</tr>
<tr>
<td>Life, Physical, and Social Science Occupications</td>
<td>34,160</td>
<td>$42.40</td>
<td>$88,189</td>
</tr>
<tr>
<td>Community and Social Services Occupications</td>
<td>84,320</td>
<td>$28.99</td>
<td>$60,291</td>
</tr>
<tr>
<td>Legal Occupications</td>
<td>47,680</td>
<td>$64.26</td>
<td>$133,670</td>
</tr>
<tr>
<td>Education, Training, and Library Occupications</td>
<td>259,090</td>
<td>$34.04</td>
<td>$70,812</td>
</tr>
<tr>
<td>Arts, Design, Entertainment, Sports, and Media Occupications</td>
<td>140,970</td>
<td>$39.99</td>
<td>$83,179</td>
</tr>
<tr>
<td>Healthcare Practitioners and Technical Occupications</td>
<td>223,380</td>
<td>$46.48</td>
<td>$96,669</td>
</tr>
<tr>
<td>Healthcare Support Occupications</td>
<td>102,320</td>
<td>$17.99</td>
<td>$37,423</td>
</tr>
<tr>
<td>Protective Service Occupications</td>
<td>114,350</td>
<td>$30.43</td>
<td>$63,295</td>
</tr>
<tr>
<td>Food Preparation and Serving-Related Occupications</td>
<td>411,770</td>
<td>$13.82</td>
<td>$28,738</td>
</tr>
<tr>
<td>Building and Grounds Cleaning and Maintenance Occupications</td>
<td>106,690</td>
<td>$17.40</td>
<td>$36,184</td>
</tr>
<tr>
<td>Personal Care and Service Occupications</td>
<td>309,970</td>
<td>$14.89</td>
<td>$30,981</td>
</tr>
<tr>
<td>Sales and Related Occupications</td>
<td>421,580</td>
<td>$22.03</td>
<td>$45,823</td>
</tr>
<tr>
<td>Office and Administrative Support Occupications</td>
<td>690,820</td>
<td>$21.05</td>
<td>$43,780</td>
</tr>
<tr>
<td>Farming, Fishing, and Forestry Occupications</td>
<td>3,680</td>
<td>$16.04</td>
<td>$33,370</td>
</tr>
<tr>
<td>Construction and Extraction Occupications</td>
<td>116,560</td>
<td>$28.54</td>
<td>$59,365</td>
</tr>
<tr>
<td>Installation, Maintenance, and Repair Occupications</td>
<td>126,310</td>
<td>$26.38</td>
<td>$54,862</td>
</tr>
<tr>
<td>Production Occupications</td>
<td>236,770</td>
<td>$18.55</td>
<td>$38,590</td>
</tr>
<tr>
<td>Transportation and Material Moving Occupications</td>
<td>331,700</td>
<td>$20.17</td>
<td>$41,948</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics

The above chart shows average hourly and annual wages by employment classification. The classification with the lowest average hourly wage was food preparation and serving-related occupations, at $13.82 per hour. The highest average hourly wage of $65.03 was for management occupations.

The qualifying incomes for the Subject’s tenants will be between $8,370 and $56,400. Utilizing the lower end of the wage range at $13.82 per hour at 2,080 annual hours equates to $28,745. The upper end of the qualifying income at $56,400 equates to an approximate hourly wage rate of $27.12. It is important to note that many positions represent part-time employment, and the starting rates are typically lower than mean wage rates.
Commuting Patterns
The chart below shows the travel time to work for the PMA according to ESRI data.

Average Travel Time to Work

- Less than 5 minutes 1%
- 5 to 9 minutes 5%
- 10 to 14 minutes 11%
- 15 to 19 minutes 14%
- 20 to 24 minutes 14%
- 25 to 29 minutes 6%
- 30 to 34 minutes 17%
- 35 to 39 minutes 2%
- 40 to 44 minutes 5%
- 45 to 59 minutes 12%

Source: ESRI Demographics

Approximately 68 percent of persons in the PMA have a commute time of less than 35 minutes indicating a majority of the persons in the PMA commute to work in nearby areas.

Conclusion
The Subject’s neighborhood, city of El Monte, and the Los Angeles-Long Beach-Anaheim, CA MSA include many employment options for area residents. Numerous businesses offering a range of positions and skill levels exist within close proximity to the Subject. The wage rates within the area demonstrate a significant pool of potential tenants exist for affordable housing developments.
POPULATION, HOUSEHOLD & INCOME TRENDS

In this section, we compare population, household and income trends in the PMA with the secondary market area (SMA). All information is provided to us by ESRI Demographics, which is a national proprietary data provider. Some tables reflect rounding from the data provided, however, it is nominal.

According to the project’s sponsor, the estimated date of market entry for the Subject will be June 2022. All estimates have been projected to that date. The data is presented for both the primary market area and the county in which the proposed development is located.

Total Population
The charts below illustrate total population in the PMA and SMA from 2019 through 2024, as well as the projected population at the date of market entry.

![Total Population - PMA](image)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Population - PMA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>260,173</td>
</tr>
<tr>
<td>2019</td>
<td>267,984</td>
</tr>
<tr>
<td>2024</td>
<td>271,887</td>
</tr>
</tbody>
</table>

Source: ESRI Demographics

![Total Population - SMA](image)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Population - SMA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>12,828,837</td>
</tr>
<tr>
<td>2019</td>
<td>13,507,681</td>
</tr>
<tr>
<td>2024</td>
<td>13,833,625</td>
</tr>
</tbody>
</table>

Source: ESRI Demographics

The population within the PMA has continuously grown from 2010 to 2019 and is expected to continue to increase through 2024. Similar to the PMA, the SMA is also considered an area of growth, which is a positive indicator for the need of additional affordable housing units.
Population by Age Group
The tables below illustrate population by age group in the PMA and SMA from 2010 through 2024. This includes the projected population at the date of market entry.

### Population by Age Group

#### PMA

<table>
<thead>
<tr>
<th>Age Cohort</th>
<th>2010</th>
<th>2019</th>
<th><strong>Market Entry</strong></th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 4</td>
<td>17,188</td>
<td>16,424</td>
<td>16,486</td>
<td>16,514</td>
</tr>
<tr>
<td>5 - 9</td>
<td>17,557</td>
<td>16,750</td>
<td>16,210</td>
<td>15,960</td>
</tr>
<tr>
<td>10 - 14</td>
<td>19,141</td>
<td>17,568</td>
<td>17,363</td>
<td>17,268</td>
</tr>
<tr>
<td>15 - 19</td>
<td>20,257</td>
<td>17,861</td>
<td>17,210</td>
<td>16,909</td>
</tr>
<tr>
<td>20 - 24</td>
<td>18,025</td>
<td>18,557</td>
<td>17,534</td>
<td>17,060</td>
</tr>
<tr>
<td>25 - 34</td>
<td>35,055</td>
<td>40,437</td>
<td>39,884</td>
<td>39,627</td>
</tr>
<tr>
<td>35 - 44</td>
<td>37,230</td>
<td>34,230</td>
<td>36,503</td>
<td>37,556</td>
</tr>
<tr>
<td>45 - 54</td>
<td>37,078</td>
<td>34,526</td>
<td>33,658</td>
<td>33,256</td>
</tr>
<tr>
<td>55 - 64</td>
<td>28,134</td>
<td>32,234</td>
<td>32,579</td>
<td>32,739</td>
</tr>
<tr>
<td>65 - 74</td>
<td>16,029</td>
<td>22,612</td>
<td>24,452</td>
<td>25,304</td>
</tr>
<tr>
<td>75 - 84</td>
<td>9,977</td>
<td>11,644</td>
<td>13,348</td>
<td>14,137</td>
</tr>
<tr>
<td>85+</td>
<td>4,504</td>
<td>5,139</td>
<td>5,425</td>
<td>5,557</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>260,173</strong></td>
<td><strong>267,984</strong></td>
<td><strong>270,650</strong></td>
<td><strong>271,887</strong></td>
</tr>
</tbody>
</table>

#### SMA

<table>
<thead>
<tr>
<th>Age Cohort</th>
<th>2010</th>
<th>2019</th>
<th><strong>Market Entry</strong></th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 4</td>
<td>837,484</td>
<td>816,895</td>
<td>829,669</td>
<td>835,588</td>
</tr>
<tr>
<td>5 - 9</td>
<td>832,459</td>
<td>828,360</td>
<td>809,633</td>
<td>800,955</td>
</tr>
<tr>
<td>10 - 14</td>
<td>889,040</td>
<td>855,522</td>
<td>840,723</td>
<td>833,865</td>
</tr>
<tr>
<td>15 - 19</td>
<td>981,319</td>
<td>881,502</td>
<td>855,453</td>
<td>843,382</td>
</tr>
<tr>
<td>20 - 24</td>
<td>966,389</td>
<td>976,708</td>
<td>930,776</td>
<td>909,490</td>
</tr>
<tr>
<td>25 - 34</td>
<td>1,889,259</td>
<td>2,152,123</td>
<td>2,176,718</td>
<td>2,188,115</td>
</tr>
<tr>
<td>35 - 44</td>
<td>1,899,369</td>
<td>1,807,368</td>
<td>1,931,984</td>
<td>1,989,733</td>
</tr>
<tr>
<td>45 - 54</td>
<td>1,813,132</td>
<td>1,726,654</td>
<td>1,691,995</td>
<td>1,675,934</td>
</tr>
<tr>
<td>55 - 64</td>
<td>1,335,010</td>
<td>1,594,875</td>
<td>1,600,850</td>
<td>1,603,619</td>
</tr>
<tr>
<td>65 - 74</td>
<td>755,924</td>
<td>1,083,866</td>
<td>1,181,003</td>
<td>1,226,017</td>
</tr>
<tr>
<td>75 - 84</td>
<td>458,306</td>
<td>542,874</td>
<td>628,746</td>
<td>668,541</td>
</tr>
<tr>
<td>85+</td>
<td>201,146</td>
<td>240,934</td>
<td>252,860</td>
<td>258,386</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12,828,837</strong></td>
<td><strong>13,507,681</strong></td>
<td><strong>13,730,409</strong></td>
<td><strong>13,833,625</strong></td>
</tr>
</tbody>
</table>

Source: ESRI Demographics

In the PMA, population appears to be the greatest in the 25 to 34-year age group during 2019. Those aged 35 to 44 and 45 to 54 are projected to become the second and third largest age cohorts at market entry and 2024, respectively.
Number of Elderly and Non-elderly
The table below is an illustration of the elderly and non-elderly population.

<table>
<thead>
<tr>
<th>Year</th>
<th>PMA Total Population</th>
<th>PMA Non-Elderly</th>
<th>PMA Elderly (55+)</th>
<th>SMA Total Population</th>
<th>SMA Non-Elderly</th>
<th>SMA Elderly (55+)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>269,173</td>
<td>201,529</td>
<td>67,644</td>
<td>12,828,837</td>
<td>10,078,451</td>
<td>2,750,386</td>
</tr>
<tr>
<td>2019</td>
<td>267,984</td>
<td>194,355</td>
<td>73,629</td>
<td>13,507,681</td>
<td>10,045,132</td>
<td>3,462,549</td>
</tr>
<tr>
<td>Market Entry</td>
<td>270,651</td>
<td>194,848</td>
<td>75,803</td>
<td>13,730,409</td>
<td>10,066,951</td>
<td>3,663,459</td>
</tr>
<tr>
<td>2024</td>
<td>271,887</td>
<td>194,150</td>
<td>77,737</td>
<td>13,833,625</td>
<td>10,077,062</td>
<td>3,756,563</td>
</tr>
</tbody>
</table>

Source: ESRI Demographics

As illustrated in the table above, within the PMA, population is greatest in the non-elderly population, those aged 54 or under. At the time of market entry, the population will comprise approximately 28.0 percent of the total population versus 26.7 percent in 2019.

Total Number of Households
The charts below illustrate the total number of households in the PMA and SMA.

![Total Household - PMA](chart)

Source: ESRI Demographics
Similar to the growth in population in both the PMA and SMA, growth in the number of households is expected to increase between 2010 and 2024, indicating the PMA and SMA are areas of growth. As the population and the number of households increase, there will be a larger number of lower-income needing affordable housing choices.

**Total Household by Tenure**

The table below illustrates total households by tenure for the total population in the PMA and SMA.

<table>
<thead>
<tr>
<th>Year</th>
<th>PMA Owner-Occupied Units</th>
<th>PMA Renter-Occupied Units</th>
<th>SMA Owner-Occupied Units</th>
<th>SMA Renter-Occupied Units</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
<td>Number</td>
<td>Percentage</td>
</tr>
<tr>
<td>2010</td>
<td>39,321</td>
<td>53.4%</td>
<td>34,319</td>
<td>46.6%</td>
</tr>
<tr>
<td>2019</td>
<td>38,757</td>
<td>51.6%</td>
<td>36,351</td>
<td>48.4%</td>
</tr>
<tr>
<td>Market Entry</td>
<td>39,307</td>
<td>52.0%</td>
<td>36,274</td>
<td>48.0%</td>
</tr>
<tr>
<td>2024</td>
<td>39,562</td>
<td>52.2%</td>
<td>36,239</td>
<td>47.8%</td>
</tr>
</tbody>
</table>

Source: ESRI Demographics

As indicated, the total number of renter-occupied housing units within the PMA during 2019 is 48.4 percent. This number is projected to decline to 47.8 percent through 2024. Comparatively, the total number of renter-occupied households within the SMA during 2019 is higher, at 51.6 percent.
Average Household Size
The table below illustrates average household size.

<table>
<thead>
<tr>
<th>Year</th>
<th>PMA Number</th>
<th>Annual Change</th>
<th>SMA Number</th>
<th>Annual Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>3.53</td>
<td>-</td>
<td>3.03</td>
<td>-</td>
</tr>
<tr>
<td>2019</td>
<td>3.57</td>
<td>0.11%</td>
<td>3.05</td>
<td>0.09%</td>
</tr>
<tr>
<td>Market Entry</td>
<td>3.58</td>
<td>0.11%</td>
<td>3.06</td>
<td>0.05%</td>
</tr>
<tr>
<td>2024</td>
<td>3.59</td>
<td>0.11%</td>
<td>3.06</td>
<td>0.05%</td>
</tr>
</tbody>
</table>

Source: ESRI Demographics

Average household size in the PMA during 2019 was 3.57 persons; this is projected to increase slightly through 2024. Comparison to the SMA average household size of 3.05 indicates a smaller average household size in the SMA than the PMA.
Renter Households by Number of Persons in the Household

The following tables show household size by renter tenure.

### Renter Households by Number of Persons - PMA

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th></th>
<th>2019</th>
<th></th>
<th>2024</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
<td>Number</td>
<td>Percentage</td>
<td>Number</td>
<td>Percentage</td>
</tr>
<tr>
<td>With 1 Person</td>
<td>5,285</td>
<td>15.4%</td>
<td>5,598</td>
<td>15.4%</td>
<td>5,586</td>
<td>15.4%</td>
</tr>
<tr>
<td>With 2 Persons</td>
<td>7,687</td>
<td>22.4%</td>
<td>8,143</td>
<td>22.4%</td>
<td>8,125</td>
<td>22.4%</td>
</tr>
<tr>
<td>With 3 Persons</td>
<td>6,280</td>
<td>18.3%</td>
<td>6,652</td>
<td>18.3%</td>
<td>6,638</td>
<td>18.3%</td>
</tr>
<tr>
<td>With 4 Persons</td>
<td>6,212</td>
<td>18.1%</td>
<td>6,580</td>
<td>18.1%</td>
<td>6,566</td>
<td>18.1%</td>
</tr>
<tr>
<td>With 5 Persons</td>
<td>3,947</td>
<td>11.5%</td>
<td>4,180</td>
<td>11.5%</td>
<td>4,172</td>
<td>11.5%</td>
</tr>
<tr>
<td>With 6 Persons</td>
<td>2,196</td>
<td>6.4%</td>
<td>2,326</td>
<td>6.4%</td>
<td>2,322</td>
<td>6.4%</td>
</tr>
<tr>
<td>With 7+ Persons</td>
<td>2,711</td>
<td>7.9%</td>
<td>2,872</td>
<td>7.9%</td>
<td>2,866</td>
<td>7.9%</td>
</tr>
<tr>
<td>Total Renter Households</td>
<td>34,319</td>
<td>100%</td>
<td>36,351</td>
<td>100%</td>
<td>36,274</td>
<td>100%</td>
</tr>
</tbody>
</table>

### Renter Households by Number of Persons - SMA

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th></th>
<th>2019</th>
<th></th>
<th>2024</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
<td>Number</td>
<td>Percentage</td>
<td>Number</td>
<td>Percentage</td>
</tr>
<tr>
<td>With 1 Person</td>
<td>491,616</td>
<td>23.4%</td>
<td>533,674</td>
<td>23.4%</td>
<td>539,568</td>
<td>23.4%</td>
</tr>
<tr>
<td>With 2 Persons</td>
<td>567,249</td>
<td>27.0%</td>
<td>615,778</td>
<td>27.0%</td>
<td>622,578</td>
<td>27.0%</td>
</tr>
<tr>
<td>With 3 Persons</td>
<td>342,450</td>
<td>16.3%</td>
<td>371,747</td>
<td>16.3%</td>
<td>375,853</td>
<td>16.3%</td>
</tr>
<tr>
<td>With 4 Persons</td>
<td>321,441</td>
<td>15.3%</td>
<td>348,941</td>
<td>15.3%</td>
<td>352,794</td>
<td>15.3%</td>
</tr>
<tr>
<td>With 5 Persons</td>
<td>182,780</td>
<td>8.7%</td>
<td>198,417</td>
<td>8.7%</td>
<td>200,609</td>
<td>8.7%</td>
</tr>
<tr>
<td>With 6 Persons</td>
<td>92,441</td>
<td>4.4%</td>
<td>100,349</td>
<td>4.4%</td>
<td>101,457</td>
<td>4.4%</td>
</tr>
<tr>
<td>With 7+ Persons</td>
<td>102,945</td>
<td>4.9%</td>
<td>111,752</td>
<td>4.9%</td>
<td>112,986</td>
<td>4.9%</td>
</tr>
<tr>
<td>Total Renter Households</td>
<td>2,100,923</td>
<td>100%</td>
<td>2,280,659</td>
<td>100%</td>
<td>2,305,846</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: ESRI Demographics

The largest category of renter households in the PMA has two persons. The Subject will accommodate households consisting of one to five persons; at the time of market entry the Subject will be able to accommodate 70.3 percent of renter households.

### Conclusion

The PMA is comprised of 48.4 percent renter households. Demand for multifamily rental units in the PMA is expected to come from normal turnover and the limited supply of affordable properties in the area. The number of households is expected to increase in the PMA from 2019 through 2024. Demand for rental units in the PMA is expected to come from natural population growth and renter turnover. As the total population and number of households continue to grow, the demand for housing units will continue to increase. The demographics presented above provide support that there is a stable renter population within the PMA. As housing and rental prices continue to increase, there will be a greater need for affordable housing units. These factors support current and future demand for the Subject.
INCOME TRENDS

Assumptions of Income Projections
The demographics data is obtained from ESRI, a national data provider. Data estimates and projections are based on the 2010 census. Household income by household size and renter tenure are provided per TCAC market study guidelines. Estimation of household income by household size and renter tenure is allocated based upon occupied renter percentage in the PMA and SMA.

Applying these assumptions in the demand estimate may underestimate the number of income qualified renter households within the PMA since households with lower income levels are more likely to be renters. Therefore, the estimated percentage of renters within the lower income brackets may be higher than illustrated.

Household Income Distribution
The following tables illustrate household income distribution in 2019, 2024 and estimated at the projected date of market entry for PMA and SMA.

<table>
<thead>
<tr>
<th>Income Cohort</th>
<th>Household Income Distribution - PMA</th>
<th>2019</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
<td>Number</td>
</tr>
<tr>
<td>&lt;$15,000</td>
<td>6,534</td>
<td>8.7%</td>
<td>5,747</td>
</tr>
<tr>
<td>$15,000 - $24,999</td>
<td>7,736</td>
<td>10.3%</td>
<td>6,749</td>
</tr>
<tr>
<td>$25,000 - $34,999</td>
<td>6,610</td>
<td>8.8%</td>
<td>5,978</td>
</tr>
<tr>
<td>$35,000 - $49,999</td>
<td>9,088</td>
<td>12.1%</td>
<td>8,420</td>
</tr>
<tr>
<td>$50,000 - $74,999</td>
<td>13,519</td>
<td>18.0%</td>
<td>13,035</td>
</tr>
<tr>
<td>$75,000 - $99,999</td>
<td>9,313</td>
<td>12.4%</td>
<td>9,424</td>
</tr>
<tr>
<td>$100,000 - $149,999</td>
<td>11,942</td>
<td>15.9%</td>
<td>13,157</td>
</tr>
<tr>
<td>$150,000 - $199,999</td>
<td>5,558</td>
<td>7.4%</td>
<td>6,940</td>
</tr>
<tr>
<td>$200,000+</td>
<td>4,882</td>
<td>6.5%</td>
<td>6,104</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>75,108</td>
<td>100%</td>
<td>75,554</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Income Cohort</th>
<th>Household Income Distribution - SMA</th>
<th>2019</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
<td>Number</td>
</tr>
<tr>
<td>&lt;$15,000</td>
<td>420,252</td>
<td>9.5%</td>
<td>370,902</td>
</tr>
<tr>
<td>$15,000 - $24,999</td>
<td>349,472</td>
<td>7.9%</td>
<td>305,248</td>
</tr>
<tr>
<td>$25,000 - $34,999</td>
<td>322,930</td>
<td>7.3%</td>
<td>290,666</td>
</tr>
<tr>
<td>$35,000 - $49,999</td>
<td>468,912</td>
<td>10.6%</td>
<td>432,640</td>
</tr>
<tr>
<td>$50,000 - $74,999</td>
<td>712,216</td>
<td>16.1%</td>
<td>691,914</td>
</tr>
<tr>
<td>$75,000 - $99,999</td>
<td>548,539</td>
<td>12.4%</td>
<td>565,957</td>
</tr>
<tr>
<td>$100,000 - $149,999</td>
<td>734,334</td>
<td>16.6%</td>
<td>803,931</td>
</tr>
<tr>
<td>$150,000 - $199,999</td>
<td>371,591</td>
<td>8.4%</td>
<td>448,151</td>
</tr>
<tr>
<td>$200,000+</td>
<td>486,607</td>
<td>11.0%</td>
<td>574,142</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,423,701</td>
<td>100%</td>
<td>4,483,552</td>
</tr>
</tbody>
</table>

Source: ESRI Demographics

Renter Household Income Distribution

Page 23
The following tables illustrate the household income distribution and the household income distribution, adjusted for tenure. Renter households comprise 48.6 percent of total households in the PMA and 51.6 percent in the SMA.

### Renter Household Income Distribution - PMA

<table>
<thead>
<tr>
<th>Income Cohort</th>
<th>2019</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
</tr>
<tr>
<td>&lt;$15,000</td>
<td>3,163</td>
<td>8.7%</td>
</tr>
<tr>
<td>$15,000 - $24,999</td>
<td>3,744</td>
<td>10.3%</td>
</tr>
<tr>
<td>$25,000 - $34,999</td>
<td>3,199</td>
<td>8.8%</td>
</tr>
<tr>
<td>$35,000 - $49,999</td>
<td>4,398</td>
<td>12.1%</td>
</tr>
<tr>
<td>$50,000 - $74,999</td>
<td>6,543</td>
<td>18.0%</td>
</tr>
<tr>
<td>$75,000 - $99,999</td>
<td>4,508</td>
<td>12.4%</td>
</tr>
<tr>
<td>$100,000 - $149,999</td>
<td>5,780</td>
<td>15.9%</td>
</tr>
<tr>
<td>$150,000 - $199,999</td>
<td>2,690</td>
<td>7.4%</td>
</tr>
<tr>
<td>$200,000+</td>
<td>2,363</td>
<td>6.5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>36,351</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Income Cohort</th>
<th>2019</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
</tr>
<tr>
<td>&lt;$15,000</td>
<td>216,663</td>
<td>9.5%</td>
</tr>
<tr>
<td>$15,000 - $24,999</td>
<td>180,172</td>
<td>7.9%</td>
</tr>
<tr>
<td>$25,000 - $34,999</td>
<td>166,488</td>
<td>7.3%</td>
</tr>
<tr>
<td>$35,000 - $49,999</td>
<td>241,750</td>
<td>10.6%</td>
</tr>
<tr>
<td>$50,000 - $74,999</td>
<td>367,186</td>
<td>16.1%</td>
</tr>
<tr>
<td>$75,000 - $99,999</td>
<td>282,802</td>
<td>12.4%</td>
</tr>
<tr>
<td>$100,000 - $149,999</td>
<td>378,589</td>
<td>16.6%</td>
</tr>
<tr>
<td>$150,000 - $199,999</td>
<td>191,575</td>
<td>8.4%</td>
</tr>
<tr>
<td>$200,000+</td>
<td>250,872</td>
<td>11.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,280,659</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

### Renter Household Income Distribution - SMA

<table>
<thead>
<tr>
<th>Income Cohort</th>
<th>2019</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
</tr>
<tr>
<td>&lt;$15,000</td>
<td>3,061</td>
<td>9.5%</td>
</tr>
<tr>
<td>$15,000 - $24,999</td>
<td>180,167</td>
<td>7.9%</td>
</tr>
<tr>
<td>$25,000 - $34,999</td>
<td>166,488</td>
<td>7.3%</td>
</tr>
<tr>
<td>$35,000 - $49,999</td>
<td>241,750</td>
<td>9.7%</td>
</tr>
<tr>
<td>$50,000 - $74,999</td>
<td>367,186</td>
<td>15.4%</td>
</tr>
<tr>
<td>$75,000 - $99,999</td>
<td>282,802</td>
<td>12.6%</td>
</tr>
<tr>
<td>$100,000 - $149,999</td>
<td>378,589</td>
<td>17.9%</td>
</tr>
<tr>
<td>$150,000 - $199,999</td>
<td>191,575</td>
<td>10.0%</td>
</tr>
<tr>
<td>$200,000+</td>
<td>250,872</td>
<td>12.8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,317,518</strong></td>
<td><strong>99.9%</strong></td>
</tr>
</tbody>
</table>

Source: ESRI Demographics
Renter Household Income Distribution by Household Size
The following tables illustrate renter household income distribution by household size.

### 2019

<table>
<thead>
<tr>
<th>Income Cohort</th>
<th>1 Person</th>
<th>2 Person</th>
<th>3 Person</th>
<th>4 Person</th>
<th>5 Person</th>
<th>6 Person</th>
<th>7 Persons Plus</th>
</tr>
</thead>
<tbody>
<tr>
<td>$&lt;15,000</td>
<td>487</td>
<td>708</td>
<td>579</td>
<td>572</td>
<td>364</td>
<td>202</td>
<td>250</td>
</tr>
<tr>
<td>$15,000 - $24,999</td>
<td>577</td>
<td>839</td>
<td>685</td>
<td>678</td>
<td>431</td>
<td>240</td>
<td>296</td>
</tr>
<tr>
<td>$25,000 - $34,999</td>
<td>493</td>
<td>717</td>
<td>583</td>
<td>579</td>
<td>368</td>
<td>205</td>
<td>253</td>
</tr>
<tr>
<td>$35,000 - $49,999</td>
<td>677</td>
<td>985</td>
<td>805</td>
<td>796</td>
<td>506</td>
<td>282</td>
<td>347</td>
</tr>
<tr>
<td>$50,000 - $74,999</td>
<td>1,008</td>
<td>1,466</td>
<td>1,197</td>
<td>1,184</td>
<td>752</td>
<td>419</td>
<td>517</td>
</tr>
<tr>
<td>$75,000 - $99,999</td>
<td>694</td>
<td>1,010</td>
<td>825</td>
<td>816</td>
<td>518</td>
<td>288</td>
<td>356</td>
</tr>
<tr>
<td>$100,000 - $149,999</td>
<td>890</td>
<td>1,295</td>
<td>1,058</td>
<td>1,046</td>
<td>665</td>
<td>370</td>
<td>457</td>
</tr>
<tr>
<td>$150,000 - $199,999</td>
<td>414</td>
<td>603</td>
<td>492</td>
<td>487</td>
<td>309</td>
<td>172</td>
<td>213</td>
</tr>
<tr>
<td>$200,000+</td>
<td>364</td>
<td>529</td>
<td>432</td>
<td>428</td>
<td>272</td>
<td>151</td>
<td>187</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,604</strong></td>
<td><strong>8,151</strong></td>
<td><strong>6,659</strong></td>
<td><strong>6,586</strong></td>
<td><strong>4,185</strong></td>
<td><strong>2,329</strong></td>
<td><strong>2,875</strong></td>
</tr>
</tbody>
</table>

### Market Entry

<table>
<thead>
<tr>
<th>Income Cohort</th>
<th>1 Person</th>
<th>2 Person</th>
<th>3 Person</th>
<th>4 Person</th>
<th>5 Person</th>
<th>6 Person</th>
<th>7 Persons Plus</th>
</tr>
</thead>
<tbody>
<tr>
<td>$&lt;15,000</td>
<td>425</td>
<td>618</td>
<td>505</td>
<td>499</td>
<td>317</td>
<td>177</td>
<td>218</td>
</tr>
<tr>
<td>$15,000 - $24,999</td>
<td>499</td>
<td>726</td>
<td>593</td>
<td>587</td>
<td>373</td>
<td>207</td>
<td>256</td>
</tr>
<tr>
<td>$25,000 - $34,999</td>
<td>442</td>
<td>643</td>
<td>525</td>
<td>520</td>
<td>330</td>
<td>184</td>
<td>227</td>
</tr>
<tr>
<td>$35,000 - $49,999</td>
<td>623</td>
<td>906</td>
<td>740</td>
<td>732</td>
<td>465</td>
<td>259</td>
<td>319</td>
</tr>
<tr>
<td>$50,000 - $74,999</td>
<td>964</td>
<td>1,402</td>
<td>1,145</td>
<td>1,133</td>
<td>720</td>
<td>400</td>
<td>494</td>
</tr>
<tr>
<td>$75,000 - $99,999</td>
<td>697</td>
<td>1,013</td>
<td>828</td>
<td>819</td>
<td>520</td>
<td>289</td>
<td>357</td>
</tr>
<tr>
<td>$100,000 - $149,999</td>
<td>972</td>
<td>1,414</td>
<td>1,155</td>
<td>1,143</td>
<td>726</td>
<td>404</td>
<td>499</td>
</tr>
<tr>
<td>$150,000 - $199,999</td>
<td>513</td>
<td>746</td>
<td>609</td>
<td>602</td>
<td>383</td>
<td>213</td>
<td>263</td>
</tr>
<tr>
<td>$200,000+</td>
<td>451</td>
<td>656</td>
<td>536</td>
<td>530</td>
<td>337</td>
<td>187</td>
<td>231</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,584</strong></td>
<td><strong>8,123</strong></td>
<td><strong>6,056</strong></td>
<td><strong>6,563</strong></td>
<td><strong>4,170</strong></td>
<td><strong>2,321</strong></td>
<td><strong>2,865</strong></td>
</tr>
</tbody>
</table>

### 2024

<table>
<thead>
<tr>
<th>Income Cohort</th>
<th>1 Person</th>
<th>2 Person</th>
<th>3 Person</th>
<th>4 Person</th>
<th>5 Person</th>
<th>6 Person</th>
<th>7 Persons Plus</th>
</tr>
</thead>
<tbody>
<tr>
<td>$&lt;15,000</td>
<td>396</td>
<td>576</td>
<td>471</td>
<td>466</td>
<td>296</td>
<td>165</td>
<td>203</td>
</tr>
<tr>
<td>$15,000 - $24,999</td>
<td>463</td>
<td>674</td>
<td>550</td>
<td>544</td>
<td>346</td>
<td>193</td>
<td>238</td>
</tr>
<tr>
<td>$25,000 - $34,999</td>
<td>419</td>
<td>609</td>
<td>497</td>
<td>492</td>
<td>313</td>
<td>174</td>
<td>215</td>
</tr>
<tr>
<td>$35,000 - $49,999</td>
<td>597</td>
<td>869</td>
<td>710</td>
<td>702</td>
<td>446</td>
<td>248</td>
<td>306</td>
</tr>
<tr>
<td>$50,000 - $74,999</td>
<td>943</td>
<td>1,372</td>
<td>1,121</td>
<td>1,109</td>
<td>704</td>
<td>392</td>
<td>484</td>
</tr>
<tr>
<td>$75,000 - $99,999</td>
<td>698</td>
<td>1,015</td>
<td>829</td>
<td>820</td>
<td>521</td>
<td>290</td>
<td>358</td>
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<tr>
<td>$100,000 - $149,999</td>
<td>1,010</td>
<td>1,469</td>
<td>1,200</td>
<td>1,187</td>
<td>754</td>
<td>420</td>
<td>518</td>
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<tr>
<td>$150,000 - $199,999</td>
<td>558</td>
<td>812</td>
<td>663</td>
<td>656</td>
<td>417</td>
<td>232</td>
<td>286</td>
</tr>
<tr>
<td>$200,000+</td>
<td>491</td>
<td>714</td>
<td>584</td>
<td>577</td>
<td>367</td>
<td>204</td>
<td>252</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,575</strong></td>
<td><strong>8,109</strong></td>
<td><strong>6,625</strong></td>
<td><strong>6,553</strong></td>
<td><strong>4,163</strong></td>
<td><strong>2,317</strong></td>
<td><strong>2,860</strong></td>
</tr>
</tbody>
</table>

Source: ESRI Demographics
## Renter Household Income Distribution by Household Size - SMA

<table>
<thead>
<tr>
<th>Income Cohort</th>
<th>1 Person</th>
<th>2 Person</th>
<th>3 Person</th>
<th>4 Person</th>
<th>5 Person</th>
<th>6 Person</th>
<th>7 Persons Plus</th>
</tr>
</thead>
<tbody>
<tr>
<td>$&lt;15,000</td>
<td>50,699</td>
<td>58,499</td>
<td>35,316</td>
<td>33,149</td>
<td>18,850</td>
<td>9,533</td>
<td>10,616</td>
</tr>
<tr>
<td>$15,000 - $24,999</td>
<td>42,160</td>
<td>48,646</td>
<td>29,368</td>
<td>27,566</td>
<td>15,675</td>
<td>7,928</td>
<td>8,828</td>
</tr>
<tr>
<td>$25,000 - $34,999</td>
<td>38,958</td>
<td>44,952</td>
<td>27,138</td>
<td>25,473</td>
<td>14,484</td>
<td>7,325</td>
<td>8,158</td>
</tr>
<tr>
<td>$35,000 - $49,999</td>
<td>56,569</td>
<td>65,272</td>
<td>39,405</td>
<td>36,988</td>
<td>21,032</td>
<td>10,637</td>
<td>11,846</td>
</tr>
<tr>
<td>$50,000 - $74,999</td>
<td>85,922</td>
<td>99,140</td>
<td>59,851</td>
<td>56,179</td>
<td>31,945</td>
<td>16,156</td>
<td>17,992</td>
</tr>
<tr>
<td>$75,000 - $99,999</td>
<td>66,176</td>
<td>76,356</td>
<td>46,097</td>
<td>43,269</td>
<td>24,604</td>
<td>12,443</td>
<td>13,857</td>
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<tr>
<td>$100,000 - $149,999</td>
<td>88,590</td>
<td>102,219</td>
<td>61,710</td>
<td>57,924</td>
<td>32,937</td>
<td>16,658</td>
<td>18,551</td>
</tr>
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<td>51,725</td>
<td>31,227</td>
<td>29,311</td>
<td>16,667</td>
<td>8,429</td>
<td>9,387</td>
</tr>
<tr>
<td>$200,000+</td>
<td>58,704</td>
<td>67,736</td>
<td>40,892</td>
<td>38,383</td>
<td>21,826</td>
<td>11,038</td>
<td>12,293</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>532,607</td>
<td>614,546</td>
<td>371,004</td>
<td>348,243</td>
<td>198,020</td>
<td>100,148</td>
<td>111,529</td>
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### Market Entry

<table>
<thead>
<tr>
<th>Income Cohort</th>
<th>1 Person</th>
<th>2 Person</th>
<th>3 Person</th>
<th>4 Person</th>
<th>5 Person</th>
<th>6 Person</th>
<th>7 Persons Plus</th>
</tr>
</thead>
<tbody>
<tr>
<td>$&lt;15,000</td>
<td>44,589</td>
<td>51,448</td>
<td>31,060</td>
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<td>16,578</td>
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<td>9,337</td>
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<td>$15,000 - $24,999</td>
<td>36,697</td>
<td>42,342</td>
<td>25,562</td>
<td>23,994</td>
<td>13,644</td>
<td>6,900</td>
<td>7,684</td>
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<td>$25,000 - $34,999</td>
<td>34,942</td>
<td>40,317</td>
<td>24,340</td>
<td>22,846</td>
<td>12,991</td>
<td>6,570</td>
<td>7,317</td>
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<tr>
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<td>60,007</td>
<td>36,227</td>
<td>34,004</td>
<td>19,336</td>
<td>9,779</td>
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<td>95,959</td>
<td>57,931</td>
<td>54,377</td>
<td>30,920</td>
<td>15,638</td>
<td>17,415</td>
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<tr>
<td>$75,000 - $99,999</td>
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<td>78,482</td>
<td>47,380</td>
<td>44,473</td>
<td>25,289</td>
<td>12,790</td>
<td>14,243</td>
</tr>
<tr>
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<td>96,609</td>
<td>111,472</td>
<td>67,296</td>
<td>63,168</td>
<td>35,919</td>
<td>18,166</td>
<td>20,230</td>
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<tr>
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<td>53,847</td>
<td>62,131</td>
<td>37,509</td>
<td>35,208</td>
<td>20,020</td>
<td>10,125</td>
<td>11,276</td>
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<td>$200,000+</td>
<td>68,987</td>
<td>79,601</td>
<td>48,053</td>
<td>45,107</td>
<td>25,649</td>
<td>12,972</td>
<td>14,446</td>
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<tr>
<td><strong>Total</strong></td>
<td>538,859</td>
<td>621,761</td>
<td>375,459</td>
<td>352,331</td>
<td>200,345</td>
<td>101,324</td>
<td>112,838</td>
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</table>

### 2024

<table>
<thead>
<tr>
<th>Income Cohort</th>
<th>1 Person</th>
<th>2 Person</th>
<th>3 Person</th>
<th>4 Person</th>
<th>5 Person</th>
<th>6 Person</th>
<th>7 Persons Plus</th>
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</thead>
<tbody>
<tr>
<td>$&lt;15,000</td>
<td>41,757</td>
<td>48,181</td>
<td>29,087</td>
<td>27,303</td>
<td>15,525</td>
<td>7,852</td>
<td>8,744</td>
</tr>
<tr>
<td>$15,000 - $24,999</td>
<td>34,165</td>
<td>39,421</td>
<td>23,799</td>
<td>22,339</td>
<td>12,702</td>
<td>6,424</td>
<td>7,154</td>
</tr>
<tr>
<td>$25,000 - $34,999</td>
<td>33,080</td>
<td>38,170</td>
<td>23,043</td>
<td>21,629</td>
<td>12,299</td>
<td>6,220</td>
<td>6,927</td>
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<tr>
<td>$35,000 - $49,999</td>
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<td>57,557</td>
<td>34,753</td>
<td>32,621</td>
<td>18,549</td>
<td>9,381</td>
<td>10,447</td>
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<tr>
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<td>81,887</td>
<td>94,485</td>
<td>57,041</td>
<td>53,542</td>
<td>30,445</td>
<td>15,398</td>
<td>17,147</td>
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<tr>
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<td>79,468</td>
<td>47,975</td>
<td>45,032</td>
<td>25,606</td>
<td>12,950</td>
<td>14,422</td>
</tr>
<tr>
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<td>115,760</td>
<td>69,885</td>
<td>65,597</td>
<td>37,360</td>
<td>18,865</td>
<td>21,008</td>
</tr>
<tr>
<td>$150,000 - $199,999</td>
<td>58,026</td>
<td>66,953</td>
<td>40,420</td>
<td>37,940</td>
<td>21,574</td>
<td>10,911</td>
<td>12,151</td>
</tr>
<tr>
<td>$200,000+</td>
<td>73,753</td>
<td>85,099</td>
<td>51,375</td>
<td>48,233</td>
<td>27,421</td>
<td>13,868</td>
<td>15,444</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>541,757</td>
<td>625,104</td>
<td>377,378</td>
<td>354,226</td>
<td>201,422</td>
<td>101,869</td>
<td>113,445</td>
</tr>
</tbody>
</table>

Source: ESRI Demographics

### Conclusion

The preceding tables stratify aggregate household income, renter household income, and renter household income by household size for the PMA and SMA for 2019, projected market entry, and 2024 forecast. The Demand Estimate section following utilizes this data in quantification of appropriate income qualified renter households adjusted by household size.
NEIGHBORHOOD ANALYSIS

Introduction
The Subject is located in the central portion of El Monte, Los Angeles County, California, in a primarily mixed-use area.

Access and Traffic Flow
Access to the site is from the south side of Railroad Street, which is a one-block long two lane street that connects with Tyler Avenue at the north side of the Subject. Valley Boulevard is a five-lane street that traverses east/west through the city of El Monte and provides access to Interstate 10 to the southeast approximately 0.7 miles from the subject. Interstate 10 is a major freeway that traverses east/west across the state and provides access to the city of Los Angeles to the west and other parts of the Los Angeles-Long Beach-Anaheim, CA MSA to the east.

Visibility/Views
The site has good visibility from the north side of Valley Boulevard, and the west side of Tyler Avenue. The view to the north is of railroad tracks and industrial/warehouse buildings in average condition. The view to the south is of a retail shopping center and an ATT office building in average condition. The view to the west is of an ATT warehouse building in good condition. Overall, the surrounding land uses do not inhibit the Subject’s ability to maintain a stabilized occupancy.

Location Map
The map below illustrates the Subject and surrounding neighborhood.
Locational Amenities & Map - Overview

The map and table below illustrate the location amenities in relation to the Subject's site.

### Distance From Local Services

<table>
<thead>
<tr>
<th>Map #</th>
<th>Name</th>
<th>Service</th>
<th>Distance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Bus Stop Tyler/Valley</td>
<td>Bus Stop</td>
<td>0.09 miles</td>
</tr>
<tr>
<td>2</td>
<td>Chase Bank</td>
<td>Bank</td>
<td>0.12 miles</td>
</tr>
<tr>
<td>3</td>
<td>United States Postal Service</td>
<td>Post Office</td>
<td>0.23 miles</td>
</tr>
<tr>
<td>4</td>
<td>Superior Grocers</td>
<td>Grocery Store</td>
<td>0.23 miles</td>
</tr>
<tr>
<td>5</td>
<td>Calvary Assembly of God</td>
<td>Church</td>
<td>0.23 miles</td>
</tr>
<tr>
<td>6</td>
<td>El Monte Comprehensive Health Center</td>
<td>Hospital/Pharmacy</td>
<td>0.26 miles</td>
</tr>
<tr>
<td>7</td>
<td>Ross Dress for Less</td>
<td>Retail</td>
<td>0.26 miles</td>
</tr>
<tr>
<td>8</td>
<td>Pioneer Park</td>
<td>Park</td>
<td>0.33 miles</td>
</tr>
<tr>
<td>9</td>
<td>Columbia School K-8th</td>
<td>Education</td>
<td>0.36 miles</td>
</tr>
<tr>
<td>10</td>
<td>Rio Vista Veterans Park</td>
<td>Park</td>
<td>0.47 miles</td>
</tr>
<tr>
<td>11</td>
<td>El Monte Library</td>
<td>Library</td>
<td>0.59 miles</td>
</tr>
<tr>
<td>12</td>
<td>76</td>
<td>Gas Station</td>
<td>0.66 miles</td>
</tr>
<tr>
<td>13</td>
<td>El Monte High School</td>
<td>Education</td>
<td>0.81 miles</td>
</tr>
<tr>
<td>14</td>
<td>Greater El Monte Community Hospital</td>
<td>Hospital</td>
<td>1.95 miles</td>
</tr>
</tbody>
</table>
**Crime Statistics**
The following crime data is provided by Neighborhood Scout.

<table>
<thead>
<tr>
<th>TOTAL CRIME INDEX</th>
<th>NEIGHBORHOOD ANNUAL CRIMES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>50</strong></td>
<td></td>
</tr>
<tr>
<td>(100 is safest)</td>
<td></td>
</tr>
</tbody>
</table>

Safer than 50% of U.S. neighborhoods.

<table>
<thead>
<tr>
<th></th>
<th>VIOLENT</th>
<th>PROPERTY</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Crimes</td>
<td>13</td>
<td>113</td>
<td>126</td>
</tr>
<tr>
<td>Crime Rate (per 1,000 residents)</td>
<td>2.47</td>
<td>21.47</td>
<td>23.95</td>
</tr>
</tbody>
</table>

**VIOLENT CRIME COMPARISON (PER 1,000 RESIDENTS)**

- **This Neighborhood**: 2.47
- **El Monte**: 3.93
- **California**: 4.49

**EL MONTE VIOLENT CRIMES**

<table>
<thead>
<tr>
<th></th>
<th>MURDER</th>
<th>RAPE</th>
<th>ROBBERY</th>
<th>ASSAULT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Report Total</td>
<td>5</td>
<td>43</td>
<td>186</td>
<td>222</td>
</tr>
<tr>
<td>Rate per 1,000</td>
<td>0.04</td>
<td>0.37</td>
<td>1.60</td>
<td>1.91</td>
</tr>
</tbody>
</table>

**UNITED STATES VIOLENT CRIMES**

<table>
<thead>
<tr>
<th></th>
<th>MURDER</th>
<th>RAPE</th>
<th>ROBBERY</th>
<th>ASSAULT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Report Total</td>
<td>17,284</td>
<td>135,755</td>
<td>319,356</td>
<td>810,825</td>
</tr>
<tr>
<td>Rate per 1,000</td>
<td>0.05</td>
<td>0.42</td>
<td>0.98</td>
<td>2.49</td>
</tr>
</tbody>
</table>
# Property Crime Comparison (per 1,000 Residents)

![Property Crime Comparison Graph]

## El Monte Property Crimes

<table>
<thead>
<tr>
<th></th>
<th>Burglary</th>
<th>Theft</th>
<th>Motor Vehicle Theft</th>
</tr>
</thead>
<tbody>
<tr>
<td>Report Total</td>
<td>691</td>
<td>1,439</td>
<td>706</td>
</tr>
<tr>
<td>Rate per 1,000</td>
<td>5.95</td>
<td>12.39</td>
<td>6.08</td>
</tr>
</tbody>
</table>

**Population:** 116,109

## United States Property Crimes

<table>
<thead>
<tr>
<th></th>
<th>Burglary</th>
<th>Theft</th>
<th>Motor Vehicle Theft</th>
</tr>
</thead>
<tbody>
<tr>
<td>Report Total</td>
<td>1,401,840</td>
<td>5,519,107</td>
<td>773,139</td>
</tr>
<tr>
<td>Rate per 1,000</td>
<td>4.30</td>
<td>16.94</td>
<td>2.37</td>
</tr>
</tbody>
</table>

**Population:** 325,719,178
After inspection and observation of the Subject’s neighborhood, we do not anticipate the overall crime statistics will affect the marketability for the Subject.

Summary
The Subject will provide affordable housing that represents good quality apartments that are in strong demand in the area. The site is located within a mixed-use neighborhood in the central portion of the city of El Monte. All major shopping, transportation, and recreational amenities are located within a short distance of the Subject. Access to groceries, pharmacy and shopping is convenient, and within reasonable distance.
PROJECT DESCRIPTION

Our description of the Subject is based upon information provided by the developer and the property inspection. We assume the information supplied is accurate.

Site Description

Site Location: The Subject is located at 3637 & 3649 Tyler Avenue, El Monte, Los Angeles County, California. The site is located in Census Tract 4327.

Existing Improvements: The Subject is improved with a vacant commercial building and parking areas.

Size/Shape: The site contains 0.74 acres or 32,332 square feet, and is irregular in shape.

Topography: The site topography is level at curb grade.

Vegetation: The site has nominal vegetation with some grass and shrubs.

Proximity to Adverse Conditions: At this time, we are unaware of any detrimental influences that would impact on the value of the Subject.

Drainage: Appears adequate, however no specific tests were performed.

Soil and Subsoil Conditions: We were not provided with soil surveys.

Environmental: We did not observe any obvious environmental hazards during the site inspection. However, we are not experts within this field.

Zoning: The Subject is zoned SP-4 Downtown; Specific Plan area 4 is downtown areas within the El Monte Main Street Specific Plan. There is not specific density or parking designations. The introduction of housing will support and take advantage of the proximity to the Metrolink Station adjacent to the north of the Subject and the City’s Main Street.

Flood Plain: According to the Flood Insights Map Number 06037C1675F, dated September 26th, 2008, the Subject is located in Zone X This zone is determined to be an area outside of the 100-year flood boundaries.
Photographs: Subject photos are included in the Addenda.

Location Map: The map below illustrates the location of the Subject.
HIGHEST AND BEST USE ANALYSIS

HIGHEST AND BEST USE AS VACANT

Physically Possible
The Subject site consists of approximately 0.74 acres or 32,332 square feet. The site is irregular in shape parcel with level topography. Accessibility and visibility are considered good. The site is considered adequate for a variety of physically possible uses.

Legally Permissible
The Subject is zoned SP-4 Downtown. Specific Plan area 4 is downtown areas within the El Monte Main Street Specific Plan. There is not specific density or parking designations. The introduction of housing will support and take advantage of the proximity to the Metrolink Station adjacent to the north of the Subject and City’s Main Street. With consideration given to design and parking requirements, 53 units is considered reasonable.

Financially Feasible
The cost of the land limits those uses that are financially feasible for the site. Any use of the Subject site that provides a financial return to the land in excess of the cost of the land is those uses that are financially feasible.

Maximally Productive
With the tax credit subsidy, the value of the project supports feasibility. Based upon our analysis, new construction of multifamily housing is financially feasible with subsidy. Therefore, the maximally productive use of this site as if vacant would be to construct a multifamily residential complex using tax credit equity, favorable financing, or other gap subsidies.

Conclusion Highest and Best Use “As Vacant”
The highest and best use for the property “as vacant” would be to construct a multifamily residential complex with financial subsidies.
APPRaisal METHOdology

The sales comparison approach of land sale comparables intended for multifamily development to assess the value of the Subject site, as though vacant is the appropriate methodology for valuation of the Subject property. The cost and income approach are not applicable, and were not used in this appraisal report.

LAND Valuation

The sales comparison approach to value is a process of comparing market data; that is, the price paid for similar properties, prices asked by owners, and offers made by prospective purchasers willing to buy or lease. Market data is good evidence of value because it represents the actions of users and investors. The sales comparison approach is based on the principle of substitution, which states that a prudent investor would not pay more to buy or rent a property than it will cost to buy or rent a comparable substitute. The sales comparison approach recognizes that the typical buyer will compare asking prices and work through the most advantageous deal available. In the sales comparison approach, the appraisers are observers of the buyer’s actions. The buyer is comparing those properties that constitute the market for a given type and class.

To arrive at an opinion of land value for the Subject site, we researched and analyzed sales of comparable sites in the competitive area. In performing the market valuation, an extensive search for recent transfers of land zoned for multifamily development within the El Monte area was made. Following is a summary of sales, land sales map, individual land data sheets, and analysis of sales.

<table>
<thead>
<tr>
<th>Data No.</th>
<th>Property Identification</th>
<th>Date of Sale</th>
<th>Sale Price</th>
<th>Property Size/Acres</th>
<th>Property Size/SF</th>
<th>Price per SF</th>
<th>Price per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>11171 Valley Mall</td>
<td>Jun-16</td>
<td>$3,100,000</td>
<td>3.25</td>
<td>141,570</td>
<td>$21.90</td>
<td>$50,000</td>
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<tr>
<td></td>
<td>El Monte, CA 91731</td>
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<td>8568-032-006, 007, 008, 009</td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>2704-2728 Santa Anita Avenue</td>
<td>Mar-18</td>
<td>$2,330,000</td>
<td>1.76</td>
<td>76,666</td>
<td>$30.39</td>
<td>$58,250</td>
</tr>
<tr>
<td></td>
<td>El Monte, CA 91733</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8104-013-003, 007, 008, 051</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>4526 Santa Anita Avenue</td>
<td>Apr-18</td>
<td>$1,100,000</td>
<td>0.65</td>
<td>28,314</td>
<td>$38.85</td>
<td>$68,750</td>
</tr>
<tr>
<td></td>
<td>El Monte, CA 91731</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>8570-003-01C</td>
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<tr>
<td>Property Identification</td>
<td></td>
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<tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Address/Location        | 11171 Valley Mall  
                          | El Monte, CA 91731 |
| APN                     | 8568-032-006, 007, 008, 009 |

<table>
<thead>
<tr>
<th>Property Characteristics</th>
<th>Sale Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zoning</td>
<td>Sale Price</td>
</tr>
<tr>
<td></td>
<td>$3,100,000</td>
</tr>
<tr>
<td>Property Use</td>
<td>Cash Equivalent</td>
</tr>
<tr>
<td></td>
<td>$3,100,000</td>
</tr>
<tr>
<td>Size (Acres)</td>
<td>Number of Units Planned</td>
</tr>
<tr>
<td></td>
<td>62</td>
</tr>
<tr>
<td>Size (SF)</td>
<td>Price per SF</td>
</tr>
<tr>
<td></td>
<td>$21.50</td>
</tr>
<tr>
<td>Shape</td>
<td>Sale Date</td>
</tr>
<tr>
<td></td>
<td>Jun-16</td>
</tr>
<tr>
<td>Topography</td>
<td>Price per Unit</td>
</tr>
<tr>
<td></td>
<td>$50,000</td>
</tr>
<tr>
<td>Streets</td>
<td>Terms</td>
</tr>
<tr>
<td></td>
<td>Cash Eqv.</td>
</tr>
<tr>
<td>Off-site Improvements</td>
<td>Seller</td>
</tr>
<tr>
<td></td>
<td>El Monte Union School District</td>
</tr>
<tr>
<td>Other Improvements</td>
<td>Buyer</td>
</tr>
<tr>
<td></td>
<td>Olson Urban II-El Monte 2 LLC</td>
</tr>
<tr>
<td>Utilities</td>
<td>Sale Conditions</td>
</tr>
<tr>
<td></td>
<td>Arm's Length</td>
</tr>
<tr>
<td>Location</td>
<td>Property Rights</td>
</tr>
<tr>
<td></td>
<td>Fee Simple</td>
</tr>
<tr>
<td>Access</td>
<td>Exchange</td>
</tr>
<tr>
<td></td>
<td>No</td>
</tr>
<tr>
<td>Visibility</td>
<td>Marketing Time (Mo.)</td>
</tr>
<tr>
<td></td>
<td>N/A</td>
</tr>
</tbody>
</table>

**Comments**

Site developed as Union Walk Townhomes, 62 for-sale units. Data source includes the appraiser records, Costar, Realquest. Prior improvements commercial buildings. Reported environmental cleanup required post sale; no costs information provided.
<table>
<thead>
<tr>
<th>Property Identification</th>
<th></th>
</tr>
</thead>
</table>
| Address/Location        | 2704-2728 Santa Anita Avenue  
                          | El Monte, CA 91733               |
| APN                     | 8104-013-003, 007, 008, 051      |

<table>
<thead>
<tr>
<th>Property Characteristics</th>
<th>Sale Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zoning</td>
<td>R3, R1A</td>
</tr>
<tr>
<td>Property Use</td>
<td>Multifamily</td>
</tr>
<tr>
<td>Size (Acres)</td>
<td>1.76</td>
</tr>
<tr>
<td>Size (SF)</td>
<td>76,666</td>
</tr>
<tr>
<td>Shape</td>
<td>Irregular</td>
</tr>
<tr>
<td>Topography</td>
<td>Level</td>
</tr>
<tr>
<td>Streets</td>
<td>Paved</td>
</tr>
<tr>
<td>Off-site Improvements</td>
<td>To Site</td>
</tr>
<tr>
<td>Other Improvements</td>
<td>Commercial Buildings</td>
</tr>
<tr>
<td>Utilities</td>
<td>To Site</td>
</tr>
<tr>
<td>Location</td>
<td>Average</td>
</tr>
<tr>
<td>Access</td>
<td>Average</td>
</tr>
<tr>
<td>Visibility</td>
<td>Average</td>
</tr>
</tbody>
</table>

Comments
Planned development of 40 units. Data sources include Costar and marketing package.
## Land Sale 3

### Property Identification
- **Address/Location**: 4526 Santa Anita Avenue  
  El Monte, CA 91731
- **APN**: 8570-003-010

### Property Characteristics
- **Zoning**: C2  
- **Property Use**: Multifamily  
- **Size (Acres)**: 0.65  
- **Size (SF)**: 28,314  
- **Shape**: Irregular  
- **Topography**: Level  
- **Streets**: To Site  
- **Off-site Improvements**: To Site  
- **Other Improvements**: None  
- **Utilities**: To Site  
- **Location**: Similar  
- **Access**: Average  
- **Visibility**: Average

### Sale Data
- **Sale Price**: $1,100,000  
- **Cash Equivalent**: $1,100,000  
- **Number of Units Planned**: 16  
- **Price per SF**: $38.85  
- **Sale Date**: Apr-18  
- **Price per Unit**: $68,750  
- **Terms**: Cash Equiv.  
- **Seller**: Sylvia D Chandler  
- **Buyer**: NEM Properties, LLC  
- **Sale Conditions**: Market  
- **Property Rights**: Fee Simple  
- **Exchange**: No  
- **Marketing Time (Mo.)**: 60 Days

### Comments
Data source includes Costar & Realquest. Planned development of 16 townhomes.
The table below summarizes the adjustments.

<table>
<thead>
<tr>
<th>Subject</th>
<th>Sale 1</th>
<th>Sale 2</th>
<th>Sale 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address/Location</td>
<td>3637 &amp; 3649 Tyler Avenue, El Monte, CA 91731</td>
<td>1171 Valley Mall, El Monte, CA 91731</td>
<td>2704-2728 El Monte, CA 91731</td>
</tr>
<tr>
<td>Sale Price</td>
<td>$3,100,000</td>
<td>$2,330,000</td>
<td>$1,100,000</td>
</tr>
<tr>
<td>Price per Unit</td>
<td>$50,000</td>
<td>$58,250</td>
<td>$68,750</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Rights</td>
<td>Fee Simple</td>
<td>$50,000</td>
<td>Fee Simple</td>
<td>$58,250</td>
<td>Fee Simple</td>
</tr>
<tr>
<td>Terms</td>
<td>Cash Equiv.</td>
<td>$50,000</td>
<td>Cash Equiv.</td>
<td>$58,250</td>
<td>Cash Equiv.</td>
</tr>
<tr>
<td>Sale Conditions</td>
<td>Arm's Length</td>
<td></td>
<td>Market</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale Date</td>
<td>Jun-16</td>
<td>15%</td>
<td>Mar-18</td>
<td>5%</td>
<td>Apr-18</td>
</tr>
<tr>
<td>Adjusted Price Per Unit</td>
<td>$57,500</td>
<td>$61,163</td>
<td>$72,188</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Zoning</td>
<td>SP-4</td>
<td>C3</td>
<td>R3, R1A</td>
<td>C2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Size (Acres)</td>
<td>0.742</td>
<td>3.25</td>
<td>10%</td>
<td>1.76</td>
<td>5%</td>
<td>0.65</td>
</tr>
<tr>
<td>Size (SF)</td>
<td>32,332</td>
<td>141,570</td>
<td>76,666</td>
<td>28,314</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Topography</td>
<td>Level</td>
<td>Level</td>
<td>Level</td>
<td>Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Street</td>
<td>Paved</td>
<td>Paved</td>
<td>Paved</td>
<td>To Site</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Off-site Improvements</td>
<td>To Site</td>
<td>To Site</td>
<td>To Site</td>
<td>To Site</td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-site Improvements</td>
<td>Commercial</td>
<td>10%</td>
<td>Commercial</td>
<td>Buildings</td>
<td>5%</td>
<td>None</td>
</tr>
<tr>
<td>Utilities</td>
<td>To Site</td>
<td>To Site</td>
<td>To Site</td>
<td>To Site</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Location</td>
<td>Average</td>
<td>Average</td>
<td>Average</td>
<td>Average</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Physical Adjustment</td>
<td>20%</td>
<td>10%</td>
<td>0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted Price Per Unit</td>
<td>$69,000</td>
<td>$67,279</td>
<td>$72,188</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Minimum Sale $67,279
Maximum Sale $72,188
Average Sale $69,489

Explanation of Adjustments

Market Conditions
Real estate values change over time. Nationally and regionally, land values peaked during the prior cycle near 2008, and stalled during the economic recession. During the time period between 2008 and 2012, there were softened market conditions, and declining market values. Interviews with local broker’s revealed prices decreased on average between five and 10 percent per year during this time frame. Appreciation in land values started being reported in 2012 and has continued rising through 2019 year-to-date. Interviews with local broker’s revealed prices increased on average between five and 10 percent per year during this time frame.
Based on this methodology, Sale 1 was adjusted upward 15 percent. Sales 2 and 3 were adjusted upward 5 percent.

**Size**
Typically, an inverse relationship exists between site size and price per unit indication. Sales 1 and 2 are larger than the Subject; therefore, upward adjustments of 10 percent and 5 percent, respectively, were applied. No adjustment is warranted to Sale 3.

**Existing Improvements**
Sales 1 and 2 were improved and were adjusted upward 10 percent and 5 percent, respectively, for demolition costs as the valuation is as if vacant.

**Location**
All the Sales are located in close proximity of the Subject in generally similar locations; no adjustment is warranted.

**Summary**
The adjusted sales range from $67,127 to $72,188 per unit, and average $69,489 per unit. The adjusted Sales provide a reasonably close range; greatest weight is placed on Sale 3. An indication $70,000 per unit is concluded; an indication of value is summarized below:

<table>
<thead>
<tr>
<th>Indication of Value</th>
</tr>
</thead>
<tbody>
<tr>
<td># of Units</td>
</tr>
<tr>
<td>53</td>
</tr>
</tbody>
</table>

Per client request for informational purposes, an allocation of value to each parcel is provided. The allocations per parcel do not attempt to provide an indication of value as if each site were a stand-alone site, but rather reflecting the assemblage created by the sites. No survey was available for review as of the appraisal date, and parcel sizes are based upon site data provided and adjusted per reported net site size. The allocation is based upon a pro-rata portion of the site per parcel. The allocations are summarized following:

<table>
<thead>
<tr>
<th>Subject Parcels Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>APN</td>
</tr>
<tr>
<td>-----</td>
</tr>
<tr>
<td>8575-501-9030</td>
</tr>
<tr>
<td>8575-019-909</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>
Marketing/Exposure Time
Marketing Time is defined as the period from the date of initial listing to the settlement date. The projected marketing time for the Subject property will vary greatly, depending upon the aggressiveness of the marketing agent, the method of marketing, the market that is targeted, interest rates and the availability of credit at the time the property is marketed, the supply and demand of similar properties for sale or having been recently purchased, and the perceived risks at the time it is marketed.

Discussions with area Realtors indicate that a marketing period of twelve months is reasonable for properties such as the Subject. This is supported by data obtained on several of the comparable sales and consistent with information obtained from the PWC Real Estate Investor Survey. This estimate assumes a strong advertising and marketing program during the marketing period.

The exposure/marketing time of the subject property is very difficult to judge in that the buy/sell decision involving investment properties is interrelated with the assumption that the property is priced reasonably and is adequately exposed to the proper market. Marketing Time differs from Exposure Time in that the estimate of Marketing Time is a projection into the future with the associated estimates as to future trends and factors that are likely to impact the market segment in which the subject is participating. In an attempt to forecast Marketing Time, consideration is given to the fact that the sales and opinions that have been elicited in the estimation of Exposure Time have been formulated during current economic conditions that are expected to be very similar in the foreseeable future.

Investment property brokers, investors, and sellers familiar with the market, report that the exposure time can range from 30 days to as long as twelve months. This assumes that financing is available and that there are no significant negative items affecting the property. Based upon information gathered during the course of this assignment it is our opinion that the appropriate estimate of the exposure time is equal to the marketing time for the subject and is estimated at six to twelve months.
ADDENDUM A

Assumptions and Limiting Conditions, Certification
ASSUMPTIONS AND LIMITING CONDITIONS

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the appraiser has relied extensively upon such data in the formulation of all analyses.

2. The legal description as supplied by the client is assumed to be correct and the author assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.

3. All encumbrances, including mortgages, liens, leases, and servitudes, were disregarded in this valuation unless specified in the report. It was recognized, however, that the typical purchaser would likely take advantage of the best available financing, and the effects of such financing on property value were considered.

4. All information contained in the report which others furnished was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.

5. The report was made assuming responsible ownership and capable management of the property.

6. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.

7. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.

8. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors.

9. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the appraiser did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
10. Any distribution of total property value between land and improvements applies only under the existing or specified program of property utilization. Separate valuations for land and buildings must not be used in conjunction with any other study or appraisal and are invalid if so used.

11. A valuation estimate for a property is made as of a certain day. Due to the principles of change and anticipation the value estimate is only valid as of the date of valuation. The real estate market is non-static and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.

12. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organizations of which the appraiser is a member be identified without written consent of the appraiser.

13. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional appraisal organization with which the appraiser is affiliated: specifically, the Appraisal Institute.

14. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.

15. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.

16. Opinions of value contained herein are estimates. There is no guarantee, written or implied, that the Subject property will sell or lease for the indicated amounts.

17. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.

18. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
19. All general codes, ordinances, regulations or statutes affecting the property have been and
will be enforced and the property is not Subject to flood plain or utility restrictions or
moratoriums, except as reported to the appraiser and contained in this report.

20. The party for whom this report is prepared has reported to the appraiser there are no original
existing condition or development plans that would Subject this property to the regulations
of the Securities and Exchange Commission or similar agencies on the state or local level.

21. Unless stated otherwise, no percolation tests have been performed on this property. In
making the appraisal, it has been assumed the property is capable of passing such tests so as
to be developable to its highest and best use, as detailed in this report.

22. No in-depth inspection was made of existing plumbing (including well and septic), electrical,
or heating systems. The appraiser does not warrant the condition or adequacy of such
systems.

23. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea
Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the
Consumer Product Safety Commission has been introduced into the appraised property. The
appraiser reserves the right to review and/or modify this appraisal if said insulation exists on
the Subject property.

Acceptance of and/or use of this report constitute acceptance of all assumptions and the
above conditions.
CERTIFICATION

The undersigned hereby certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations;
- We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved;
- We have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment;
- We are performing a market study of the Subject property in conjunction with this assignment. No other appraisal or consulting assignments have been completed on the Subject in the past three years;
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results;
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Valuation Practice of the Appraisal Institute and USPAP;
- Byron N. Lea, MAI performed a physical inspection of the property and the Subject's neighborhood October 28, 2019. Michael Stuben provided assistance with portions of market research and preparation of portions of this report and is competent to perform such analyses. Jay A. Wortmann, MAI reviewed the report but did not inspect the Subject;
- We do not authorize the out of context quoting from or partial reprinting of this market analysis report. Further, neither all nor any part of this report shall be disseminated to the general public by the use of media for public communication without the prior written consent of Kinetic Valuation Group, Inc.;
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives;
- As of the date of this report, Jay A. Wortmann, MAI and Byron N. Lea, MAI have completed the requirements of the continuing education program of the Appraisal Institute.

Jay A. Wortmann, MAI
California Certified General Appraiser
No.3001293 Expiration 09/10/2021
jay@kvgteam.com
402-202-0771

Byron Lea, MAI
California Certified General Appraiser
No.AG008505 Expiration 11/21/2020
byron@kvgteam.com
970-699-1748
ADDENDUM B

Subject Photographs and Information
Valley Blvd facing easterly

Site adjacent to west of Subject at Valley Blvd

Existing transit site adjacent to west of Subject
ADDENDUM C

Legal Description
### Property Detail Report

For Property Located At:  
3649 TYLER AVE, EL MONTE, CA 91731-2505

---

### Owner Information
- **Owner Name:** SIBLINGS HOLDING INC
- **Mailing Address:** 3649 TYLER AVE, EL MONTE CA 91731-2505 C021

### Location Information
- **Legal Description:** RESURVEY OF E J BALDWIN'S ADD TO EL MONTE EX OF ST LOTS 13,14 AND 15 BLK 4
- **APN:** 8575-019-030
- **County:** LOS ANGELES, CA
- **Census Tract / Block:** 4327.00 / 3
- **Legal Lot:** 13
- **Legal Block:** 4
- **Market Area:** 319
- **School District:** EL MONTE UN
- **School District Name:** EL MONTE UN
- **Municipal/Township:**

### Owner Transfer Information
- **Deed Type:** 1st Mtg Document #

### Last Market Sale Information
- **Recording/Sale Date:** 10/15/2007 / 10/01/2007
- **Sale Price:** $1,700,000
- **Sale Type:** FULL
- **Document #:** 2347326
- **Deed Type:** GRANT DEED
- **Transfer Document #:**
- **New Construction:**
- **Title Company:** FIDELITY NATIONAL TITLE
- **Lender:** CITIBANK NA
- **Seller Name:** PACIFIC TELEPHONE & TELEGRAPH

### Prior Sale Information
- **Prior Rec/Sale Date:**
- **Prior Sale Price:**
- **Prior Doc Number:**
- **Prior Deed Type:**

### Property Characteristics
- **Year Built / Eff:**
- **Gross Area:** 7,596
- **Building Area:** 7,596
- **Tot Adj Area:**
- **Above Grade:**
- **# of Stories:**
- **Other Improvements:** Building Permit
- **Total Rooms/Offices:**
- **Total Restrooms:**
- **Roof Type:**
- **Roof Material:**
- **Construction:**
- **Foundation:**
- **Exterior wall:**
- **Basement Area:**
- **Garage Area:**
- **Garage Capacity:**
- **Parking Spaces:**
- **Heat Type:**
- **Air Cond:**
- **Pool:**
- **Quality:**
- **Condition:**

### Site Information
- **Acres:** 0.52
- **Lot Width/Depth:**
- **Commercial Units:**
- **Sewer Type:**

### Tax Information
- **Tax Year:** 2018
- **Assessed Year:** 2018
- **Improved %:** 53%
- **Property Tax:** $29,886.88
- **Tax Area:** 3651
- **Tax Exemption:**

---

https://pro.realquest.com/jsp/report.jsp?action=confirm&type=getreport&recordno=0&reportoptions=0&1573429703912&1573429703912 1/1
# Property Detail Report

For Property Located At:
3637 TYLER AVE, EL MONTE, CA 91731

## Owner Information
- **Owner Name:**
- **Mailing Address:** 11533 VALLEY BLVD, EL MONTE CA 91731-3227
- **County:** Los Angeles
- **Legal Description:** RESURVEY OF E J BALDWIN'S ADD TO EL MONTE EX OF STS LOT 11, EX OF ST LOT 12 BLK 4
- **APN:** 8575-019-009
- **Alternate APN:** 8575-019-020

## Location Information
- **Subdivision:** E J BALDWIN'S ADD RESURV
- **Map Reference:** 38-D6
- **Tract #:**
- **School District:** EL MONTE
- **School District Name:** EL MONTE UN
- **Munic/Township:**

## Owner Transfer Information
- **Recording/Sale Date:** 31/27/2012 / 01/26/2012
- **Deed Type:** QUIT CLAIM DEED
- **1st Mtg Document #:**

## Last Market Sale Information
- **Recording/Sale Date:** 33/03/2006 / 02/28/2006
- **Sale Price:** $305,000
- **Sale Type:** ULL
- **Document #:** 467138
- **Deed Type:** CORPORATION GRANT DEED
- **Transfer Document #:**
- **New Construction:**
- **Title Company:** STEWART TITLE
- **Lender:**
- **Seller Name:** OLSON 737-EL MONTE 46 LLC
- **Prior Rec/Sale Date:** 33/05/2004 / 03/02/2004
- **Prior Sale Price:**
- **Prior Doc Number:** 528972
- **Prior Deed Type:** GRANT DEED

## Prior Sale Information
- **Prior Lender:** FLEET NAT'L BK
- **Prior 1st Mtg Amt/Type:** $1,400,000 / ADJUSTABLE INT RATE LOAN
- **Prior 1st Mtg Rate/Type:**

## Property Characteristics
- **Year Built / Eff:** 1971 / 1971
- **Gross Area:** 7,800
- **Building Area:** 7,800
- **Tot Adj Area:**
- **Above Grade:**
- **# of Stories:**
- **Building Permit:**
- **Building Area:**
- **Garage Area:**
- **Garage Capacity:**
- **Parking Spaces:**
- **Heat Type:**
- **Air Cond.:**
- **Pool:**
- **Quality:**
- **Condition:**

## Site Information
- **Acres:** 0.20
- **Lot Width/Depth:** x
- **Commercial Units:**
- **Sewer Type:**

## Tax Information
- **Assessed Year:** 2018
- **Improved %:**
- **Tax Year:**
- **Property Tax:**
- **Tax Area:** 3651
- **Tax Exemption:**

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https://pro.realquest.com/jsp/report.jsp?&action=confirm&type=getreport&recordno=0&reportoptions=0&1573428901452&1573428901453
ADDENDUM D

Qualifications of Consultants
Qualifications of Partners & Key Personnel

STATEMENT OF PROFESSIONAL QUALIFICATIONS

JAY A. WORTMANN, MAI

ASSOCIATION MEMBERSHIPS

Member of the Appraisal Institute with the MAI Designation, No. 519881

STATE CERTIFICATIONS

State of California Certified General Real Estate Appraiser (3001293)
State of Hawaii Certified General Real Estate Appraiser (CGA 1146)
State of Iowa Certified General Real Estate Appraiser (CG03319)
State of Minnesota Certified General Real Estate Appraiser (40392083)
State of Missouri Certified General Real Estate Appraiser (2013040219)
State of Nebraska Certified General Real Estate Appraiser (CG2014002)
State of New Mexico Certified General Real Estate Appraiser (03455-G)
State of Oklahoma Certified General Real Estate Appraiser (13111CGA)
State of Texas Certified General Real Estate Appraiser (TX 1380393 G)

EDUCATION

University of Nebraska, Bachelor of Science in Business Administration with an emphasis in Finance and Management, 2004

All educational requirements successfully completed for the Appraisal Institute MAI designation.

Consortium Institute of Management and Business Analysis (CIMBA) Undergraduate Program, Spring Semester 2004, Paderno del Grappa, Italy

EXPERIENCE

06/2018 to Present    Kinetic Valuation Group, President
10/2015 to 06/2018    Lea & Company, President
01/2007 to 10/2015    Lea & Company, Director Midwest Offices
11/2006 to 5/2008     Assumption-Guadalupe Catholic School - South Omaha CORE Development Director
06/2004 to 10/2006    Novogradac & Company LLP, Real Estate Analyst

PROFESSIONAL TRAINING

Appraisal Courses Completed:

- Basic Appraisal Procedures 10/2008
- Basic Appraisal Principles 12/2008
- Income Approach Part I 07/2010
- Income Approach Part II 08/2010
- General Appraiser Sales Comparison Approach 04/2011
- Market Analysis & Highest & Best Use 05/2011
- Real Estate Finance Statistics and Valuation Modeling 08/2011
- Advanced Income Capitalization 09/2011
- General Appraiser Site Valuation & Cost Approach 10/2011
- General Appraiser Report Writing and Case Studies 12/2011
- National USPAP 15-Hour Course 01/2012
- Nebraska National Appraiser Examination 04/2012
- Advanced Concepts & Case Studies 11/2013
- MAI Comprehensive Exam Module II, III, & IV 04/2014
REAL ESTATE ASSIGNMENTS
A representative sample of various types of projects involved includes:

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation.

- Prepare appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.

- Prepare appraisal work for retail and commercial properties in various parts of the country for various lenders. The client utilized the study for underwriting purposes.

- Conducted market studies for projects under the HUD Multifamily Accelerated Processing program.

- Prepare appraisals of proposed new construction properties under the HUD Multifamily Accelerated Processing program.

- Prepare Rent Comparability Studies for expiring Section 8 HAP contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.

- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.

Work assignments completed in various states include:

- Arizona
- Arkansas
- California
- Colorado
- Hawaii
- Idaho
- Indiana
- Iowa
- Kansas
- Michigan
- Minnesota
- Mississippi
- Missouri
- Montana
- Nebraska
- New Mexico
- North Dakota
- Oklahoma
- Pennsylvania
- Texas
- Utah
- Washington
- Wisconsin
- Wyoming
STATEMENT OF PROFESSIONAL QUALIFICATIONS
AMANDA M. BAKER, MAI

I. Professional Affiliation
Member of the Appraisal Institute with the MAI Designation, No. 511086

II. State Certifications
State of Arizona Certified General Real Estate Appraiser (32065)
State of California Certified General Real Estate Appraiser (3002360)
State of Colorado Certified General Real Estate Appraiser (CG200000747)
State of Kansas Certified General Real Property Appraiser (G-2960)
State of Missouri Certified General Real Estate Appraiser (2014021680)
State of Nebraska Certified General Real Property Appraiser (CG2016006R)
State of Nevada Certified General Real Estate Appraiser (A.0207150-CG)
State of Washington Certified General Real Estate Appraiser (1102380)

III. Education
University of Nebraska-Omaha, Bachelor of Science in Business Administration
   -Specialization in Real Estate and Land Use Economics
   -Specialization in Marketing
   -Secondary Specialization in Economics

IV. Professional Experience
-Vice President-Kinetic Valuation Group, June 2018-Present
-Manager-Lea & Company, November 2011-June 2018
-Senior Real Estate Analyst, Novogradac & Company LLP, April 2005-October 2011

V. Professional Training
-MAI General Demonstration Report-Capstone Program July 2016
-2016-2017 National USPAP Update March 2016
-MAI Comprehensive Exam August 2015
-Advanced Market Analysis and Highest & Best Use May 2015
-Advanced Income Capitalization October 2014
-Quantitative Analysis June 2014
-Advanced Concepts & Case Studies May 2014

VI. Real Estate Assignments
A representative sample of Due Diligence and Valuation Engagements includes:

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income-qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation.

- Prepare appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Prepare appraisal work for retail and commercial properties in various parts of the country for various lenders. The client utilized the study for underwriting purposes.

- Conducted market studies for projects under the HUD Multifamily Accelerated Processing program.

- Prepare appraisals of proposed new construction properties under the HUD Multifamily Accelerated Processing program.

- Prepare Rent Comparability Studies for expiring Section 8 HAP contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.

- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.
STATEMENT OF PROFESSIONAL QUALIFICATIONS
BYRON N. LEA, MAI

ASSOCIATION MEMBERSHIPS
Member of the Appraisal Institute with the MAI Designation, No. 10374

STATE CERTIFICATIONS
State of California Certified General Real Estate Appraiser (AG008505)
State of Colorado Certified General Appraiser (CG40039600)

EDUCATION
California State University Sacramento, Bachelor of Science in Business Administration, 1985

All educational requirements successfully completed for the Appraisal Institute MAI designation and 100-hour/five year continuing education cycles.

EXPERIENCE
06/2018 to Present Consultant to Kinetic Valuation Group
10/2015 to 06/2018 Founder and Consultant to Lea & Company
8/2006/ to 10/2015 Re-establishment of Lea & Company, President of Firm. Commercial Valuation and Consulting Services within the Affordable Housing Industry.
8/2000 to 8/2006 Novográdác & Company LLP, Partner, established the Kansas City and Los Angeles Valuation Group offices.
7/94 to 8/2000 Relocated to Kansas City, Senior Appraiser, Nunnink & Associates, Inc., which transformed into Integra Realty Resources.
Performed narrative appraisals and review of appraisals.
8/88 - 7/94 Commercial Fee Appraiser, Lea & Associates, Sacramento, California
Principal of firm. Performed narrative appraisals on fee basis.
8/86 - 5/88 Commercial Appraiser, Urban Pacific Services, Newport Beach, California
Performed narrative appraisals.
1/86 - 8/86 Commercial Appraiser, Bank of America, Orange County, California
Staff commercial appraiser.

REPRESENTATIVE SAMPLE OF ASSIGNMENTS
- On a national basis, conduct market studies and appraisals for proposed Low-Income Housing Tax Credit properties.
- On a national basis, conduct market studies and appraisals for preservation of affordable housing properties involving USDA and HUD programs, oftentimes with renovation using Low-Income Housing Tax Credits and/or Historic Tax Credits. Programs include USDA 515 and 538, and HUD 221D4, 236, and MAP.
- Rent Comparability Studies of apartment properties for HUD programs nationally.
- Team member in the valuation of a U.S. Air Force Base closure located in Northern California.
- Rockhurst College, a Jesuit University located in Kansas City, Missouri.
- Student housing portfolios located in West Lafayette, Indiana, home of Purdue University.
- Fair Rental Market Analysis for General Services Agency consisting of a Federal Courthouse located in Kansas City, Kansas, Bannister Federal Complex, and Federal properties located in Leavenworth and Topeka, Kansas and Independence, Missouri.
- Industrial portfolio valuation of properties located throughout the United States.
- Residential subdivisions located in California and Midwest.
- Regional Malls located in California.
- Convenience Store properties located throughout the Midwest.
- Proposed Mixed Use Entertainment Center with Megaplex theaters and restaurant.
- Megaplex and Multiplex movie theaters.
- Proposed truck terminal facilities located in Kansas and Missouri.
- Bulk liquids transfer terminal located in Kansas.
- Assisted living and nursing home properties located in Kansas, Missouri, Alabama, and Mississippi.
- Institutional grade investment properties located throughout the United States.
- Portfolio valuation for Small Business Administration of properties located in California.
- Work assignments completed in various states include:

<table>
<thead>
<tr>
<th>Alabama</th>
<th>Montana</th>
</tr>
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<tbody>
<tr>
<td>Arizona</td>
<td>Nebraska</td>
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<td>Arkansas</td>
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<td>California</td>
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<td>Wisconsin</td>
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<tr>
<td>Missouri</td>
<td>Wyoming</td>
</tr>
</tbody>
</table>
STATEMENT OF PROFESSIONAL QUALIFICATIONS
CHARLES K. HAASE

STATE CERTIFICATIONS
State of California Certified General Real Estate Appraiser (3004234)
State of Ohio Certified General Real Estate Appraiser (2017003033)
State of Utah Certified General Real Estate Appraiser (10536692-CG00)
State of Oklahoma Certified General Real Estate Appraiser (13344CGA)

EDUCATION
University of Nebraska Omaha, Bachelor of Arts in International Studies
- Specialization in Global Strategic Studies.

EXPERIENCE
06/2018 to Present - Kinetic Valuation Group, Certified General Real Estate Appraiser
10/2011 to 06/2018 - Lea & Company, Certified General Real Estate Appraiser
06/2009 to 10/2011 - Nebraska Title Company – Escrow Closer/Title Agent/Searcher

PROFESSIONAL TRAINING
Certified General Real Property Appraisal Courses Completed:

- Basic Appraisal Procedures 05/2012
- Basic Appraisal Principles 10/2012
- Statistics, Modeling, and Finance 05/2013
- General Site Valuation and Cost Approach 07/2013
- General Sales Comparison Approach 08/2013
- General Appraiser Income Approach Part I 04/2014
- General Appraiser Market Analysis 08/2014
  and Highest & Best Use
- General Appraiser Report Writing and Case Studies 10/2014
- National USPAP 15-Hour Course 11/2014
- Business Practice and Ethics 8/2015
- General Appraiser Income Approach Part II 9/2015
- Advanced Income Capitalization 10/2015

REAL ESTATE ASSIGNMENTS
A representative sample of Due Diligence and Valuation Engagements includes:

- On a national basis, assisted with market studies and appraisals for proposed Low-Income Housing Tax Credit properties. Includes property screenings, market and demographic analysis, comparable rent surveys, and supply and demand analysis.

- On a national basis, prepare market studies and appraisals consulting services for preservation of affordable housing properties involving USDA and HUD programs, oftentimes with renovation using Low-Income Housing Tax Credits and/or Historic Tax Credits. Programs include Rental Assistance Demonstration (RAD) Program, USDA 515 and 538, and HUD 221D4, 236, and MAP.
• Prepare market studies for proposed new construction, conversion, and existing Low-Income Housing Tax Credit developments for family and age-restricted populations.

• Prepare appraisals of proposed new construction, rehab and existing Low-Income Housing Tax Credit properties and Section 8 Mark-to-Market properties. Assistance includes rent comparability studies, determination of market rents and market analysis.

• Conduct Rent Comparability Studies for expiring Section 8 HAP contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.

• Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.

Work assignments completed in various states include:

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<td>Florida</td>
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<td>Texas</td>
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<td>Missouri</td>
<td>Utah</td>
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<td>Minnesota</td>
<td>West Virginia</td>
</tr>
<tr>
<td>Montana</td>
<td>Washington</td>
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<tr>
<td>Nevada</td>
<td>Wisconsin</td>
</tr>
<tr>
<td></td>
<td>Wyoming</td>
</tr>
</tbody>
</table>
STATEMENT OF PROFESSIONAL QUALIFICATIONS
BRENT R. GRIFFITHS

STATE CERTIFICATIONS
State of Arkansas Certified General Real Estate Appraiser (CG-4379)
State of California Certified General Real Estate Appraiser (3004361)
State of Minnesota Certified General Real Estate Appraiser (40524536)
State of Montana Certified General Real Estate Appraiser (REA-RAG-LIC-9586)

EDUCATION
University of Nebraska-Lincoln, Bachelor of Science in Business Administration with an emphasis in Finance and Management

EXPERIENCE
06/2018 to Present: Kinetic Valuation Group, Certified General Real Estate Appraiser
03/2013 to 06/2018: Lea & Company, Senior Analyst
08/2011 to 03/2013: Pinnacle Bank, Real Estate Loan Assistant
04/2010 to 08/2011: Pinnacle Bank, Customer Service Representative

PROFESSIONAL TRAINING
Certified General Real Property Appraisal Courses Completed:
- Basic Appraisal Procedures 05/2013
- National USPAP 15-Hour Course 06/2013
- Basic Appraisal Principles 09/2013
- Real Estate Finance, Statistics, and Valuation Modeling 09/2013
- General Appraiser Report Writing and Case Studies 12/2013
- General Appraiser Sales Comparison Approach 04/2014
- General Appraiser Income Approach/Part 1 07/2014
- General Appraiser Market Analysis and Highest & Best Use 08/2014
- General Appraiser Income Approach/Part 2 12/2014
- General Appraiser Site Valuation and Cost Approach 10/2015
- Advanced Income Capitalization 09/2016
- Advanced Concepts & Case Studies 9/2018

REAL ESTATE ASSIGNMENTS
A representative sample of types of projects involved with includes:
- On a national basis, prepare market studies and appraisals consulting services for proposed Low-Income Housing Tax Credit properties.
- On a national basis, prepare market studies and appraisals consulting services for preservation of affordable housing properties involving USDA and HUD programs, oftentimes with renovation using Low-Income Housing Tax Credits and/or Historic Tax Credits. Programs include Rental Assistance Demonstration (RAD) Program, USDA 515 and 538, and HUD 221D4, 236, and MAF.
- Prepare market studies for proposed new construction, conversion, and existing Low-Income Housing Tax Credit developments for special needs and age-restricted populations.
- Prepare appraisals of proposed new construction, rehab and existing Low-Income Housing Tax Credit properties, Section 8 Mark-to-Market properties, Rental Assistance Demonstration (RAD) Program, and HUD Map Section 221D4 and 223f properties.
- Conduct rent comparable studies for properties encumbered by Section 8 contracts.
Work assignments completed in the following states:

- Alabama  
- Arizona  
- Arkansas  
- California  
- Colorado  
- Florida  
- Hawaii  
- Illinois  
- Indiana  
- Iowa  
- Kansas  
- Louisiana  
- Minnesota  
- Missouri  
- Montana  
- Nebraska  
- Nevada  
- New Jersey  
- New Mexico  
- North Carolina  
- North Dakota  
- Oklahoma  
- Oregon  
- Rhode Island  
- South Dakota  
- Tennessee  
- Texas  
- Utah  
- Washington  
- Wyoming
STATEMENT OF PROFESSIONAL QUALIFICATIONS
Sarah L Hauxwell

EDUCATION
University of Nebraska- Omaha, Bachelor of Science in Business Administration with a minor in Real Estate & Land Use, 2016

EXPERIENCE
06/2018 to Present: Kinetic Valuation Group, Real Estate Analyst
11/2016 to 06/2018: Lca & Company, Real Estate Analyst

PROFESSIONAL TRAINING
Certified General Real Property Appraisal Courses Completed:
- Basic Appraisal Procedures 10/2017
- Basic Appraisal Principles 8/2017
- National USPAP 15-Hour Course 12/10/2017

REAL ESTATE ASSIGNMENTS
A representative sample of types of projects involved with includes:

- On a national basis, assisted with market studies and appraisals for proposed Low-Income Housing Tax Credit properties. Includes property screenings, market and demographic analysis, comparable rent surveys, and supply and demand analysis.
- On a national basis, assisted with market studies and appraisals for preservation of affordable housing properties involving USDA and HUD programs, oftentimes with renovation using Low-Income Housing Tax Credits and/or Historic Tax Credits. Programs include USDA 515 and 528.
- Prepare market studies for proposed new construction, conversion, and existing Low-Income Housing Tax Credit developments for family, senior, and assisted-living senior populations.
- Assist with appraisals of proposed new construction, rehab and existing Low-Income Housing Tax Credit properties and Section 8 Mark-to-Market properties. Assistance includes rent comparability studies, determination of market rents and market analysis.
- Conduct rent comparable studies for properties encumbered by Section 8 contracts. Research included analysis of comparable properties and market analysis.

Work assignments completed in the following states:

Arkansas    California    Colorado    Hawaii    Iowa    Kansas    Missouri
Arizona    Nebraska    Arkansas    New York    California    Ohio    Colorado    Oklahoma    Hawaii    Utah    Iowa    West Virginia    Kansas    Washington
Minnesota
Certificate of Membership

Kinetic Valuation Group
Is a Member Firm in Good Standing of

National Council of Housing Market Analysts
Formerly known as National Council of Affordable Housing Market Analysts

National Council of Housing Market Analysts
1400 16th St. NW
Suite 420
Washington, DC 20036
202-939-1750

Membership Term
5/1/2019 – 4/30/2020

Thomas Amdur
Executive Director, NH&RA
### Permanent Sources

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Rate</th>
<th>Amm. / Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perm Loan</td>
<td>$3,804,938</td>
<td>4.50%</td>
<td>$71,791</td>
</tr>
<tr>
<td>Tax Credit Proceeds</td>
<td>20,453,370</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>City Land Note</td>
<td>974,546</td>
<td>3.00%</td>
<td>18,388</td>
</tr>
<tr>
<td>Impact Fee Waiver</td>
<td>684,866</td>
<td>0.00%</td>
<td>12,222</td>
</tr>
<tr>
<td>City HOME</td>
<td>503,000</td>
<td>3.00%</td>
<td>9,434</td>
</tr>
<tr>
<td>DOR Fee Waiver</td>
<td>873,000</td>
<td>0.00%</td>
<td>16,415</td>
</tr>
<tr>
<td>Art Fee Waiver</td>
<td>103,000</td>
<td>0.00%</td>
<td>1,887</td>
</tr>
<tr>
<td>Interest Income</td>
<td>0</td>
<td>NA</td>
<td>0</td>
</tr>
<tr>
<td>Operating Income</td>
<td>0</td>
<td>NA</td>
<td>0</td>
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<tr>
<td>Deferred Developer Fee</td>
<td>333,275</td>
<td>6.00%</td>
<td>6,288</td>
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</tbody>
</table>

Total: $27,722,994

### Permanent Uses

<table>
<thead>
<tr>
<th>Uses</th>
<th>Amount</th>
<th>PerUnit</th>
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</thead>
<tbody>
<tr>
<td>Land Costs</td>
<td>$3,841,269</td>
<td>$72,477</td>
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<tr>
<td>Permits, Fees, &amp; Studies</td>
<td>4,001,345</td>
<td>75,497</td>
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<tr>
<td>Direct Construction Costs</td>
<td>13,897,062</td>
<td>262,209</td>
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<tr>
<td>Contingency</td>
<td>1,472,794</td>
<td>27,789</td>
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<tr>
<td>Developer Fee</td>
<td>2,200,000</td>
<td>41,509</td>
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<tr>
<td>Indirect Construction Costs</td>
<td>680,791</td>
<td>12,845</td>
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<tr>
<td>Rent-Up Costs</td>
<td>124,000</td>
<td>2,340</td>
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<tr>
<td>Reserves</td>
<td>153,913</td>
<td>2,904</td>
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<tr>
<td>Financing Costs</td>
<td>1,349,820</td>
<td>25,468</td>
</tr>
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</table>

Total: $523,038

### Source Pay in Schedule

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Date</th>
<th>Notes</th>
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<tbody>
<tr>
<td>Perm Loan</td>
<td>$3,804,938</td>
<td>May-23 Convert</td>
<td></td>
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<tr>
<td>Tax Credit Proceeds</td>
<td>4,091,074</td>
<td>Feb-21 Close</td>
<td></td>
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<tr>
<td>Tax Credit Proceeds</td>
<td>9,975,685</td>
<td>Dec-22 Lease up</td>
<td></td>
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<tr>
<td>Tax Credit Proceeds</td>
<td>6,138,011</td>
<td>May-23 Convert</td>
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<tr>
<td>Tax Credit Proceeds</td>
<td>250,000</td>
<td>Jun-23 8609s</td>
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<td>City Land Note</td>
<td>974,546</td>
<td>Feb-21 Close</td>
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</tr>
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<td>Impact Fee Waiver</td>
<td>684,866</td>
<td>Feb-21 Close</td>
<td></td>
</tr>
<tr>
<td>City HOME</td>
<td>500,000</td>
<td>Feb-21 Close</td>
<td></td>
</tr>
<tr>
<td>DOR Fee Waiver</td>
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### Hard Cost Breakdown

<table>
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<th></th>
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<td>Demolition</td>
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<td>Toxic Abatement</td>
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<td>Off-site</td>
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<tr>
<td>Onsite</td>
<td>1,003,100</td>
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<td>Short-term work</td>
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<td>Parking</td>
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<td>Commercial</td>
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<tr>
<td>Residential</td>
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### Bedroom Mix/Average Rent

<table>
<thead>
<tr>
<th>Bedrooms</th>
<th>Quantity</th>
<th>% of Units</th>
<th>Avg. Rent</th>
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### Rent Schedule

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<th>AML</th>
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<th>Util.</th>
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<td>555</td>
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<tr>
<td>TCAC</td>
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### Operating Expenses

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<td>Management</td>
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<td>Administration</td>
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<td>Salaries &amp; Benefits</td>
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<td>Insurance</td>
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<td>0</td>
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<tr>
<td>Taxes</td>
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<td>Services</td>
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<tr>
<td>Reserves</td>
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Total: $384,303

**Totals**

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### Development Costs

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<td>Toxic Abatement</td>
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**Total Development Costs:** $3,784,303

### Operating Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Management</td>
<td>$38,160</td>
<td>$720</td>
</tr>
<tr>
<td>Marketing</td>
<td>936</td>
<td>18</td>
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<tr>
<td>Office Expenses</td>
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<td>Replacement Reserves</td>
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**Total Operating Expenses:** $3,784,303

### Tax Credit Calculation

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**Total Tax Credits:** $20,453,370
### CASH FLOW YR 1-10

**Cesar Chavez Foundation**

52 units plus 1 mgr. unit
New Construction: Non-Rural
Non-PW Family project

**ER VALLEY-EL MONTE**

9% Credits

<table>
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<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
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<tbody>
<tr>
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Version: 9.6.1

Updated by: Steve on 6/13/20
TO BE CONSIDERED: The City Council will conduct a public hearing to consider the adoption of a Resolution approving a Disposition, Development and Affordable Rental Housing Loan Agreement between the City and the Cesar Chavez Foundation (Developer) regarding the development and construction of a four-story, 53-unit affordable housing project (Project) to be located at the corner of Valley Boulevard and Tyler Avenue, 3637 & 3649 Tyler Avenue. The Project site includes Los Angeles County Assessor’s Parcel No. 8575-019-030 owned by the Developer or its affiliate and the disposition—at fair market value—of a 4,999 s.f. portion of City (or City affiliate)-owned Los Angeles County Assessor’s Parcel No. 8575-019-909 to the Developer to effectuate the Project. Such disposition of land qualifies as "exempt surplus land," pursuant to Government Code Section 54221(f)(1)(B) as it is less than 5,000 square feet in area and is not contiguous to land owned by a state or local agency that is used for open-space or low- and moderate-income housing purposes. The City shall provide two Project loans, one for a purchase mortgage loan and one memorializing $500,000 in HOME funds.

APPLICANT: George Lopez
The Cesar Chavez Foundation
316 West 6th Street, Suite 600
Los Angeles, CA 90012

PLACE OF HEARING: The City Council will hold a public hearing to receive testimony, orally and in writing, on the proposed Resolution. The public hearing is scheduled for:

Date: Tuesday, June 23, 2020
Time: 7:00 p.m.
Place: El Monte City Hall – Council Chambers
11333 Valley Boulevard, El Monte, California

To protect the health and safety of the public, all members of the public entering City Hall shall wear a face covering/mask and adhere to social distancing protocols.

Members of the public wishing to observe the meeting remotely may do so in one of the following ways:
(1) Turn your TV to Channel 3; or
(2) Visit the City’s website at http://www.elmontecia.gov/378/council-meeting-videos
Members of the public wishing to provide questions/comments during the meeting shall:
(1) Call the City’s conference line at (888) 204-5987 with access code 8167975; or
(2) Submit their questions or comments in advance of the meeting to the City Clerk at
cityclerk@elmonteca.gov.

Persons wishing to comment on the proposed Resolution may do so orally or in writing at the public
hearing or in writing prior to the meeting date. Written comments shall be sent to Betty Donavanik;
El Monte City Hall West; 11333 Valley Boulevard; El Monte, CA 91731 or at
bdonavanik@elmonteca.gov. If you challenge the decision in court, you may be limited to raising
only those issues you or someone else raised at the public hearing described in this notice, or in
written correspondence delivered to the City Council at, or prior to, the public hearing.

Published on: Catherine A. Eredia, City Clerk
June 13, 2020 City of El Monte
June 16, 2020

The Honorable Mayor and City Council
City of El Monte
11333 Valley Boulevard
El Monte, CA 91731

Dear Honorable Mayor and City Council:

CONSIDERATION AND ADOPTION OF A RESOLUTION TO APPROVE A MEMORANDUM OF AGREEMENT BETWEEN THE CITY OF EL MONTE AND THE SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS (SGVCOG) AUTHORIZING THE SUBMITTAL OF AN APPLICATION FOR A RAPID RE-HOUSING PROGRAM FOR HOMELESS PROGRAMS IMPLEMENTATION FUNDING FROM THE SGVCOG

IT IS RECOMMENDED THAT THE CITY COUNCIL:

1. Adopt the proposed Resolution (Attachment 1) approving a Memorandum of Agreement between the City of El Monte and the San Gabriel Valley Council of Governments (SGVCOG) authorizing the submittal of an application for Homeless Programs Implementation funding from the SGVCOG;
2. Approve a Rapid Re-housing Program;
3. Authorize the allocation of $265,000 from the General Fund to implement the Programs;
4. Authorize the SGVCOG to reimburse $265,000 to the General Fund for the Programs; and
5. Authorize the City Manager, or her designee, to execute the Memorandum of Agreement.

BACKGROUND

On June 13, 2017, the Los Angeles County (the “County”) Board of Supervisors (the “Board of Supervisors”) approved Measure H funding allocations in support of the County’s Homeless Initiative strategies to prevent and combat homelessness in the County. Recognizing the important role that cities have in supporting the Homeless
Initiative, the Board of Supervisors also allocated a one-time funding for individual cities to develop a plan to address homelessness in their respective cities.

The City of El Monte (the “City”) submitted an application for a City Planning Grant to prevent and combat homelessness. On October 23, 2017, El Monte was awarded a grant in the amount of $70,000 to create a City specific homelessness plan. The City entered into an agreement with the San Gabriel Valley Council of Governments (SGVCOG) to select a consultant to work with cities in the region and administer the planning grant. On January 18, 2018, the SGVCOG Governing Board, with input from cities, selected LeSar Development Consultants (LDC) to assist each city with the development of a plan. On January 31, 2018, the City participated in a regional kick-off meeting for cities that was facilitated by LDC, to provide education, an overview of the Plan development process and to discuss the next steps.

From February to April 2018, LDC facilitated a series of community meetings in the City with various stakeholders, community members, homeless service providers, residents, business owners, law enforcement members, and City staff to discuss the issues, challenges, concerns and potential strategies to address homelessness in the City. On May 15, 2018, a Study Session was held with the City Council to provide a status update and receive comments. The provided comments included the need to increase assistance for homeless families and Veterans and the need for more affordable housing in the City. The plan also reflects priorities and needs that align with the strategies adopted by the Los Angeles County Board of Supervisors.

On June 5, 2018, the City Council adopted the City of El Monte Plan to Prevent and Combat Homelessness (the “Homeless Plan”) (Attachment 2). The goals in the Homeless Plan are as follows:

1. Better understand the City’s homeless population and educate the community;
2. Increase engagement activities and links to crisis response system;
3. Expand access to Workforce Development and Employment Programs;
4. Increase the number of shelter beds in the City;
5. Increase the number of affordable/homeless housing units in the City; and
6. Participate in Regional Collaboration Opportunities.

The Homeless Plan also reflects priorities and needs that align with the strategies adopted by the Los Angeles County Board of Supervisors. The Homeless Plan also identifies the City’s next steps, includes periodic progress reports, and provides opportunities for the City Council to update the Homeless Plan.
DISCUSSION

The San Gabriel Valley Council of Governments (SGVCOG) will be awarding funding to help cities that have completed homeless plans implement elements of their plans. Based on population, the City of El Monte is eligible for funding up to $250,000 for the SGVCOG Homeless Plans Implementation funding and $15,000 for the SGVCOG Homeless Prevention and Diversion Programs. The City and the SGVCOG shall enter into a Memorandum of Agreement (Attachment 3) in order for the City to apply for funding.

The submittal deadline to apply for funding is June 30, 2020. All projects must be completed by May 31, 2022.

The City is proposing to utilize the SGVCOG funding to implement the Goals of the City’s Homeless Plan to assist in combating and preventing homelessness in the City. The Goals and proposed programs are outlined below.

**Homeless Encampment Clean-up Program**

**Goal 2** – Increase Engagement Activities and Links to Crisis Response System

**Action Item 2d** – Develop homelessness encampment protocol via City’s Code Enforcement Task Force

**Proposed Program** – Homeless Encampment Clean-up Program

**Funding Amount** – $25,000 of the SGVCOG Homeless Plans Implementation Funds (SGVCOG allows up 10% of the City’s funding to be allocated towards encampment clean-up).

According to the 2019 Homeless Count, the City’s homeless population is 428 which is approximately 17% less than 2018’s homeless population of 517. Out of the 428 homeless persons, 403 are unsheltered. Of the 403 unsheltered, 290 were living in makeshift shelters, tents, or on the streets. The majority of the homeless encampments are located on vacant private properties, vacant public owned properties, along the railroad tracks, along the Rio Hondo River, and open space areas.

The Los Angeles Homeless Services Authority (LAHSA) conducted the 2020 Greater Los Angeles Homeless Count in January 2020. The preliminary results show 12.7% increase in homelessness in LA County. The City’s specific results will be released in the coming weeks. Since the 2020 Homeless Count conducted in January, Los Angeles County has seen an increase in the number of homeless individuals due to economic hardships from the Coronavirus COVID-19 pandemic.
The City’s Homeless Encampment Clean-up Program will consist of the El Monte Police Department’s TOUCH Team conducting outreach to the City’s homeless population located in homeless encampments and assisting them with resources and temporary housing. Once the homeless individuals are relocated, Code Enforcement and Public Works crew will clean-up the encampments.

Historically, the TOUCH Team has seen an increase in homeless encampments during the summer months. Therefore, the Program will include outreach and clean-up for the months of August – October of 2020 and June – August of 2021. The $25,000 will be utilized for outreach materials and resources, compensation of staff time for the TOUCH team, Code Enforcement Officers, and Public Works staff to clean the encampments, and trash bin rentals and transport fees.

**Rapid Re-housing Program**

**Goal 5** – Increase the number of affordable/homeless housing units in the City

**Action Item 5f** – Expand Rapid Re-housing Units in the City

**Proposed Program** – Rapid Re-housing Program

**Funding Amount** – $205,000 from the SGVCOG Homeless Plans Implementation Funds and $15,000 from the SGVCOG Homeless Prevention and Diversion program for a total of $220,000.

The Rapid Re-housing Program will provide housing relocation and stabilization services to individuals and families at-risk of homelessness. It could take months, if not years, for El Monte residents and the City’s homeless population to recover from the harsh economic impacts of COVID-19. The Rapid Re-housing Program will offer the following:

- One-time rental assistance up to $1,200 for one month’s rent per household to help renters in the City of El Monte.
- One-time assistance up to $1,200 for first month’s rent, advance payment of last month’s rent, and/or security deposit.
- Financial assistance will be offered to low income households who rent in the City and have experienced hardship (i.e. loss of income, reduced work hours, etc.) due to the COVID-19 pandemic; or to homeless or at-risk homeless individuals and families in the City.

The Rapid Re-housing Program will be available for El Monte residents that have experienced hardship (i.e. loss of income, reduced hours, etc.) because of COVID-19. Additionally, the Program is only open to renters at risk of homelessness or currently homeless individuals and families. Applicants will be required to submit income
verification and housing payment documentation. Payments must be paid directly to the provider (e.g. landlord) of such services on behalf of an individual or family. Households must meet HUD low income restrictions at no more than 50% of the area median income adjusted to family size. (See Figure 1)

In summary, applicants must meet the following criteria to be eligible to apply:

- Residents must be physically located within El Monte city limits
- Applicant must be a renter at-risk of homelessness or currently homeless
- Applicant must qualify for Low-Income Limits of 50% of the area median income (see Figure 1)
- Demonstrate a need for assistance:
  - Experienced hardship because of COVID-19; and/or
  - Provide past due invoice or eviction notice from landlord
  - Must provide copy of lease agreement
  - Currently homeless and need assistance to transition to permanent housing

**Figure 1**

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</tr>
</tbody>
</table>

**Explanation**

Given the immediate need of residents, staff is proposing the following timeline for the Program for City Council review and consideration:

- Applications for the Rapid Re-housing Program will be accepted from July 1, 2020 – July 14, 2020.
- A lottery will be conducted on July 22, 2020 to select the program participants and prioritization.
- Payments will be made directly to landlords upon staff verification of eligibility.

Application submittal: Applications will be available in paper format and online. Electronic submittals will be accepted through the City’s Virtual City Hall website and paper applications can be submitted to the El Monte Housing Division during business hours.
**TriCity Homelessness Cohort (Baldwin Park, El Monte, South El Monte) Project Manager**

**Goal 6** – Participate in Regional Collaboration Opportunities

**Action Items 6a** – Continue collaborating with the SGVCOG and other cities in Service Planning Area 3 on homelessness-related discussions and activities throughout homeless plan implementation.

**Action Item 6b** – Hire a homeless coordinator to oversee homelessness plan implementation and regional collaboration.

**Proposed Program** – Hire a homeless coordinator consultant.

**Funding Amount** – $20,000 from the SGVCOG Homeless Plans Implementation Funds.

El Monte has partnered with the cities of Baldwin Park and South El Monte as the “TriCity Homelessness Cohort” working collectively to combat homelessness in the region. The Cohort is working together to develop and implement a plan that will: 1) increase the supply of supportive and interim housing for people experiencing homelessness at a regional level; and 2) enhance availability and access to homeless services to prevent and combat homeless in the region.

The City is requesting $20,000 from the SGVCOG Homeless Plans Implementation Funds to hire a consultant to assist the City in managing the implementation of the City’s Homeless Plan and the TriCity Homelessness Cohort Plan.

**FISCAL IMPACT**

The Homeless Encampment Clean-up Program, Rapid Re-housing Program, and the Homeless Coordinator will be funded through the San Gabriel Valley Council of Governments Homeless Plans Implementation funds and Homeless Prevention and Diversion Program funds. There is no City match required. Staff will submit quarterly invoices to the SGVCOG for payment. SGVCOG will provide payment within 30 days of an approved invoice submittal.

Staff requests that the City Council authorize the allocation of $265,000 from the General Fund Account No. 299-65-667-6352 to implement the Programs; and authorize the SGVCOG to reimburse $265,000 to the General Fund for the Programs.
CONCLUSION

It is recommended that the City Council adopt the proposed Resolution 1) approving a Memorandum of Agreement between the City of El Monte and the San Gabriel Valley Council Of Governments (SGVCOG) authorizing the submittal of an application for Homeless Programs Implementation funding from the SGVCOG; 2) approving a Rapid Re-housing Program; 3) authorizing the allocation of $265,000 from the General Fund to implement the Programs; 4) authorizing the SGVCOG to reimburse $265,000 to the General Fund for the Programs; and 5) authorizing the City Manager, or her designee, to execute the Memorandum of Agreement.
Respectfully submitted,

ALMA K. MARTINEZ
City Manager

BETTY DONAVANIK
Community and Economic Development Director

Attachment:
1. Resolution
2. City of El Monte Plan to Prevent and Combat Homelessness
3. Memorandum of Agreement
ATTACHMENT 1

RESOLUTION
RESOLUTION NO._______

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL MONTE, CALIFORNIA APPROVING A MEMORANDUM OF AGREEMENT BETWEEN THE CITY OF EL MONTE AND THE SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS (SGVCOG) AUTHORIZING THE SUBMITAL OF AN APPLICATION FOR HOMELESS PROGRAMS IMPLEMENTATION FUNDING FROM THE SGVCOG; APPROVING A RAPID RE-HOUSING PROGRAM; AUTHORIZING THE ALLOCATION OF $265,000 FROM THE GENERAL FUND TO IMPLEMENT THE PROGRAMS; AUTHORIZING THE SGVCOG TO REIMBURSE $265,000 TO THE GENERAL FUND FOR THE PROGRAMS; AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE MEMORANDUM OF AGREEMENT

WHEREAS, The City of El Monte (the "City") seeks to develop homeless programs that support the strategies and solutions to prevent and decrease homelessness identified within the City's Homeless Plan; and

WHEREAS, the San Gabriel Valley Council of Governments (SGVCOG) was established to have a unified voice to maximize resources and advocate for regional and member interests to improve the quality of life in the San Gabriel Valley by the member cities and other local governmental agencies; and

WHEREAS, the SGVCOG entered into a contract with the County of Los Angeles for the purposes of administering Measure H funding allocations in support of the County's Homeless Initiative (HI) strategies to combat homelessness in the San Gabriel Valley;

WHEREAS, the SGVCOG received funding from the State of California via the 2019 Budget Trailer bill for the purposes of combating homelessness in the San Gabriel Valley;

WHEREAS, the SGVCOG allocated a portion of this funding towards the implementation of member cities’ previously-developed homeless plans, the development of programs to prevent homelessness, the implementation of pilot programs, and the implementation of a regional landlord education and incentive program;

WHEREAS, the City was allocated $250,000 for the implementation of the City's Homeless Plan and $15,000 for the development and implementation of a homeless prevention diversion program; and
WHEREAS, the City is required to submit an application to the SGVCOG that outlines the following programs that will be implemented:

A. Homeless Encampment Clean-up Program
B. Rapid Re-housing Program
C. TriCity Homelessness Cohort Project Manager

WHEREAS, in response to the harsh economic impact that COVID-19 has had on El Monte residents and homeless individuals and families in the City, the City developed a Rapid Re-housing Program that will: 1) offer one-time rental assistance up to $1,200 to help residents at-risk of homelessness pay rent for one (1) month; or 2) offer assistance to help homeless individuals or families transition to permanent housing through one-time assistance up to $1,200 for first month’s rent, advance payment of last month’s rent, and/or security deposit; and

WHEREAS, only renters and/or homeless persons within the City of El Monte that qualify for Low-Income Limits of 50% of the area median income qualify for the Program; and

WHEREAS, households must have experienced hardship because of COVID-19; and

WHEREAS, residents or homeless persons will be required to submit an application to the City to determine whether they are eligible for the Rapid Re-housing Program; and

WHEREAS, applicants will be required to submit income and housing documentation.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EL MONTE DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The above recitals are true and correct and incorporated herein by reference.

SECTION 2. The City Council of the City of El Monte does hereby approve a Homeless Encampment Clean-up Program, Rapid Re-housing Program, and TriCity Homelessness Cohort Project Manager to assist residents and homeless persons in the City.

SECTION 3. The Council does hereby authorize staff to submit an application for the following programs (collectively referred to as the “Programs”):

A. Homeless Encampment Clean-up Program in the amount of $25,000.
B. Rapid Re-housing Program in the amount of $220,000.
C. TriCity Homelessness Cohort Project Manager in the amount of $20,000.

SECTION 4. The City Council of the City of El Monte does hereby authorize the allocation of $265,000 from the General Fund to implement the Programs; and authorizes the SGVCOG to reimburse $265,000 to the General Fund for the Programs.

SECTION 5. The City Council of the City of El Monte does hereby authorize the City Manager to execute an MOA with the SGVCOG for the purposes of implementing these Programs.

SECTION 6. The City Clerk shall certify to the adoption of this Resolution which shall be effective upon its adoption.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of El Monte at its regular meeting on this 23rd day of June 2020.

__________________________
Andre Quintero, Mayor
City of El Monte

ATTEST:

__________________________
Catherine A. Eredia, City Clerk
City of El Monte
STATE OF CALIFORNIA   )
COUNTY OF LOS ANGELES  )   SS:
CITY OF EL MONTE   )

I, Catherine A. Eredia, City Clerk of the City of El Monte, County of Los Angeles, State of California, hereby certify that the foregoing Resolution No. ______ was passed and adopted by the City Council of the City of El Monte, signed by the Mayor and attested by the City Clerk at a regular meeting of said Council held on the 23rd day of June, 2020 and that said Resolution was adopted by the following vote, to-wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

______________________________
Catherine A. Eredia, City Clerk
City of El Monte
ATTACHMENT 2

CITY OF EL MONTE PLAN TO PREVENT AND COMBAT HOMELESSNESS
Plan to Prevent and Combat Homelessness

City of El Monte
Adopted by the City Council on June 5, 2018
About the City of El Monte Plan Homelessness

In October 2017, the City of El Monte ("City") was awarded a County of Los Angeles ("County") planning grant to develop a City Plan to Prevent and Combat Homelessness. The City then entered into agreements with the San Gabriel Valley Council of Governments ("SGVCOC") and LeSar Development Consultants ("LDC") to assist with Plan creation.

Following a January 31 kickoff meeting with other San Gabriel Valley cities partnering with the SGVCOC and LDC, City staff scheduled meetings and developed outreach strategies to gather public input from stakeholders, community members, and City departments throughout the development of the Plan.

From February through April 2018, City staff along with LDC hosted a series of meetings with various stakeholders, including residents and business owners, homeless services providers, and City and County Departments to discuss the issues, challenges, concerns, and current conditions contributing to homelessness in El Monte. The meetings also focused on ways to improve the quality of life for residents, neighborhoods, and the business community and to solicit feedback on potential strategies to address issues. A Study Session with the City Council was held on May 15, 2018, to review community and service provider feedback, as well as to gather further input to incorporate into the Plan. Stakeholder and City Council feedback, as well as a thorough document review and assessment of existing activities, was then used to inform the Homelessness Plan’s goals and actions.

The City of El Monte Plan to Prevent and Combat Homelessness was adopted by the City Council on June 5, 2018.

Acknowledgments

EL MONTE CITY COUNCIL
Andre Quintero, Mayor
Juventino "J" Gomez, Mayor Pro Tem
Jerry Velasco, Councilmember
Norma Macias, Councilmember
Victoria Martinez, Councilmember

CITY STAFF
Alex Hamilton, City Manager
Alma Martinez, Assistant City Manager
Jason Mikaelian, Interim Economic Development Director
Carol Averell, Housing Manager

PREPARED BY
LeSar Development Consultants
Contents

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Background and Purpose of Homeless Plan

The City of El Monte has seen a significant increase in its total homeless population. In 2017, there were 509 homeless persons in El Monte, an increase of 89 percent from the 2016 count of 269 persons (see Figure 1). Further, there has been a substantial increase in the number of unsheltered homeless persons. In 2016, 22 percent of homeless persons were unsheltered. In 2017, 46 percent of homeless persons were unsheltered, more than double the percentage of unsheltered homeless people since the previous year.¹

Detailed demographic data for individuals experiencing homelessness in El Monte is not available as part of the annual Point-in-Time Count of those experiencing homelessness in Los Angeles. However, the Los Angeles Homeless Services Authority ("LAHSA"), which conducts the county’s annual count, reports the following information for Service Planning Area ("SPA") 3 in 2017:²

- 67% (2,373) were unsheltered and living outside while 33% (1,179) were in some form of temporary shelter accommodations – accounting for 6% of Los Angeles’ homeless population
- 76% were single adults, 18% were families, and 6% were youth and young adults
- 28% were female, 72% were male, .4% were transgender, and .2% did not identify with a gender
- 50% were Hispanic/Latino, 24% were white, 18% were African American, 5% were American Indian, 2% were Asian, and 1% identified as other
- 5% were age 62 and up, 17% between the ages of 55-61, 60% between the ages of 25-54, 7% between the ages of 18-24, and 11% were under the age of 18
- 6% were United States veterans
- 30% were considered chronically homeless, meaning that they have lengthy or repeated histories of homelessness along with a long-term disability such as mental illness, substance use disorder, or a physical health problem
- 28% had a mental illness, 17% had a substance use disorder, and 2% had HIV/AIDS
- 27% have experienced domestic/intimate partner violence in their lifetime

While only about 6% of the SPA 3 population, El Monte makes up about 14% of the SPA 3 homeless count, which indicates a higher incidence of encounters with the local homeless population.

¹ Los Angeles Homeless Services Authority – Homeless Count – Count by City/Community
² Los Angeles Homeless Services Authority – Homeless Count 2017 SPA 3 Fact Sheet
Figure 1: Homelessness in the City of El Monte

2017 Homeless Count: 509

- Cars: 46 / 9%
- Makeshift Shelters: 44 / 9%
- Vans: 20 / 4%
- Tents: 7 / 1%
- RVs / Campers: 25 / 5%
- On the Street: 94 / 18%
- Emergency Shelters: 250 / 49%
- Transitional Housing: 23 / 5%

Historical Homeless Count (2015-2017)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unsheltered</td>
<td>122</td>
<td>60</td>
<td>236</td>
</tr>
<tr>
<td>Sheltered</td>
<td>136</td>
<td>209</td>
<td>273</td>
</tr>
<tr>
<td>Total</td>
<td>258</td>
<td>269</td>
<td>509</td>
</tr>
</tbody>
</table>

Source: Los Angeles Homeless Services Authority
City-level data from the regional Coordinated Entry System ("CES")\(^3\) further details the challenges as well as needs of those experiencing homelessness, using responses to the Vulnerability Index Service Prioritization Decision Assistance Tool ("VI-SPDAT") assessment in addition to other indicators of health and wellbeing. An "acuity score" is produced by the VI-SPDAT, which can help identify an appropriate housing intervention for someone experiencing homelessness. Acuity scores for people experiencing homelessness in Los Angeles County are as follows:

- A low-acuity (score of 0-3) suggests those experiencing homelessness should be able to find housing on their own.
- A mid-acuity score (4-11) indicates those who are strong candidates for rapid rehousing programs (i.e., short-term rental assistance with supportive services).
- A high-acuity score (12+) generally indicates the need supportive housing, i.e., long-term affordable housing with wraparound services.\(^4\)

In El Monte, 324 individuals were assessed between July 2016 and November 2017.\(^5\) Of these, 70% are in the mid-acuity range (4-11), compared to 17% for high-acuity (12+), and 13% for low-acuity individuals (0-3).\(^6\)

Those who completed the VI-SPDAT among El Monte's homeless population fall primarily within the 41-55-year age range (40%) with 27% ages 56 and older, 24% ages 25-40, 10% 18-24 or younger. Among these individuals, 79% are white, 8% are black or African American, and the remaining 13% Asian, Alaska Native/American Indian, multiple races, or unknown/declined to state. Thirty-six percent identified as female, 61% identified as male, 1% gender non-conforming, and for approximately 3% data were not collected.

Additional vulnerability indicators include: 1) the length of time a person has been homeless, 2) chronic health conditions, 3) mental health diagnoses, and 4) people who have spent one or more nights in a holding cell, jail, or prison within six months of their VI-SPDAT assessment. In El Monte:

- 19% reported being homeless less than a year, 55% said 1-2 years, and 24% said 2 years or more.
- 39% reported chronic health issues related to the liver, kidneys, stomach, lungs, or heart.
- 23% reported a mental health issue.
- People who spent one or more nights in a holding cell, jail, or prison within six months of their assessment (29%).

Finally, local data on economic and housing trends serve as good indicators of future homelessness trends because they suggest areas in which some residents may be at risk of falling into homelessness. As Figure 2 illustrates, El Monte's unemployment rate, poverty rate,
housing vacancies, and eviction rate are greater than the average across Los Angeles County. Additionally, the median household income is substantially lower, suggesting that a greater proportion of residents may be at risk of homelessness.

**Figure 2: Selected Demographic Statistics**

- **Unemployment Rate**
  - El Monte: 9.2%
  - LA County: 8.9%

- **Poverty Rate**
  - El Monte: 23.8%
  - LA County: 17.8%

- **Median Household Income**
  - El Monte: $40,654
  - LA County: $57,952

- **1-BR Median Gross Rent**
  - El Monte: $914
  - LA County: $1,134

- **Housing Vacancy Rate**
  - El Monte: 6.4%
  - LA County: 6.0%

- **Eviction Rate**
  - El Monte: 1.05%
  - LA County: 0.79%

*Sources: Los Angeles Homeless Services Authority, American FactFinder, evictionlab.org*
El Monte has proactively created a network of housing and services to meet the needs of its homeless population. This includes shelters and permanent supportive housing as well as outreach, prevention, and case management services through its nonprofit and faith-based community partners. The city funds its homelessness housing and services programs through federal Community Development Block Grant Program (“CDBG”), HOME Investment Partnership Program (“HOME”), and Emergency Solutions Grant (“ESG”) funding.

Table 1 outlines the City’s current annual funding and activities dedicated to individuals and families experiencing homelessness and those facing housing instability. Table 2 identifies El Monte’s existing housing inventory for shelter and affordable/supportive housing.

### Table 1: Annual Funding and Activities Related to Homelessness

<table>
<thead>
<tr>
<th>Entity</th>
<th>Activity</th>
<th>Resource</th>
<th>FY 17/18 Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volunteers of America</td>
<td>Rapid rehousing, street outreach, homelessness prevention</td>
<td>City of El Monte Emergency Solutions Grant (HUD)</td>
<td>$137,074</td>
</tr>
<tr>
<td>Community Services Department, Senior Supportive Services</td>
<td>Senior supportive services, benefits, CBEST</td>
<td>L.A. County Workforce Development, Aging and Community Services</td>
<td>$52,059</td>
</tr>
<tr>
<td>Community Services – CDBG Integrated Care Management</td>
<td>Vulnerable seniors, benefits, CBEST</td>
<td>City of El Monte Community Development Block Grants (HUD)</td>
<td>$40,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>$229,133</strong></td>
</tr>
</tbody>
</table>

### Table 2: Housing Project Type

<table>
<thead>
<tr>
<th>Housing Project Type</th>
<th>Total Beds/Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency Shelter</td>
<td>250</td>
</tr>
<tr>
<td>Transitional Housing</td>
<td>42</td>
</tr>
<tr>
<td>Rapid Re-Housing</td>
<td>6</td>
</tr>
<tr>
<td>Permanent Supportive Housing – El Monte Veterans Village</td>
<td>44</td>
</tr>
<tr>
<td>(Mercy Housing)</td>
<td></td>
</tr>
<tr>
<td>Permanent Supportive Housing – Community Housing Options</td>
<td>34</td>
</tr>
<tr>
<td>and Independent Supportive Sites (Alliance for Housing</td>
<td></td>
</tr>
<tr>
<td>and Healing)</td>
<td></td>
</tr>
</tbody>
</table>
In addition to the activities and resources listed in Tables 1 and 2, the City and its partners are currently providing and participating in the following activities:

- The Economic Development Department's Housing Division creates policies, coordinates the annual homelessness count, allocates funding, and works with service providers.
- The El Monte Police Department conducts homelessness outreach and enforcement as needed. Additionally, its TOUCH Program provides a Mental Health Evaluation Team outreach worker one day per week, funded by the Los Angeles County Department of Mental Health. Additionally, the Police Department has increased its outreach capacity by partnering with Los Angeles Sheriff's Department Homeless Outreach Services Team (HOST).
- The City's Code Enforcement Division responds to homelessness-related complaints regarding private property.
- The Parks, Recreation, and Community Services Department provides assistance and information to homeless individuals as needed.
- Faith-based community partners, including Our Savior Center, Catholic Charities, Valley Community Church, and Cavalry, provide a variety of services including emergency food and shelter, as well as health clinics.
- Family Promise of San Gabriel Valley assists families who are homeless or at risk of homelessness with shelter and services such as housing location support and employment assistance.
- The San Gabriel Valley Churches Assisting Neighbors Network holds convenings and workshops regarding faith-based community activities that relate to homelessness.
- Union Station provides services to homeless individuals and access to L.A. County’s coordinated entry system (CES), which prioritizes those experiencing homelessness in terms of need and tracks progress toward accessing services and housing.
- LAHSA conducts homeless outreach within the City and across the County.
- School districts in El Monte work with families experiencing homelessness. These efforts are funded through the federal McKinney-Vento Homeless Assistance Act.
- Foothill Family provides mental health and social services for at-risk children and families.
- A variety of Los Angeles County health and human services departments have offices in El Monte that serve all of Service Planning Area 3. These include the Department of Public Social Services, the Department of Mental Health, the Department of Public Health, and the Department of Health Services.
- Veterans Village provides permanent supportive housing for formerly homeless veterans, including rehabilitation and other services provided by New Directions.
- The El Monte City School District has a community hub for family wellness through the Jeff Seymour Family Center.
- The El Monte/South El Monte Emergency Resources Association hosts a food pantry and distributes a limited number of emergency hotel/motel vouchers.
- Operation Healthy Hearts provides meals and other services such as employment services and hygiene packages.
- The Goodwill Worksource Center, El Monte Rosemead Adult School, and Rio Hondo Community College provide workforce development opportunities.
This three-year Homeless Plan sets the course for the City to further address the needs of its homeless residents and those who are at risk of homelessness, as well as to participate in regional solutions. Specifically, the plan will coordinate and increase the capacity of existing programs and services, increase and better coordinate outreach and engagement activities, educate and build community support for homelessness best practices, and pursue resources that align with the goals set forth in the Plan, including increasing the number of shelter beds and affordable housing units within the City. Additionally, El Monte will work with neighboring cities and regional bodies to develop strategies that will more equitably distribute homeless housing and services across the San Gabriel Valley according to need. These efforts include strengthening existing and forging new partnerships to efficiently deploy resources and maximize impact for those at risk of or experiencing homelessness.

Homelessness Plan Process

El Monte conducted a series of stakeholder input meetings and interdepartmental working sessions over the course of six months with the assistance of LeSar Development Consultants, a consulting firm retained through a Home for Good Funders Collaborative planning grant. Input sessions educated stakeholders about best practices in addressing homelessness, current City efforts to prevent and combat homelessness, and solicited feedback about challenges and opportunities related to addressing homelessness in the City. The meetings engaged a broad network of stakeholders from public, private, and nonprofit sectors, including City Departments directly serving or impacted by homelessness, service providers, residents, and community and business leaders.

- El Monte Homelessness Task Force
  - Comprised of staff members from the Economic Development Department (Housing, Planning, and Code Enforcement Divisions), Police Department, and the Parks, Recreation, and Community Services Department.
  - Kickoff meeting held on February 15, 2018, and met twice a month thereafter during homelessness plan development.

- Community Input Session
  - Attendees included residents, business owners, faith-based communities, and other interested parties
  - April 4, 2018

- Service Providers Input Session
  - Attendees included local and regional service providers as well as members of the general public.
  - April 12, 2018

Stakeholder feedback, along with City and consultant team analysis of resource strains and opportunities, led to the development of the goals and actions set forth in the plan. Weekly check-ins with the consultant team kept the development of goals and actions on track.

Input session summaries can be found in Appendixes A and B.
Goals and Supporting Actions

Through the homelessness planning process, the City identified six goals for its Homelessness Plan:

**Goal #1:** Better Understand the City's Homeless Population and Educate the Community

**Goal #2:** Increase Engagement Activities and Links to Crisis Response System

**Goal #3:** Expand Access to Workforce Development and Employment Programs

**Goal #4:** Increase the Number of Shelter Beds

**Goal #5:** Increase the Number of Affordable/Supportive Housing Units

**Goal #6:** Participate in Regional Collaboration Opportunities

The following goals and actions to address homelessness in El Monte were derived from City Council, staff, community, and service provider input, as well as identification of best practices and opportunities. County Homeless Initiative strategies that are connected to specific goals are identified below each goal.
Goal 1: Better Understand the City’s Homeless Population and Educate the Community

Homeless Initiative Strategy Link(s): None

Action 1a

Collect data specifically on the City of El Monte’s homeless population and those at risk of homelessness. Analyze to inform decision making.

- Gather City’s homelessness data (HMIS, CES) and analyze needs among El Monte’s homeless population.
  - Include questions that may help ascertain prevention needs (e.g., catalyst for homelessness, demographics information).
- Determine how and where people are becoming homeless in El Monte.
  - Review existing databases, e.g., CalWORKS, HMIS, LAHSA, city-funded prevention outcomes
  - Conduct focus groups with prevention-focused service providers to identify how at-risk populations learn about their services.

| Measurement:       | • Report on City’s homelessness data  
                    | • Report on needs of at-risk populations |
|--------------------|----------------------------------------|
| Ownership:         | El Monte Homelessness Task Force       |
| Leveraged City Resources: | City staff time            |
| Associated Policy Changes: | No associated policy changes |
| Timeline:          | 6 months                              |

Action 1b

Quantify the costs incurred to City departments for managing homelessness.

<table>
<thead>
<tr>
<th>Measurement:</th>
<th>Summary of report with estimated costs across all City departments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ownership:</td>
<td>Economic Development Department, Housing Division</td>
</tr>
<tr>
<td>Leveraged City Resources:</td>
<td>City staff time</td>
</tr>
<tr>
<td>Associated Policy Change:</td>
<td>No associated policy changes</td>
</tr>
<tr>
<td>Timeline:</td>
<td>3 months</td>
</tr>
</tbody>
</table>
Action 1c

Develop and implement community education process.

- Develop community toolkit, including list of local and regional resources, best practices, and legal rights. Distribute to all City staff and make copies available online and in City buildings.
- Host regular meetings for community members to ask City staff and service providers questions, discuss concerns, and receive educational materials and additional information.
  - Adjust meeting topics and speakers as needed, e.g., focus on prevention resources, service provision, landlord education, lived experience stories, business or resident concerns, and siting supportive housing.
- Collaborate with the Los Angeles County Everyone In Campaign when possible, e.g., with educational materials, community meetings, and pop-up events.

<table>
<thead>
<tr>
<th>Measurement</th>
<th>Completion of community toolkit and at least two community meetings in Year 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ownership:</td>
<td>El Monte Homelessness Task Force</td>
</tr>
<tr>
<td>Leveraged City Resources:</td>
<td>City staff time</td>
</tr>
<tr>
<td>Associated Policy Changes:</td>
<td>No associated policy changes</td>
</tr>
<tr>
<td>Timeline:</td>
<td>Year 1, ongoing</td>
</tr>
</tbody>
</table>

Action 1d

Involve local service providers in El Monte Homelessness Task Force.

- Identify service organizations in or that serve El Monte and invite regular participation in Task Force meetings to provide information about challenges, opportunities, and progress addressing the needs of homeless clients.

<table>
<thead>
<tr>
<th>Measurement</th>
<th>Service provider list developed within six months</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Regular participation of service providers in Task Force meetings</td>
</tr>
<tr>
<td>Ownership:</td>
<td>El Monte Homelessness Task Force</td>
</tr>
<tr>
<td>Leveraged City Resources:</td>
<td>Staff time to manage Task Force communications, agendas, etc.</td>
</tr>
<tr>
<td>Associated Policy Changes:</td>
<td>No associated policy changes</td>
</tr>
<tr>
<td>Timeline:</td>
<td>6 months, ongoing</td>
</tr>
</tbody>
</table>
Goal 2: Increase Engagement Activities and Links to Crisis Response System

Homeless Initiative Strategy Link(s): A1, A5, D5, E4, E6, E7, E9, E14

Action 2a

Expand the city’s outreach and engagement capacity to link homeless and at-risk individuals and families to the crisis response system.

- Explore funding allocations to outreach activities, including to fund prevention services (e.g., through L.A. County’s 211 health and human services program).
- Identify departmental staff most likely to engage with homeless and at-risk populations. Implement a protocol for staff to contact outreach teams via the LAHSA Outreach Web Portal to assist those experiencing homelessness and connect those at risk of homelessness to prevention services.
- Explore partnership with homeless service providers and/or neighboring cities looking to expand outreach capacity.
- Increase coordination with local school districts and area colleges to identify and reach out to students experiencing or at risk of homelessness.

| Measurement | Funding allocation decisions completed by end of Year 1  
|             | Number of staff trainings completed quarterly/biannually  
|             | Number of homeless or at-risk individuals referred to services  
|             | Training curriculum implemented by end of Year 1  
| Ownership | Economic Development Department, Housing Division  
| Leveraged City Resources | Staff time to develop materials and attend trainings  
| Associated Policy Changes | No associated policy changes  
| Timeline | Year 1, ongoing  

13
**Action 2b**

Encourage service providers contracting with the City to participate in the Homeless Management Information System (HMIS) and the Coordinated Entry System (CES).

<table>
<thead>
<tr>
<th>Measurement:</th>
<th>Percent increase in number of service providers contracting with the City that are participating in HMIS and CES per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ownership:</td>
<td>Economic Development Department, Housing Division</td>
</tr>
<tr>
<td>Leveraged City Resources:</td>
<td>Staff time to adjust and track procurement process</td>
</tr>
<tr>
<td>Associated Policy Changes:</td>
<td>Establish preference in procurement process for service providers who are linked to CES; Award extra points during the scoring</td>
</tr>
<tr>
<td>Timeline:</td>
<td>Year 1, ongoing</td>
</tr>
</tbody>
</table>

**Action 2c**

Update City of El Monte Police Department discharge data tracking procedures to link to HMIS.

- Explore opportunity to fund staff and training costs associated with these efforts through the County Homeless Initiative.

| Measurement: | • Protocol updated and funding secured by end of Year 1  
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Discharge data linked to HMIS in Year 2</td>
</tr>
<tr>
<td>Ownership:</td>
<td>El Monte Police Department</td>
</tr>
<tr>
<td>Leveraged City Resources:</td>
<td>Staff time to develop and implement protocol</td>
</tr>
<tr>
<td>Associated Policy Changes:</td>
<td>Update Police Department protocol for discharge data tracking procedures</td>
</tr>
<tr>
<td>Timeline:</td>
<td>Years 1-2</td>
</tr>
</tbody>
</table>
**Action 2d**

**Develop homelessness encampment protocol via City's Code Enforcement Task Force.**

<table>
<thead>
<tr>
<th><strong>Measurement:</strong></th>
<th>Protocol developed and implemented within 6 months</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ownership:</strong></td>
<td>El Monte Code Enforcement Task Force</td>
</tr>
<tr>
<td><strong>Leveraged City Resources:</strong></td>
<td>Staff time to develop and implement protocol</td>
</tr>
<tr>
<td><strong>Associated Policy Changes:</strong></td>
<td>Create a City protocol for addressing encampments and update any related policies</td>
</tr>
<tr>
<td><strong>Timeline:</strong></td>
<td>6 months</td>
</tr>
</tbody>
</table>
## Action 3a

**Employ CalWORKS-Subsidized Program participants in City assignments.**

<table>
<thead>
<tr>
<th>Measurement</th>
<th>Percentage of CalWORKS Program participants placed annually into City assignments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ownership</td>
<td>Economic Development Department</td>
</tr>
<tr>
<td>Leveraged City Resources</td>
<td>Wages for participants placed into City assignments</td>
</tr>
<tr>
<td>Associated Policy Changes</td>
<td>No associated policy changes</td>
</tr>
<tr>
<td>Timeline</td>
<td>Year 1, ongoing</td>
</tr>
</tbody>
</table>

## Action 3b

**Recruit a percentage of homeless or formerly homeless individuals for City assignments.**

<table>
<thead>
<tr>
<th>Measurement</th>
<th>Percentage of homeless and formerly homeless people placed annually into City assignments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ownership</td>
<td>Economic Development Department</td>
</tr>
<tr>
<td>Leveraged City Resources</td>
<td>Wages for homeless and formerly homeless individuals placed into City assignments</td>
</tr>
<tr>
<td>Associated Policy Changes</td>
<td>Include recruitment of homeless and formerly homeless individuals in City employment protocols where appropriate</td>
</tr>
<tr>
<td>Timeline</td>
<td>Year 1, ongoing</td>
</tr>
</tbody>
</table>
**Action 3c**

Engage local business groups, business owners, and those doing business with the City to encourage participation in workforce development programs and job placement.

| Measurement: | • Annual increase in the number of local businesses employing homeless and formerly homeless people  
• Annual increase in number of jobs available to homeless and formerly homeless people within the City's jurisdiction as a result of adopting the Social Enterprise Utilization Ordinance |
| Ownership: | Economic Development Department |
| Leveraged City Resources: | Staff time for program development, business community engagement |
| Associated Policy Changes: | Explore incentives for hiring CalWORKS Program participants and homeless or formerly homeless individuals such as:  
• A business tax credit program modeled after the California Work Opportunity Tax Credit program  
• Adopting a Social Enterprise Utilization Ordinance modeled after Los Angeles County's expanded Transitional Job Opportunity Preference Program that:  
  o Designates alternative staffing organizations operated by social enterprise entities as the City's preferred temporary staffing agency  
  o Gives preferential treatment to bidders that commit to hiring a percentage of their temporary workforce |
| Timeline: | Year 1, ongoing |
**Goal 4: Increase the Number of Shelter Beds**  
Homeless Initiative Strategy Link(s): B7, D5, E8, E14, F1

### Action 4a

**Identify public or privately-owned site for development of a shelter serving homeless families and/or homeless individuals.**

<table>
<thead>
<tr>
<th>Measurement</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site(s) identified and vetted, decision made to pursue opportunities (Year 1)</td>
<td></td>
</tr>
<tr>
<td>If decision made to pursue:</td>
<td></td>
</tr>
<tr>
<td>Developer bid process initiated by end of Year 1</td>
<td></td>
</tr>
<tr>
<td>Site schematics and service plans developed, developer engaged (Year 2)</td>
<td></td>
</tr>
<tr>
<td>Shelter fully operational (Year 3)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ownership:</th>
<th>Economic Development Department, Planning Division</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leveraged City Resources:</td>
<td>Staff time to develop and vet site list and oversee development process</td>
</tr>
<tr>
<td>Associated Policy Changes:</td>
<td>No associated policy changes</td>
</tr>
<tr>
<td>Timeline:</td>
<td>Years 1-3</td>
</tr>
</tbody>
</table>

### Action 4b

**Pursue funding for shelter development, operation, and services.**

- Pursue Measure H acquisition/rehab funding (Strategy E8) and other County Homeless Initiative capital funds.
- Pursue Measure H funding (Strategy B7) for shelter beds serving as interim/bridge housing for persons exiting institutions.
- Identify community organizations and individuals interested in sponsoring shelter beds.
- Consider MOU with other cities that can contribute funding/resources to accommodate shelter referrals from their jurisdiction.

<table>
<thead>
<tr>
<th>Measurement</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of funding applications approved</td>
<td></td>
</tr>
<tr>
<td>Number of shelter beds funded through private donations</td>
<td></td>
</tr>
<tr>
<td>Execution of MOUs with partnering cities</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ownership:</th>
<th>Economic Development Department, Planning Division</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leveraged City Resources:</td>
<td>Staff time to pursue funding sources and community/city partnerships</td>
</tr>
<tr>
<td>Associated Policy Changes:</td>
<td>No associated policy changes</td>
</tr>
<tr>
<td>Timeline:</td>
<td>Years 1-3</td>
</tr>
</tbody>
</table>
**Action 4c**

Explore feasibility of additional services capacity at the shelter site:

- Safe parking program for RVs, vans, etc.
- Portable showers, bathrooms
- Office space for homeless case managers and/or Family Solutions Centers personnel
- VI-SPDAT assessment and CES access point
- Storage facility
- Medical and mental health services
- Transportation vouchers for access to offsite services
- Drop-in center for homeless or at-risk transition-age youth

<table>
<thead>
<tr>
<th>Measurement:</th>
<th>List of potential onsite services developed and vetted by end of Year 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ownership:</td>
<td>Economic Development Department, Planning Division</td>
</tr>
<tr>
<td>Leveraged City Resources:</td>
<td>Staff time to explore feasibility of onsite service and oversee development of services plan</td>
</tr>
<tr>
<td>Associated Policy Changes:</td>
<td>No associated policy changes</td>
</tr>
<tr>
<td>Timeline:</td>
<td>Years 1-2</td>
</tr>
</tbody>
</table>
Goal 5: Increase the Number of Affordable/Supportive Housing Units

Homeless Initiative Strategy Link(s): B1, B3, D7, F3, F4, F5, F6, F7

Action 5a

Explore feasibility of implementing or expanding affordable and supportive housing polices, including:

- Incentivize zoning policies, including density bonus (currently optional for developers)
- Housing overlay zoning
- Development agreements
- Accessory Dwelling Unit (ADU) Program (allows development of additional units on R1 lots within certain parameters)

<table>
<thead>
<tr>
<th>Measurement:</th>
<th>Policy drafts completed by end of Year 1, implemented in Year 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ownership:</td>
<td>Economic Development Department, Planning Division</td>
</tr>
<tr>
<td>Leveraged City Resources:</td>
<td>Staff time to develop and implement incentive policies</td>
</tr>
<tr>
<td>Associated Policy Changes:</td>
<td>Incentive Zoning Ordinance</td>
</tr>
<tr>
<td></td>
<td>- Incentives (e.g., reduced parking requirements, density bonuses) offered to a housing developer in exchange for including income-restricted units within the development.</td>
</tr>
<tr>
<td></td>
<td>Housing Overlay Zoning Ordinance</td>
</tr>
<tr>
<td></td>
<td>- An overlay on existing zoning that offers incentives for inclusion of affordable units. Incentives may include reduced parking, density bonuses, expedited permit processing, fee waivers, etc.</td>
</tr>
<tr>
<td></td>
<td>Development Agreements</td>
</tr>
<tr>
<td></td>
<td>- City may require inclusion of affordable units in market-rate developments or in-lieu fees for development on publicly owned land.</td>
</tr>
<tr>
<td></td>
<td>Accessory Dwelling Unit Ordinance</td>
</tr>
<tr>
<td></td>
<td>- Expedite review and approval of permits for building ADUs.</td>
</tr>
<tr>
<td></td>
<td>- Include fee waivers to incentivize development.</td>
</tr>
<tr>
<td></td>
<td>- Include amnesty program to bring existing ADUs into compliance.</td>
</tr>
</tbody>
</table>

Timeline: Years 1 2
### Action 5b

Pursue strategies that generate funding to develop affordable and supportive housing. Explore feasibility of creating:

- Business improvement districts
- Community benefits policies

<table>
<thead>
<tr>
<th>Measurement:</th>
<th>Policy drafts completed by end of Year 1, implemented in Year 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ownership:</td>
<td>Economic Development Department, Planning Division</td>
</tr>
<tr>
<td>Leveraged City</td>
<td>Staff time to develop and implement funding strategies</td>
</tr>
<tr>
<td>Resources:</td>
<td></td>
</tr>
<tr>
<td>Associated Policy</td>
<td>Business Improvement District Ordinance(s)</td>
</tr>
<tr>
<td>Changes:</td>
<td>- Requires businesses within a specified area to pay an additional tax that is applied to funding projects within the district's boundaries.</td>
</tr>
<tr>
<td></td>
<td>Community Benefits Policy</td>
</tr>
<tr>
<td></td>
<td>- Requires community benefits (e.g., inclusion of affordable units in market-rate development, local hire, etc.) on all projects undertaken within the City.</td>
</tr>
<tr>
<td>Timeline:</td>
<td>Years 1-2</td>
</tr>
</tbody>
</table>

### Action 5c

Explore acquisition of single-family homes to implement shared housing models for specific homeless populations, e.g., seniors and transition-age youth (TAY).

- Identify best practices related to:
  - Master leasing
  - Home sharing
  - Roommate matching
- Host info sessions/workshops for interested property owners.
- Partner with County-funded service providers for case management and services.
- Pursue Measure H funding for creating housing for TAY.

<table>
<thead>
<tr>
<th>Measurement:</th>
<th>- Shared housing program drafted in Year 1, implemented in Year 2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Applications for Measure H and other potential funding sources submitted by end of Year 1</td>
</tr>
<tr>
<td>Ownership:</td>
<td>Economic Development Department</td>
</tr>
<tr>
<td>Leveraged City</td>
<td>- Staff time for program development, outreach and engagement of property owners, funding applications</td>
</tr>
<tr>
<td>Resources:</td>
<td>- HOME funds</td>
</tr>
<tr>
<td>Associated Policy</td>
<td>No associated policy changes</td>
</tr>
<tr>
<td>Policy Changes:</td>
<td></td>
</tr>
<tr>
<td>Timeline:</td>
<td>Years 1-3</td>
</tr>
</tbody>
</table>
**Action 5d**

**Identify publicly-owned sites for housing homeless families and individuals.**

- Generate list of all publicly owned properties within the City that are potentially suitable for housing development.
- Engage affordable housing developers and local service providers to discuss feasibility of developing sites into housing for homeless families and individuals.
- Pursue County Homeless Initiative funding in partnership with development team.

<table>
<thead>
<tr>
<th>Measurement:</th>
<th>Sites identified and vetted, decision made regarding pursuit of opportunities in Years 1 and 2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>If decision made to pursue:</td>
</tr>
<tr>
<td></td>
<td>o Developer bid process and community engagement initiated by end of Year 1</td>
</tr>
<tr>
<td></td>
<td>o Site schematics, service plans developed, developer engaged in Year 2</td>
</tr>
<tr>
<td></td>
<td>o Site development underway in Year 3</td>
</tr>
</tbody>
</table>

| Ownership: | Economic Development Department, Planning Division |
|           |                                                  |

| Leveraged City Resources: | Available publicly owned land; staff time for site identification, community outreach, developer engagement, funding applications, and affordable housing workshops for applicants |
|                          |                                                  |

| Associated Policy Changes: | No associated policy changes |
|                           |                               |

<table>
<thead>
<tr>
<th>Timeline:</th>
<th>Years 1-3</th>
</tr>
</thead>
</table>

**Action 5e**

**Identify blighted or underutilized private sites for housing homeless families and individuals.**

- Generate list of sites potentially suitable for housing development.
- Engage property owners to discuss property acquisition or development partnership.
- Link property owners with affordable housing developers and local service providers to discuss feasibility of developing sites into housing for homeless families and individuals.

<table>
<thead>
<tr>
<th>Measurement:</th>
<th>Sites identified and vetted, engagement of property owners and potential developers in Years 1 and 2</th>
</tr>
</thead>
</table>

| Ownership: | Economic Development Department, Planning Division |
|           |                                                  |

| Leveraged City Resources: | Staff time for site identification, outreach and engagement of property owners and developers; affordable housing workshops for applicants |
|                           | HOME funds                                         |

| Associated Policy Changes: | No associated policy changes |
|                           |                               |

<table>
<thead>
<tr>
<th>Timeline:</th>
<th>Years 1-2</th>
</tr>
</thead>
</table>
**Action 5f**

Expand rapid re-housing units in the City.

- Evaluate outcomes for existing homelessness-related funding expenditures (e.g., Emergency Solutions Grant funds) and consider reallocating a portion of funds for rapid re-housing.
- Designate rapid re-housing units for local preference through LAHSA.
- Work with LAHSA housing locators to foster relationships with landlords/property owners.
- Hold informational meetings with homeowners interested in participating in rapid re-housing program.
- Implement landlord incentive program to improve housing placement. Incentives may include:
  - First month's rent to hold unit for placement
  - Lease-signing bonus
  - Increased security deposits

<table>
<thead>
<tr>
<th>Measurement:</th>
<th>Number of families/individuals placed into rapid re-housing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Percentage of families/individuals placed into rapid re-housing who successfully move to permanent housing</td>
</tr>
<tr>
<td></td>
<td>Annual recovery of costs associated with housing disabled homeless individuals awaiting SSI benefits</td>
</tr>
</tbody>
</table>

| Ownership: | Economic Development Department, Housing Division |

| Leveraged City Resources: | Emergency Solutions Grant funds; $500/month per homeless family/individual for up to nine months; potential funding for landlord incentive payments |

| Associated Policy Changes: | No associated policy changes |

| Timeline: | Years 1-2 |
Goal 6: Participate in Regional Collaboration Opportunities

Homeless Initiative Strategy Link(s): A1, A5, D7, E7, E8, F7

Action 6a

Continue collaborating with the San Gabriel Valley Council of Governments and other cities in Service Planning Area 3 on homelessness-related discussions and activities throughout homeless plan implementation.

<table>
<thead>
<tr>
<th>Measurement:</th>
<th>Ongoing participation in activities related to regional coordination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ownership:</td>
<td>El Monte Homelessness Task Force</td>
</tr>
<tr>
<td>Leveraged City Resources:</td>
<td>City staff time</td>
</tr>
<tr>
<td>Associated Policy Changes:</td>
<td>No associated policy changes</td>
</tr>
<tr>
<td>Timeline:</td>
<td>Year 1, ongoing</td>
</tr>
</tbody>
</table>

Action 6b

Hire a homeless coordinator to oversee homelessness plan implementation and regional collaboration.

- Pursue County Homeless Initiative plan implementation funding for FY 18-19

<table>
<thead>
<tr>
<th>Measurement:</th>
<th>Homelessness coordinator hired within Year 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ownership:</td>
<td>Economic Development Department, Housing Division</td>
</tr>
<tr>
<td>Leveraged City Resources:</td>
<td>0.5 or 1.0 FTE staff member hired as homelessness coordinator for implementing City Plan</td>
</tr>
<tr>
<td>Associated Policy Changes:</td>
<td>No associated policy changes</td>
</tr>
<tr>
<td>Timeline:</td>
<td>Year 1, ongoing</td>
</tr>
</tbody>
</table>
Action 6c

Coordinate with LAHSA and the County Homeless initiative when possible.

- Activities include:
  - Homelessness prevention
  - Siting supportive housing and designating existing units for rapid re-housing
  - Coordinating with CES leads and housing locators
  - Participating in regional meetings for first responders and outreach workers
  - Exploring creation of regional law enforcement task force to discuss homelessness-related issues

<table>
<thead>
<tr>
<th>Measurement</th>
<th>Ongoing participation in County Homeless Initiative collaboration opportunities, as identified</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ownership</td>
<td>El Monte Homelessness Task Force</td>
</tr>
<tr>
<td>Leveraged City Resources</td>
<td>City staff time</td>
</tr>
<tr>
<td>Associated Policy Changes</td>
<td>No associated policy changes</td>
</tr>
<tr>
<td>Timeline</td>
<td>Year 1, ongoing</td>
</tr>
</tbody>
</table>
Appendix A: Stakeholder Input Sessions: Summary of Identified Challenges

Staff of City Departments

Housing-Related
- Generally, rent is on the rise in the City, but specifically, [previously affordable] local mobile home parks have been hiking up rents, leading to foreclosures/evictions
- Non-legal residents are easily exploited by landlords, leading to evictions
- In terms of affordable housing, serving populations like veterans or seniors allows for easier buy-in from community
- Many high barriers to getting people into shelters (lack of beds, level of need) and housing (qualifications, up-front costs, etc.); those that are on the street can be bothersome or seem like a nuisance to the public, as shelters are only overnight and individuals must go elsewhere for the rest of the day

Services-Related
- Difficulty convincing homeless persons to accept services, especially if tied to sobriety or other standards/protocols; others have legal issues and fear getting back into the system; those facing mental illness can be extremely defensive
- Many people facing homelessness do not want to leave the community, even if they received a bed/housing elsewhere
- Other cities send homeless persons to El Monte because there are more resources
- Homeless persons that have been identified at the Senior Center are more mentally stable, most live in their vans/cars; but even if they are employed, many do not make enough money to rent an apartment
- Lunch program and other daily services at the Senior Center result in a lot of walk-ins of less mentally stable persons
- Threshold is too high for mandatory incarceration for mentally unstable – huge gap in mental health services; service providers do not have appropriate staffing resources to deal with mentally unstable/violent persons; any type of housing for homeless must provide social and rehabilitation services
- Using police services on the homeless takes those resources away from the community
- Cannot always serve non-legal residents
- Getting homeless persons on Medicaid or enrolled in other benefits is often difficult

Local and Regional Coordination
- Issues of who would fund homeless housing (e.g. City) and services (e.g., Measure H)
- Buy-in at City level but not regional level
- City Council wants to assist but is concerned about fair share (neighboring cities also have large homeless populations)
Service Providers and Faith-Based Community

Public Perception and Knowledge
- Safety concerns – homeless individuals in public spaces, petty crime, panhandling, cleanups, and substance abuse issues
- Public misperceptions of homelessness, lack of education or knowledge surrounding homelessness, especially when it comes to an individual’s right to refuse services; NIMBYism in the City is apparent, misconception that homeless people seen on the street came from elsewhere when they are/have been residents
- Humanizing homelessness – promoting empathy and educating public about homelessness
- Businesses and residents who want to help sometimes lack the knowledge about where they can refer people experiencing homelessness to for resources and services, or how to be involved in the solution to homelessness

Services-Related/Coordination
- Lack of coordination/communication between organizations and agencies involved in homelessness work in the area, no defining roles for each participant
- From service provider’s perspective, limited homeless services in the City; there are also fragmented services for homeless students and families through the School Districts
- Challenges building trust with people experiencing homelessness
- There is difficulty or misunderstanding about smaller service providers accessing Measure H funding
- Concerns about neighboring cities not upholding fair share of homelessness services provided and the building of affordable housing
- There needs to be increased wrap-around services for those that need extra support, increased job training and quality jobs
- Improved regional collaboration is needed – political will, accountability across cities
- Solve issues of School District funding – currently restricted in its ability to help homeless students/families, can only spend on supplies, no money for rapid-rehousing, preventative services, etc. – consider Measure H school in-reach, with an additional emphasis on assisting undocumented families

Housing-Related
- Lack of housing – all types; no units available for homeless clients seeking housing, or if units are available, there are significant barriers/restrictions for qualification to rent; also, lack of shelter beds and emergency/transitional/bridge housing for families and individuals
General Public

Housing-Related
- It continues to be a lengthy process to get people assessed and/or housed due to a lack of housing units, long waitlists, or the level of need and subsequent process for placement in housing based on an assessment
- More needs to be done to assist homeless families, at-risk families, and subsequent adverse childhood experiences/trauma
- There is a lack of year-round shelter beds/interim housing — churches in the City of El Monte participate in the Winter shelter, though a year-round, rotating shelter has generally always been knocked down as a solution

Services-Related
- It is challenging to get chronically homeless individuals to accept services
- There is a lack of understanding of what residents can do to help — no information about what the resources are, who they can call — coordination between agencies, the City, the County, the public/residents etc. could be stronger
- Family Solutions Centers (FSC) are over capacity — families have had to wait weeks for services
- Lack of financial planning knowledge puts families and individuals at risk, there is also a large need for workforce training

Public Safety and Quality of Life
- Homeless individuals in public spaces can create safety issues — crime, substance abuse, public health, property damage, loitering, sleeping on private property — those that spend time in commercial areas can also hurt business
- There are some individuals who sleep in or take over vacant buildings in the city
- Some laws haven’t caught up with certain needs of populations e.g. those that have mental health issues and are at-risk of harming themselves or others, AB 1971
- There is concern over the patrolling of Peck Park, which is a County property patrolled by LASD, versus the rest of El Monte which is patrolled by El Monte PD

Public Perception of Homelessness
- "NIMBYism" (Not in My Backyard) is a barrier to addressing homelessness; there should be more done to broaden the "face" of homelessness — understanding the vast backgrounds and needs of individuals; residents should see people experiencing homelessness as neighbors
- The issue of homelessness has been constantly shifted around — as an issue as well as the physical movement of people out of a neighborhood or City and into another
Appendix B: Stakeholder Input Sessions: Summary of Identified Strategies

Staff of City Departments

Housing Strategies
- Landlord incentives in general, landlord incentives for veteran renters
- Shared housing, roommate matching program (i.e., San Diego); Transition Aged Youth (TAY) housing, TAY/Senior shared housing model – youths provide assistance, seniors provide mentoring, and on-site management provides services
- Acquire single-family homes and provide case management and wrap-around services
- Inclusionary housing, motel conversions, flexible housing subsidy pool, affordable housing – scan for sites for housing
- Include education component into Housing Element; ensure persons with lived experience are part of development
- Need temporary housing and services (diapers, formula) for domestic violence victims

Service/Coordination Strategies
- Provide education to homeless persons on health issues
- Provide portable showers and bathrooms
- Safe parking lots could be access point for coordinated entry
- Mormon church’s program gives homeless persons mindset that they are contributing and not just receiving a handout
- Become aware of all faith-based organizations and what services they provide
- Contact Tide company regarding mobile laundries
- Need triage facility (wash, nurse, etc.) to prevent spreading of diseases
- Provide list of resources to faith-based organizations so they can offer this information to their members
- Use school district’s reporting of homeless families – especially when using federal funding
- Need gap analysis by population to understand needs and available funding sources by population group
- Better connect City to Consortium – work with other cities and organizations
- Connect the dots where homeless persons can receive services (i.e., Dress for Success, employment training, etc.)
- Use publicly-owned properties for a hub/service center
- Need a stronger vetting program for foster children – many parents spend money on themselves

Workforce Strategies
- Public Works to once again use homeless persons to set and clean up at events – however may be liability issues
- Ordinance to impose services on mentally ill who refuse services (prevent spread of disease, public nuisances, etc.)
Service Providers / Faith-Based Community

- Consider a centralized access point/day center that provides services and resources in one location – mobile laundry, showers, case workers, safe parking lot with case workers
- Provide outreach and education to landlords to close gap in units for formerly homeless and low-income in general
- More flexible and accessible Measure H funding for local service providers that have also been working on homelessness
- Create a resource list with service provider information and distribute through a variety of communication channels – to be used by residents, business owners, as well as people experiencing homelessness
- Better coordination and siting for drop-off and pick-up locations, for winter shelter potential year-round shelter
- Explore Conservation Corps/Works Progress Administration models for workforce development
- Share the work – all cities have a role; local elected officials should take lead role in pushing city and neighboring cities forward with buy-in; collaborate with neighbor cities and local community

General Public

Housing Strategies

- Look at a variety of housing strategies: affordable housing (inclusionary housing), supportive housing, housing near transit, transitional housing – programs with accountability, tiny homes; Explore interest of nonprofit and private sector partners who want to develop all types of affordable housing
- Work with School District to help with 1) Motel Vouchers and 2) engaging local landlords to accept Sec 8, Rapid Rehousing
- Expand rental assistance – short and long term based on the appropriate solution for the individual or family, rapid re-housing
- Have the City fund a dedicated housing navigator/case manager (Alhambra as a model)
- Explore prevention strategies: Rent control, legal assistance, rental assistance

Service/Coordination Strategies

- Funding: Allocate more money to Emergency Resources Association (ERA); Increase funding for PD to carry out outreach with a mental health worker/social worker
- Consider safe parking lot program/emergency service access point located at a large parking lot (Walmart, Churches, etc.) that would provide a safe place for people living on the street or in their cars overnight as well as connections to services – follow SD1/Solis model for mobile showers and bathroom station
- Provide school in-reach for students and their families and coordinate services around housing, jobs, childcare, etc.
- Supporting services: explore ways to increase people’s access to healthcare; provide more access to Workforce Training – technical skills, life/soft skills training; have case
managers, mentors, or peer-to-peer advocates help formerly homeless individuals or formerly incarcerated homeless individuals reintegrate into society

- Figure out ways to remove barriers to services, e.g. making it easier to obtain identification, an address, etc.
- Improve the efficiency and ease of Coordinated Entry System - fill in gaps in the process of assessment and housing
- Address legal loopholes to get individuals help for substance abuse, e.g. mandated drug rehabilitation as part of sentencing
- Increase collaboration with the County, SGV & subregion, LAHSA, and other service providers, and provide regular public meetings on homelessness, send notices through utilities or other mail
Appendix C: List of Participating Services Partners that Provided Input to Plan

- Office of Los Angeles County Supervisor Hilda Solis
- Los Angeles Homeless Services Authority
- El Monte Police Department
- Mountain View School District
- Volunteers of America
- Emergency Resources Association
- East San Gabriel Valley Coalition for the Homeless
- Catholic Charities
- Foothill Family
- SBCC Thrive LA
- Downtown El Monte Business Association
## Appendix D: City Planning Activities Tied to County Homeless Initiative Strategies

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<th>County Homeless Initiative Strategies</th>
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<td>B – Subsidize Housing</td>
<td>C1. Enhance the CalWORKs Subsidized Employment Program for Homeless Families</td>
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<td>D5. Support for Homeless Case Managers</td>
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<td>C – Increase Income</td>
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<td>D – Provide Case Management &amp; Services</td>
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<td>E – Create a Coordinated System</td>
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ATTACHMENT 3

MEMORANDUM OF AGREEMENT
MEMORANDUM OF AGREEMENT

CITY HOMELESS PROGRAM MEMORANDUM OF AGREEMENT BETWEEN THE CITY OF EL MONTE AND THE SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS (SGVCOG)

This Memorandum of Agreement ("MOA") is by and between the City of El Monte (City) and the San Gabriel Valley Council of Governments (SGVCOG) to be effective as of the date signed by both Parties.

RECITALS:

A. The SGVCOG was established to have a unified voice to maximize resources and advocate for regional and member interests to improve the quality of life in the San Gabriel Valley by the member cities and other local governmental agencies;

B. The SGVCOG entered into a contract with the County of Los Angeles for the purposes of administering Measure H funding allocations in support of the County's Homeless Initiative (HI) strategies to combat homelessness in the San Gabriel Valley;

C. The SGVCOG received funding from the State of California via the 2019 Budget Trailer bill for the purposes of combating homelessness in the San Gabriel Valley;

D. The SGVCOG allocated a portion of this funding towards the implementation of member cities' previously-developed homeless plans, the development of programs to prevent homelessness, the implementation of pilot programs, and the implementation of a landlord education and incentive program;

E. The City seeks to develop homeless programs;

F. The City's homeless programs will support strategies and solutions to prevent and decrease homelessness within the City, based on local concerns and priorities;

G. The City and the SGVCOG have a shared desire to successfully develop homeless programs, as defined in the attached scope of work (Exhibit A), to combat homelessness in the San Gabriel Valley; and

H. The City and the SGVCOG desire to set forth the terms of their ongoing collaboration with respect to this effort in this MOA.

NOW, THEREFORE, the Parties agree to the following:

I. **TERM:**

The term of this MOA shall commence upon execution of the MOA by all Parties and shall continue through the date upon which all eligible expenditures have been reimbursed. The term of this MOA may be extended by mutual agreement of both Parties by way of an amendment to this MOA.
II. RESPONSIBILITIES OF EACH OF THE PARTIES:

A. SGVCOG
   1. Undertake procurement, execute, and manage consultant and service provider contracts as necessary for regional homeless programs.
   2. Review and pay properly submitted invoices for regional homeless programs and eligible City homeless program activities.
   3. Manage invoicing and reporting schedules and deadlines.
   4. Review submitted deliverables and reports from the City and notify City as to any additional that is required.
   5. Coordinate participation in conference calls and/or meetings as necessary.
   6. Review and approve procurement procedures for City’s use of funds.
   7. Hold monthly Homeless Working Group meetings with City’s project manager to support information sharing.
   8. Provide payment to the City within 30 days of approval of a City’s invoice.

B. City
   1. Must maintain membership in the SGVCOG during the entire term of this MOA.
   2. Participate in monthly Homeless Working Group meeting.
   3. Provide a point-of-contact with name, title, and contact information.
   4. Participate in scheduled conference calls and/or meetings throughout the term of this MOA.
   5. Manage the homeless programs and activities to be implemented by the City, as such are described in Exhibit A.
   6. Respond to SGVCOG requests related to the City’s programs in a timely manner.
   7. Submit procurement procedures for City’s use of funds under this MOA for approval by the SGVCOG.
   8. Procure and administer funding received from the SGVCOG in accordance with SGVCOG-approved procurement procedures. Submit contracts or purchase orders executed with third-party vendors to the SGVCOG for authorization prior to the performance of work thereunder for which the City will be requesting reimbursement.
   9. Submit rates for City staff time for SGVCOG approval prior to City staff performing work for which the City will seek reimbursement.
   10. Submit deliverables and reports to the SGVCOG in accordance with the schedule included in Exhibit A.
   11. Submit invoices to the SGVCOG in accordance with the schedule included in Exhibit B.
       a. For homeless plan implementation and pilot programs, submit quarterly invoices on a reimbursement basis.
       b. For prevention and diversion program, submit monthly invoices and provide evidence to the reasonable satisfaction of SGVCOG that funds have been expended in accordance with this MOA, as a condition precedent to receipt of next allotment of $5,000.
III. **PROJECT MANAGEMENT:**

A. For purposes of this MOA, the SGVCOG designates the following individual as its Project Manager:

   Samantha Matthews  
   SGVCOG Management Analyst  
   1000 S. Fremont Ave, Unit 42  
   Bldg. A10-N, Suite 10210  
   Alhambra, CA 91803  
   626.457.1800  
   smatthews@sgvcog.org

B. For purposes of this MOA, the City of El Monte designates the following individual as its Project Manager:

   Name: Betty Donavanik  
   Title: Director of Community & Economic Development  
   Address: 11333 Valley Blvd., El Monte, CA 91731  
   Phone: 626.258.8626  
   Email: bdonavanik@elmonteca.gov

C. Additional parties' contacts include the following individuals:

   Marisa Creter  
   Executive Director  
   San Gabriel Valley Council of Governments  
   mcreter@sgvcog.org

D. Either Party may change its Project Manager or contacts upon written notice to the other Party.

IV. **TERMINATION:**

A. This MOA may be terminated by either Party at any time and for any reason. Termination will occur 30 days after written notice is issued by a Party to the other Party's Project Manager. The City shall stop work and not incur any additional expenses upon receipt of or issuance of such notice, except that which is reasonable and necessary to effectuate the termination. The City shall be entitled to reimbursement for eligible expenses that are reasonably and necessarily incurred up to the date that such termination is effective.

B. This MOA may be terminated for cause at any time for a material default by one of the Parties upon written notice to the applicable Project Manager. In the event of termination for cause, termination will be in effect three days after deposit of the written notice in the U.S. Mail, postage pre-paid, unless otherwise stated at a later time in the written notice.
V. INSURANCE AND INDEMNITY:

A. Neither the SGVCOG or its respective officers, employees, consultants or volunteers (the "SGVCOG Indemnitees), shall be responsible for any damage or liability occurring by reason of anything done or committed to be done by the City or its respective officers, agents, employees, or volunteers under or in connection with the performance of this MOA.

B. Neither the City or its respective officers, employees, consultants or volunteers (the "City Indemnitees), shall be responsible for any damage or liability occurring by reason of anything done or committed to be done by the SGVCOG or its respective officers, agents, employees, or volunteers under or in connection with the performance of this MOA.

C. The City shall indemnify, defend and hold the SGVCOG Indemnitees harmless from and against any liability, claims, losses, actions, and expenses, including without limitation, defense costs, any costs or liability on account of bodily injury, death or personal injury of any person or for damage to or loss of use of property, any legal fees and any claims for damages of any nature whatsoever arising out of or resulting from the City’s obligations under this MOA, unless caused by the negligence or willful misconduct of SGVCOG.

D. The SGVCOG shall indemnify, defend and hold the City Indemnitees harmless from and against any liability, claims, losses, actions, and expenses, including without limitation, defense costs, any costs or liability on account of bodily injury, death or personal injury of any person or for damage to or loss of use of property, any legal fees and any claims for damages of any nature whatsoever arising out of or resulting from the SGVCOG’s obligations under of this MOA, unless caused by the negligence or willful misconduct of the City of El Monte.

VI. OTHER TERMS AND CONDITIONS:

A. In performing this MOA, neither the City nor SGVCOG is a contractor, agent or employer of the other. Neither the City or SGVCOG shall represent themselves as contractors, agents or employees of the other Party and shall have no powers to bind the other Party in contract or otherwise.

B. This MOA, along with the applicable funding requirements of the SGVCOG’s agreement with the County of Los Angeles, constitute the entire understanding between the Parties, with respect to the subject matter herein. The MOA shall not be amended except in writing signed by the Parties.

C. Neither Party hereto shall be considered in default in the performance of its obligations hereunder to the extent that the performance of any such obligation is prevented or delayed by unforeseen causes including acts of
God, floods, earthquake, fires, acts of a public enemy, pandemic, and government acts beyond the control and without fault or negligence of the affected Party. Each Party hereto shall give notice promptly to the other of the nature and extent of any such circumstances claimed to delay, hinder, or prevent performance of any obligations under this MOA.

D. Neither Party shall assign this MOA, or any part thereof, without the prior written consent and prior approval of the other Party, nor any assignment without consent shall be void and unenforceable.

E. This Agreement shall be governed by California law and any applicable federal law.

F. If any provision of this MOA is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

G. The terms of this MOA shall inure to the benefit of, and shall be binding upon, each of the Parties and their respective approved successors and assigns.

In witness whereof, the Parties enter into this MOA on the date of last execution by the Parties.

FOR THE CITY OF EL MONTE

By: ________________________________
Alma K. Martinez
City Manager

Date: ________________________________

APPROVED AS TO FORM:

________________________________________
City of El Monte
City Attorney
FOR THE SAN GABRIEL VALLEY
COUNCIL OF GOVERNMENTS

By: __________________________
Marisa Creter
Executive Director

Date: _________________________

APPROVED AS TO FORM:

_____________________________
David DeBerry
General Counsel
June 18, 2020

Honorable Mayor and City Council
City of El Monte
11333 Valley Boulevard
El Monte, CA 91731

Dear Mayor and City Council:

CONSIDERATION AND APPROVAL OF A CITY COUNCIL RESOLUTION: (1) CALLING FOR AND GIVING NOTICE OF A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 3, 2020; (2) REQUESTING CONSOLIDATION OF SUCH ELECTION WITH THE COUNTY OF LOS ANGELES ELECTIONS HELD ON SUCH DATE; (3) REQUESTING THE COUNTY OF LOS ANGELES TO PROVIDE SPECIFIC ELECTION ADMINISTRATION SERVICES; (4) ADOPTING REGULATIONS FOR CANDIDATES FOR ELECTIVE OFFICE REGARDING CANDIDATE STATEMENTS; AND (5) PROVIDING FOR THE CONDUCT OF A SPECIAL ELECTION IN THE EVENT OF A TIE VOTE FOR CANDIDATES FOR OFFICE

IT IS RECOMMENDED THAT THE CITY COUNCIL:

1. Approve the attached Resolution (Attachment 1).

BACKGROUND AND PURPOSE/JUSTIFICATION OR RECOMMENDED ACTION

The California Elections Code requires that certain actions to be taken by a local agency prior to conducting a November 3, 2020 General Municipal Election for the election of one candidate to the office of Mayor for a full term of two (2) years; and two (2) candidates to the City Council, each for a full term of four years.

The proposed Resolution presented for the City Council's consideration sets the date and time of the November 3, 2020 General Municipal Election; requests consolidation of the City's election with the Los Angeles County-administered elections on the same date and related County election services; and establishes a 200-word limitation for candidate statements pursuant to Section 13307(a)(1) of the Elections Code.
HONORABLE MAYOR AND CITY COUNCIL
JUNE 18, 2020
PAGE 2

Should the City Council seek to submit one or more ballot measures to the City electorate at its November 3, 2020 General Municipal Election, it would be subject to the time limit imposed by Elections Code Section 10403, which requires the City to file an updated Resolution with the County Clerk, no later than eight-eight (88) days prior to the date of the election, which would consolidate any ballot measures to be considered by the voters. It is therefore recommended that the City Council consider any proposed ballot measures to its General Municipal Election no later than its regular meeting scheduled for Tuesday, August 4, 2020, which is ninety-one (91) days prior to the November 3, 2020 General Municipal Election.

FISCAL IMPACT/FINANCING

Based on historical expenditures, the City Clerk’s Office estimates the cost of the November 3, 2020 General Municipal Election will be approximately $190,000. This estimate is subject to increase if the City Council should elect to add ballot measure(s) to its General Municipal Election.

CONCLUSION

It is recommended that the City Council approve the attached Resolution calling the November 3, 2020, General Municipal Election for the offices of Mayor and City Council; requesting consolidation and seeking assistance from Los Angeles County; and stating statutory requirements for the form and submission of candidate statements.
Respectfully submitted,

ALMA K. MARTINEZ
City Manager

Attachment:

1. Resolution
RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL MONTE, CALIFORNIA (1) CALLING FOR AND GIVING NOTICE OF A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 3, 2020; (2) REQUESTING CONSOLIDATION OF SUCH ELECTION WITH COUNTY OF LOS ANGELES ELECTIONS HELD ON SUCH DATE; (3) REQUESTING THE COUNTY OF LOS ANGELES TO PROVIDE SPECIFIC ELECTION ADMINISTRATION SERVICES; (4) ADOPTING REGULATIONS FOR CANDIDATES FOR ELECTIVE OFFICE REGARDING CANDIDATE STATEMENTS; AND (5) PROVIDING FOR THE CONDUCT OF A SPECIAL ELECTION IN THE EVENT OF A TIE VOTE FOR CANDIDATES FOR OFFICE

WHEREAS, on July 6, 2004, the City Council of the City of El Monte (the "City Council" of the "City") approved Ordinance No. 2616, which moved the date of the City’s general municipal election to the first Tuesday following the first Monday in November in odd-numbered years; and

WHEREAS, to address declining voter turnout in federal, state, and municipal elections, the California Legislature adopted Senate Bill 415 ("SB 415"), which was signed into law by Governor Jerry Brown on September 1, 2015. SB 415 restricts cities from holding an election on any date other than a statewide election date beginning in 2018; and

WHEREAS, to comply with SB 415, the City Council adopted Ordinance No. 2885 on July 5, 2016, to adjust the date of its regular City elections from the Tuesday after the first Monday in November of odd-numbered years to the statewide election date of the Tuesday after the first Monday in November of even-numbered years beginning in 2018. The Los Angeles County Board of Supervisors (the "County Board") approved the City’s request to change election dates on September 6, 2016; and

WHEREAS, under the provision of the laws relating to general law cities in the State of California, the City’s general municipal election shall be conducted on Tuesday, November 3, 2020 (the "2020 City Election"), for the election of the following municipal officers: (i) one (1) Mayor for a full term of two (2) years; (ii) two (2) City Councilmembers, each for the full term of four (4) years; and

WHEREAS, it is desirable that the City’s 2020 City Election be consolidated with any and all elections to be administered by Los Angeles County (the "County") on the same date and that the City have the same precincts, polling stations, and election officers within the City for such election; and

WHEREAS, the City Council wishes for the Office of the Registrar-Recorder/County Clerk for the County (the "County Clerk") to canvass the returns of the 2020 City Election; and
WHEREAS, the City seeks the provision of election services from the County relating to the conduct of the 2020 City Election; and

WHEREAS, the City Council approves the printing of the information for 2020 City Election, in the foreign languages requiring translation pursuant to the Voting Rights Act of 1965; and

WHEREAS, Elections Code Section 13307 provides that the City may adopt regulations pertaining to the recovery of certain costs associated with the printing, handling, translation, and mailing of candidate statements as filed with the elections officer; and

WHEREAS, the City shall compensate the County for all necessary expenses incurred by the County in performing election services for the City; and

WHEREAS, Section 15651(b) of the Elections Code authorizes the City Council, by majority vote, to adopt provisions to require the conduct of a so-called Special Runoff Election to resolve a tie vote involving those candidates who received an equal number of votes and the highest number of votes for an elective office.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EL MONTE, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The above recitals are true and corrected an incorporated herein by reference.

SECTION 2. Pursuant to the requirements of the laws of the State of California relating to general law cities, the City Council hereby calls and orders the 2020 City Election, as defined in the recitals above, to be held in the City of El Monte for the purpose of electing the following municipal officers:

A. One (1) Mayor for a full term of two (2) years; and

B. Two (2) City Council Members, each for the full term of four (4) years

SECTION 3. Pursuant to the requirements of Elections Code Section 10403, it is respectfully requested that the County Board consent and agree to the consolidation of the 2020 City Election on Tuesday, November 3, 2020 with the County-administered election of the same date.

SECTION 4. In connection with the County’s administration of the 2020 City Election, the City further requests that the County be authorized and directed to: (a) review and verify absentee voter applications and signatures; (b) conduct registered voter verifications (including signature verifications); (c) provide the City with the appropriate election precinct data, to the extent required; (d) make available to the City such election facilities, ballot casting equipment, and assistance as may be necessary
to conduct the election in compliance with state law and the County Board’s approval; (e) canvass the election returns; (f) print and supply ballots for the election; (g) mail the City’s sample ballots; and (h) administer the 2020 City Election in all respects as if it were part and parcel of any other County administered election, implementing all such legally required or customarily employed measures and practices as may be necessary to conduct the election in a timely and legally compliant manner.

SECTION 5. The City of El Monte shall reimburse the County Clerk for any costs associated with the administration of the 2020 City Election.

SECTION 6. The City hereby consents to have its 2020 City Election on Tuesday, November 3, 2020 consolidated any and all elections conducted on such date within the County.

SECTION 7. The ballots to be used at the election shall be in form and content as required by law or as directed by the County Clerk to facilitate the consolidation of the 2020 City Election with the County-administered election of the same date.

SECTION 8. The City Clerk is authorized, instructed and directed to procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment, and paraphernalia that may be necessary in order to properly and lawfully conduct the 2020 City Election.

SECTION 9. The polls for the 2020 City Election shall be open at 7:00 a.m. of the day of the election and shall remain open continuously from that time until 8:00 p.m. of the same day when the polls shall be closed, pursuant to Election Code Section 10242, unless otherwise directed by the County Clerk, in accordance with state law.

SECTION 10. The City Council authorizes the City Clerk to administer said election and all reasonable and actual election expenses shall be paid by the City upon presentation of a properly submitted bill.

SECTION 11. Pursuant to Section 13307 of the Elections Code, each candidate for elective office to be voted for at the 2020 City Election may prepare a candidate statement on a form acceptable to the County Clerk and made available through the City Clerk.

SECTION 12. Pursuant to Section 13307(a)(1) of the Elections Code candidate statements for the 2020 City Election may include the following:

A. The name, age, and occupation of the candidate; and

B. A brief description of no more than two hundred (200) words of the candidate’s education and qualifications as expressed by the candidate himself or herself.
SECTION 13. Pursuant to Elections Code Section 13307(a)(1), candidate statements for the 2020 City Election shall not include the following:

A. The party affiliation of the candidate; or

B. References to membership or activity in partisan political organizations.

SECTION 14. All prospective candidates should be aware of the holding in Dean v. Superior Court (1998) 62 Cal.App.4th 638, which holds that a statement prepared by a candidate for inclusion in the voters’ pamphlet may not include comments or statements concerning the qualifications (or alleged lack of qualifications) of one’s opponents. Candidates, in an abundance of caution, should avoid making any reference to opponents in their candidate statements. Candidates should seek the advice of private legal counsel if unsure as to whether their candidate statement does or does not comply with applicable law before filing.

SECTION 15. The candidate statement shall be filed in typewritten form at the Office of the City Clerk at the time the candidate’s nomination papers are filed. The candidate statement may be withdrawn, but not changed, during the period for filing nomination papers and until 5:00 p.m. of the next working day after the close of the nomination period, August 7, 2020.

SECTION 16. Subject to any logistical constraints imposed by the County Clerk by virtue of consolidation, the City Clerk shall have translated (from the English to relevant foreign languages authorized under the Voting Rights Act of 1965) and printed in the voters’ pamphlet only the candidate statement of those candidates who request such translation and printing at the time of filing of the candidate statement.

SECTION 17. No candidate for any elected office of the City shall be permitted to include additional materials in the voters’ pamphlet and sample ballot package.

SECTION 18. Each candidate for any of the offices to be elected at the 2020 City Election to be conducted on November 3, 2020, who files a candidate statement shall, as a condition of having his or her candidate statement included in the voters’ pamphlet, concurrently deposit with the City Clerk an amount, as reasonably estimated by the City Clerk, to pay in advance his or her estimated pro rata share of the actual costs of printing and handling such candidate statements incurred by the and/or the County Clerk as a result of providing such service at the time of filing such statement with the City Clerk. In the event that the amount paid as a deposit by a candidate includes overpayment of actual costs incurred by the City of El Monte and/or the County Clerk, the City Clerk shall prorate the excess amount among the candidates and refund the excess amount paid within thirty (30) days following the date of the election.

SECTION 19. The City Clerk shall provide each candidate or candidate’s representative a copy of this Resolution at the time nominating petitions are issued.
SECTION 20. Pursuant to Section 15651(b) of the Elections Code, if any two or more persons receive an equal and the highest number of votes for an office to be voted for within the City, there shall be held within the City a Special Runoff Election to resolve the tie vote. A Special Runoff Election shall be called and held on a Tuesday not less than forty (40) nor more than one hundred twenty-five (125) days after the administrative or judicial certification of the election which resulted in a tie vote.

SECTION 21. That in all particulars not recited in this Resolution, the election shall be held and conducted as provided by law for holding municipal elections.

SECTION 22. That notice of the time and place of holding the election is given and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form, and manner as required by law.

SECTION 23. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

SECTION 24. That the City Clerk shall forward without delay, a copy of this Resolution to County Board and the County Clerk.

PASSED, APPROVED AND ADOPTED by the City Council of the City of El Monte at the adjourned regular meeting of this 23rd day of June, 2020.

Andre Quintero, Mayor
City of El Monte

ATTEST:

Catherine A. Eredia, City Clerk
City of El Monte
I, Catherine A. Eredia, City Clerk of the City of El Monte, do hereby certify that the above and foregoing Resolution No. ___________ was passed, approved, and adopted by the City Council of the City of El Monte, signed by the Mayor and attested by the City Clerk at an adjourned regular meeting of said City held on this 23rd day of June, 2020, and that said Resolution was adopted by the following votes to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Catherine A. Eredia, City Clerk
City of El Monte
June 19, 2020

The Honorable Mayor and City Council
and Members of the El Monte Housing Authority
City of El Monte
11333 Valley Boulevard
El Monte, CA 91731

Dear Mayor and City Council and Members of the El Monte Housing Authority:

CONSIDERATION AND APPROVAL OF A HOUSING AUTHORITY RESOLUTION
AND A CORRESPONDING CITY COUNCIL RESOLUTION ACKNOWLEDGING
APPROVAL OF AN AMENDED AND RESTATED HOUSING AUTHORITY LOAN
SUBORDINATION AGREEMENT IN FAVOR OF THE NEW PERMANENT LENDER
FOR THE MERCY HOUSING BALDWIN ROSE PROJECT

This staff report has been prepared for the joint consideration and action of the City Council and the El Monte Housing Authority.

IT IS RECOMMENDED THAT THE EL MONTE HOUSING AUTHORITY:

1. Consider and adopt an El Monte Housing Authority Resolution approving the execution of the “Amended and Restated Subordination Agreement” for the Baldwin Rose Project in favor of the California County Reinvestment Cooperation.

IT IS ALSO RECOMMENDED THAT THE CITY OF EL MONTE CITY COUNCIL:

2. Consider and adopt a City Council Resolution which ratifies the action by the El Monte Housing Authority with respect to the execution and delivery of the Amended and Restated Subordination Agreement.

BACKGROUND

The El Monte Housing Authority (“Housing Authority”) and Baldwin Rose, L.P. (the “Developer”) entered into an agreement as previously amended (collectively the “2017 Housing Authority DDA”) relating to the development of the affordable rental housing
project (the “Project”) located at 9953, 9955, 9957, 10001, 10003 Rose Avenue (the “Property”) in the City of El Monte (the “City”).

Construction began on the fifty-five (55) dwelling unit affordable rental Project in March 2018, and the City has issued a Certificate of Occupancy for the completed Project in December 2019. All of the new affordable rental dwelling units in the Project are now occupied by eligible families.

DISCUSSION

Now that the construction of the Project is complete and full occupancy of the affordable rental dwelling units has been achieved, it is time to replace the “interest only” Wells Fargo Bank construction loan with the final tranche of tax credit limited partner equity and the permanent mortgage loan. The permanent lender is the California Community Reinvestment Corporation, a California nonprofit public benefit corporation (“CCRC”). The permanent mortgage loan from CCRC will be in a principal amount not to exceed $2,079,300.

The El Monte Housing Authority and the Los Angeles County Community Development Authority each have mortgage loans secured by the Project and each public agency will need to acknowledge a subordination of their respective loan repayment security interests in the Project in favor of the new permanent mortgage lender, CCRC. The El Monte Housing Authority has already invested $2,155,915 in the Project. The subordination of the El Monte Housing Authority’s security interests in the Project in favor of the permanent lender, CCRC was contemplated in the 2017 Housing Authority DDA as part of the El Monte Housing Authority’s financial assistance for the Project.

The form of the CCRC subordination agreement (Attachment 1) was prepared by CCRC and contains customary and reasonable provisions which give CCRC a secured lender payment priority which will be senior to the security interests of the El Monte Housing Authority in the Project.

In an event of default by the Developer in its loan repayment obligations to CCRC and/or to Los Angeles County or to the El Monte Housing Authority, the effect of the CCRC amended and restated subordination agreement will assure that CCRC will be repaid its permanent mortgage (principal and accrued and unpaid interest) before either the loans of Los Angeles County or the El Monte Housing Authority may be repaid.
FISCAL IMPACT

The funding of the El Monte Housing Authority’s $2,155,915 investment in the Project was completed in 2019. No additional funds of either the El Monte Housing Authority or the City will be disbursed to the Developer as part of the completion of the CCRC permanent mortgage, and recordation of the amended and restated loan subordination agreement.

Now that the improvement and occupancy of the Project has been accomplished, City staff will complete the internal City loan asset servicing documentation for the administration of the El Monte Housing Authority’s “HOME Program Income” asset in the Project (principal amount: $1,978,070) and the “Mitigation Fee Loan” (principal amount: $177,845). These two separate loan assets will be repaid by the Developer to the El Monte Housing Authority (principal and interest) from “surplus cash receipts” from the Project during the affordability term of the Project. In turn, the El Monte Housing Authority will use the loan repayment proceeds from the Project to repay the City funds which were invested in the Project under the terms of the 2015 Financing Cooperation Agreement by and between the El Monte Housing Authority and the City for the Project.

CONCLUSION

It is recommended that:

(i) the Housing Authority adopt a resolution (Attachment 2) directing the Executive Director of the Housing Authority to execute the permanent mortgage loan subordination agreement in favor of CCRC (the amended and restated subordination agreement); and

(ii) the City adopt a resolution (Attachment 3) acknowledging that CCRC is the permanent mortgage lender and that the loan repayment security interests of the El Monte Housing Authority are subordinate to the security interest of CCRC in the Project.
Respectfully submitted,

ALMA K. MARTINEZ
City Manager and
Executive Director

BETTY DONAVANIK
Community and Economic Development Director

Attachment(s):

1. Form of Amended and Restated Subordination Agreement (in favor of CCRC)
2. Resolution of the El Monte Housing Authority
3. Resolution of the City Council

DATE: JUNE 23, 2020
PRESENTED TO EL MONTE CITY COUNCIL

☐ APPROVED
☐ DENIED
☐ PULLED
☐ RECEIVED AND FILE
☐ CONTINUED
☐ REFERRED TO

CHIEF DEPUTY CITY CLERK
AMENDED AND RESTATED SUBORDINATION AGREEMENT
($2,155,915 El Monte Housing Authority Loans)

NOTICE: THIS AMENDED AND RESTATED SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN AND RESTRICTIVE COVENANTS ON THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

This AMENDED AND RESTATED SUBORDINATION AGREEMENT ("Agreement") is made as of February 1, 2020, by BALDWIN ROSE, L.P., a California limited partnership ("Borrower"), the EL MONTE HOUSING AUTHORITY, a public body corporate and politic ("Subordinate Lender"), and WELLS FARGO BANK, NATIONAL ASSOCIATION and any successors or assigns ("Senior Lender").

A. Borrower owns the real property described on Exhibit A, attached hereto and incorporated herein by reference (the "Property"). Borrower proposes to construct on the Property certain improvements consisting of a 55-unit affordable veterans' housing development together with other appurtenances, fixtures, and tenant improvements now or hereafter located on the Property (collectively, the "Improvements" or the "Project").

B. Subordinate Lender made a loan to Borrower in the original principal amount of $1,272,155.00 (the "2017 Subordinate Project Loan"). The 2017 Subordinate Project Loan is governed by that certain 2015 El Monte Housing Authority Disposition and Development Agreement (Mercy Housing Family Veterans Affordable Rental Housing Project) dated as of October 14, 2015, executed by and between Mercy Housing California, a California nonprofit public benefit corporation ("Developer"), and Subordinate Lender, as amended by that certain February 2017 Amendment to the 2015 El Monte Housing Authority Disposition and Development Agreement (Mercy Housing Family Veterans Affordable Rental Housing Project) dated as of February 21, 2017, and as further amended by and assigned by Developer to Borrower pursuant to that certain October 2017 Amendment No. 2 to the 2015 El Monte Housing Authority Disposition and Development Agreement and Assignment and Assumption of the 2015 El Monte Housing Authority Disposition and Development Agreement, As Amended (Mercy Housing Family Veterans Affordable Rental Housing Project) dated as of October 17, 2017 (collectively, the "2017 Subordinate_DDA"). The 2017 Subordinate Project Loan is evidenced by that certain HOME Development Project Loan Promissory Note (Mercy Housing Family Veterans Affordable Rental Housing Project), dated on or about December 14, 2017 (the "2017 Subordinate Project Note"), made by Borrower to the order of Subordinate Lender, and is secured by that certain 2017 El Monte Housing Authority HOME Development Project Loan Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing (Mercy Housing Family Veterans Affordable Rental Housing Project), dated on or about December 14, 2017 (the "2017 Subordinate Project Deed of Trust"), made by Borrower for the benefit of Subordinate Lender, and recorded in the Official Records of the County of Los Angeles, California (the "Official Records") on December 15, 2017 as Instrument No. 20171458642.
C. Subordinate Lender made an additional loan to Borrower in the original principal amount of $177,845.00 (the "Subordinate Mitigation Fee Loan"). The Subordinate Mitigation Fee Loan is governed by the 2017 Subordinate DDA and is evidenced by that certain HOME Development Project Mitigation Fee Loan Note (Mercy Housing Family Veterans Affordable Rental Housing Project), dated on or about December 14, 2017 (the "Subordinate Mitigation Fee Note"), made by Borrower to the order of Subordinate Lender. The Subordinate Mitigation Fee Loan is secured by that certain 2017 El Monte Housing Authority Development Project Mitigation Fee Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing (Mercy Housing Family Veterans Affordable Rental Housing Project), dated on or about December 14, 2017 (the "Subordinate Mitigation Fee Deed of Trust"), made by Borrower for the benefit of Subordinate Lender, and recorded in the Official Records on December 15, 2017 as Instrument No. 20171458643. The Subordinate DDA, the Subordinate Mitigation Fee Note, the Subordinate Mitigation Fee Deed of Trust and all other documents executed in connection with the Subordinate Mitigation Fee Loan shall be referred to herein collectively as the "Subordinate Mitigation Fee Loan Documents."

D. In connection with the Subordinate Loan, Borrower agreed to restrict the use of the Property pursuant to the terms of the 2017 Subordinate DDA and that certain El Monte Housing Authority HOME Regulatory Agreement and Declaration of Restrictive Covenants (Baldwin Rose, L.P.), dated on or about October 17, 2017, executed by and between Borrower and Subordinate Lender, and recorded in the Official Records on December 15, 2017 as Instrument No. 20171458641, as amended, restated and replaced in its entirety by that certain Restated El Monte Housing Authority HOME Regulatory Agreement and Declaration of Restrictive Covenants (Baldwin Rose, L.P.) dated on or about October 16, 2018 (the "2018 Subordinate Regulatory Agreement") and recorded in the Official Records on January 22, 2019 as Instrument No. 20190058433.

E. Pursuant to that certain Construction/Permanent Loan Agreement dated as of December 13, 2017 (the "Senior Loan Agreement"), executed by and between Borrower and Senior Lender, Senior Lender agreed to make a loan to Borrower in the total principal amount of $23,090,645.00 (the "Senior Loan"), in order to enable Borrower to finance the construction of the Project. The obligations of the Borrower in connection with the Senior Loan Agreement are evidenced by that certain Promissory Note, dated as of December 13, 2017 (the "Senior Note"), made by Borrower to the order of Senior Lender, and are secured by, among other things, that certain Construction and Permanent Deed of Trust With Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing (the "Senior Deed of Trust"), dated as of December 13, 2017, executed by Borrower as Trustor, naming American Securities Company, a California corporation, as Trustee and Senior Lender as Beneficiary, and recorded in the Official Records on December 15, 2017 as Instrument No. 20171458638. The Senior Loan Agreement, the Senior Note, the Senior Deed of Trust, and all other documents defined in the Senior Loan Agreement as "Loan Documents" are hereinafter referred to as "Senior Loan Documents." Any capitalized terms used but not defined herein shall have the meaning set forth in the Senior Loan Agreement.

F. Pursuant to that certain Loan Purchase Agreement dated as of December 13, 2017 (the "Loan Purchase Agreement") by and among Senior Lender, Borrower, and California Community Reinvestment Corporation, a California nonprofit public benefit corporation ("CCRC"), and upon the satisfaction of certain terms and conditions contained therein, (i) CCRC agreed to purchase up to $2,079,300.00 in principal amount of the Senior Loan from Senior Lender on the Conversion Date (as defined in the Loan Purchase Agreement) and thereupon CCRC shall become the "Senior Lender" under the Senior Loan Agreement, (ii) Senior Lender has agreed to assign its rights under the Senior Loan Agreement, Senior Note, Senior Deed of Trust and certain of the other Senior Loan Documents to CCRC on the Conversion Date, and (iii) Borrower has agreed to execute certain additional documents in connection with such purchase and assignment.
G. As a condition to Senior Lender making the Senior Loan secured by the Senior Deed of Trust, Senior Lender required that Subordinate Lender and Borrower enter into that certain Subordination Agreement ($1,450,000 El Monte Housing Authority Loans) dated as of December 13, 2017 (the "2017 Subordination Agreement") and recorded in the Official Records on December 15, 2017 as Instrument No. 20171458647 in order to subordinate Subordinate Lender’s rights and interests in, to and under the 2017 Subordinate Project Deed of Trust, the Subordinate Mitigation Fee Deed of Trust, the repayment of the 2017 Subordinate Project Loan, the repayment of the Subordinate Mitigation Fee Loan and Subordinate Lender’s rights under the other documents executed in connection therewith.

H. Borrower has requested and Subordinate Lender has agreed to increase the principal amount of the 2017 Subordinate Project Loan by $705,915.00 thus resulting in an aggregate principal amount of $1,978,070.00 (as modified, the "Subordinate Project Loan" and collectively with the Subordinate Mitigation Fee Loan, the "Subordinate Loan"). In connection therewith, Borrower and Subordinate Lender have agreed to modify the 2017 Subordinate DDA pursuant to the terms of that certain October 2019 Amendment No. 3 to the 2015 El Monte Housing Authority Disposition and Development Agreement (Mercy Housing Family Veterans Affordable Rental Housing Project) dated on or about October 15, 2019 (collectively with the 2017 Subordinate DDA, the "Subordinate DDA"). The Subordinate Project Loan (i) is evidenced by that certain Amended and Restated HOME Development Project Loan Note (Mercy Housing Family Veterans Affordable Rental Housing Project) dated on or about November 29, 2019 (the "Subordinate Project Note") and collectively with the Subordinate Mitigation Fee Note, the "Subordinate Note"), which shall amend, restate and replace in its entirety the 2017 Subordinate Project Note, and (ii) shall be secured by the 2017 Subordinate Project Deed of Trust, as amended by that certain First Amendment to 2017 El Monte Housing Authority HOME Development Project Loan Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing (Mercy Housing Family Veterans Affordable Rental Housing Project) dated on or about October 15, 2019 (collectively and as amended, the "Subordinate Project Deed of Trust" and collectively with the Subordinate Mitigation Fee Deed of Trust, the "Subordinate Deed of Trust"), executed by Borrower for the benefit of Subordinate Lender and recorded in the Official Records on December 12, 2019 as Instrument No. 20191385795. In connection therewith, Borrower and Subordinate Lender have further agreed to modify the 2018 Subordinate Regulatory Agreement pursuant to the terms of that certain First Amendment to El Monte Housing Authority HOME Regulatory Agreement and Declaration of Restrictive Covenants (Baldwin Rose, L.P.) dated on or about October 15, 2019 (collectively and as amended, the "Subordinate Regulatory Agreement"), and recorded in the Official Records on December 12, 2019 as Instrument No. 20191385794. The Subordinate DDA, the Subordinate Project Note, the Subordinate Project Deed of Trust and all other documents executed in connection with the Subordinate Project: Loan shall be referred to herein collectively as the "Subordinate Loan Documents." The Subordinate Project Loan Documents, the Subordinate Mitigation Fee Loan Documents, the Subordinate Regulatory Agreement and all other documents executed in connection with the Subordinate Loan shall be referred to herein collectively as the "Subordinate Loan Documents."
Lender’s rights under the Subordinate Loan Documents to the lien or charge of the Senior Deed of Trust, the repayment of the Senior Loan, and the other Senior Loan Documents.

J. Accordingly, Subordinate Lender, Borrower and Senior Lender agree to enter into this Agreement in order to amend and restate the 2017 Subordination Agreement and set forth the above-referenced subordination in favor of Senior Lender.

THEREFORE, for valuable consideration and to induce Senior Lender to make the Senior Loan, Borrower, Subordinate Lender and Senior Lender hereby agree as follows:

1. The Senior Deed of Trust securing the Senior Note in favor of Senior Lender, and any modifications, renewals, or extensions thereof, together with Senior Lender’s right to repayment of the Senior Loan and Senior Lender’s rights under any other Senior Loan Documents, shall unconditionally be and at all times remain a lien or charge on the Property prior and superior to the Subordinate Loan Documents, the repayment of the Subordinate Loan, and Subordinate Lender’s rights under the Subordinate Loan Documents (notwithstanding any language to the contrary contained in the Subordinate Loan Documents) subject to the terms of this Agreement.

2. This Agreement shall be the whole agreement with regard to the subordination of the Subordinate Loan Documents, the repayment of the Subordinate Loan, and Subordinate Lender’s rights under the Subordinate Loan Documents as such relate specifically to the lien or charge of the Senior Deed of Trust, together with Senior Lender’s right to repayment of the Senior Loan, and Senior Lender’s rights under any other Senior Loan Documents, and shall supersede and cancel, but only insofar as would affect the priority of the Senior Deed of Trust, any prior agreements as to such subordination, including, without limitation, those provisions, if any, contained in the Subordinate Loan Documents which provide for the subordination of the Subordinate Deed of Trust, Subordinate Regulatory Agreement or any other Subordinate Loan Documents to a deed or deeds of trust or to a mortgage or mortgages.

3. Borrower and Subordinate Lender each makes the following representations and warranties to Senior Lender:

   a. The Subordinate Loan is evidenced by the Subordinate Note and is secured by the Subordinate Deed of Trust and other Subordinate Loan Documents;

   b. Subordinate Lender is not an affiliate of Borrower and is not in possession of any facts which would lead it to believe that Senior Lender is an affiliate of Borrower;

   c. The term of the Subordinate Note does not end before the stated term of the Senior Note;

   d. The executed Subordinate Loan Documents are substantially in the same forms as those submitted to, and approved by, Senior Lender prior to the date of this Agreement. Upon execution and delivery of the Subordinate Loan Documents, Borrower shall deliver to Senior Lender an executed copy of each and every Subordinate Loan Document executed by Borrower after the recordation of the 2017 Subordination Agreement, certified to be true, correct and complete;

   e. As of the date of recordation of the 2017 Subordination Agreement in the Official Records and continuing through the date of recordation of this Agreement in the Official Records, all conditions to the release and termination of Subordinate Lender’s right to repurchase the Property, as set forth in that certain 2017 El Monte Housing Authority Notice of Right of El Monte Housing Authority to Repurchase Property, dated as of December 6, 2017, executed by and between Borrower and Subordinate Lender and recorded in the Official Records on December 8, 2017 as Instrument No. 20171427503, the Subordinate DDA, any other Subordinate Loan Documents or otherwise, have been satisfied in full such that any right of Subordinate Lender to
repurchase the Property from Borrower has terminated [Editor’s Note: ... thought this item was previously released by disclaimer of title or quit claim deed recorded in 2017 --- maybe California Community Reinvestment Corporation wants its own quit claim disclaimer of title from Housing Authority in 2020?]; and

f. As of the date of recordation of the 2017 Subordination Agreement in the Official Records and continuing through the date of recordation of this Agreement in the Official Records, Subordinate Lender has not assigned any of its rights, interests or obligations under any Subordinate Loan Documents to any party, except as collaterally assigned to the City of El Monte, a municipal corporation (the "City"), pursuant to the terms of that certain City of El Monte and El Monte Housing Authority 2015 Affordable Rental Housing Development Cooperation and Financing Agreement dated as of October 1, 2015, executed by and between Subordinate Lender and the City.

4. Subject to the provisions of Sections 2 and 6 hereof, Subordinate Lender and Borrower further declare, agree, and acknowledge, for the benefit of Senior Lender, that:

a. Senior Lender, in making disbursements pursuant to the Senior Loan Agreement, is under no obligation or duty to, nor has Senior Lender represented that it will, see to the application of such proceeds by the person or persons to whom Senior Lender disburses such proceeds, and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat the subordination herein made in whole or in part;

b. Subordinate Lender intentionally and unconditionally subordinates the liens and encumbrances of the Subordinate Deed of Trust and Subordinate Regulatory Agreement against the Property to the lien or charge of the Senior Deed of Trust upon the Property and understands that in reliance upon, and in consideration of, this subordination, specific loans and advances are being and will be made by Senior Lender and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment, and subordination;

c. Subordinate Lender consents to any agreement or arrangement in which Senior Lender waives, postpones, extends, reduces, or modifies any provisions of the Senior Loan Documents, including any provision requiring the payment of money. Subordinate Lender further agrees that its agreement to subordinate hereunder shall extend to any new mortgage debt which is for the purpose of refinancing all or any part of the Senior Loan (including reasonable and necessary costs associated with the closing and/or the refinancing); and that all the terms and covenants of this Agreement shall inure to the benefit of any holder of any such refinanced debt; and that all references to the Senior Loan, the Senior Note, the Senior Loan Agreement, the Senior Deed of Trust, the Senior Loan Documents, and Senior Lender shall mean, respectively, the refinance loan, the refinance note, the refinance loan agreement, the mortgage(s) securing the refinance note, all documents evidencing securing or otherwise pertaining to the refinance note and the holder of the refinance note; provided, however, that Senior Lender shall provide Subordinate Lender with notice of its approval of any such refinanced loan and shall deliver to Subordinate Lender copies of all the refinance loan documents;

d. Borrower and Subordinate Lender each agree that, until the principal of, interest on, and all other amounts payable under the Senior Loan Documents have been paid in full, it will not, without the prior written consent of Senior Lender in each instance, increase the principal amount of the Subordinate Loan, increase the required payments due under the Subordinate Loan or Subordinate Note, decrease the term of the Subordinate Loan, increase the interest rate on the Subordinate Loan or any portion thereof, or otherwise amend the Subordinate Loan or Subordinate Note terms in a manner that creates an adverse effect upon Senior Lender under the Senior Loan Documents. Any unauthorized amendment of the Subordinate Loan Documents or assignment of Subordinate Lender’s interest in the Subordinate Loan, in whole or in part, without
Senior Lender's consent shall be void ab initio and of no effect whatsoever, except for a collateral assignment by Subordinate Lender to or for the benefit of the City and/or The Alameda Corridor-East Construction Authority on behalf of The San Gabriel Valley Council of Governments, a California joint power authority, provided, however, that in any such case, such collateral assignment and the rights of the assignee thereof shall be and remain at all times subject to the terms of this Agreement;

e. In an Event of Default or default of Borrower under the Subordinate Loan Documents (each, a "Subordinate Loan Default"), Subordinate Lender shall deliver to Senior Lender a copy of any notice of default delivered to Borrower in connection therewith (each, a "Subordinate Loan Default Notice"), concurrently with delivery to Borrower of the same. In such event, Senior Lender has the right, but not the obligation, to cure the noticed Subordinate Loan Default within sixty (60) days after the later of (i) expiration of any notice and cure period afforded Borrower pursuant to the Subordinate Loan Documents or (ii) the date Senior Lender receives a copy of the notice of default (the "Senior Lender Cure Period"). Borrower and Subordinate Lender agree that a Subordinate Loan Default shall constitute a Senior Loan Default (as defined in Section 6(a) below) under the Senior Loan Documents and Senior Lender shall have the right to exercise all rights or remedies under the Senior Loan Documents in the same manner as in the case of any other Senior Loan Default. If Subordinate Lender notifies Senior Lender in writing that any Subordinate Loan Default of which Senior Lender has received a Subordinate Loan Default Notice (as defined in Section 6(a) below) has been cured or waived, as determined by Subordinate Lender in its sole discretion, then provided that Senior Lender has not conducted a sale of the Property pursuant to its rights under the Senior Loan Documents, any Senior Loan Default under the Senior Loan Documents arising solely from such Subordinate Loan Default shall be deemed cured, and the Senior Loan shall be reinstated, provided, however, that Senior Lender shall not be required to return or otherwise credit for the benefit of Borrower any default rate interest or other default related charges or payments received by Senior Lender during such Senior Loan Default;

f. Borrower agrees that, after it receives a Senior Loan Default Notice (or otherwise acquires knowledge) of a Senior Loan Default, it will not make any payments under or pursuant to the Subordinate Loan Documents (including but not limited to principal, interest, additional interest, late payment charges, default interest, attorneys' fees, or any other sums secured by the Subordinate Loan Documents) without Senior Lender's prior written consent. Subordinate Lender agrees that, after it receives a Senior Loan Default Notice from Senior Lender with written instructions directing Subordinate Lender not to accept payments from Borrower on account of the Subordinate Loan, it will not accept any payments under or pursuant to the Subordinate Loan Documents (including but not limited to principal, interest, additional interest, late payment charges, default interest, attorneys' fees, or any other sums secured by the Subordinate Loan Documents) without Senior Lender's prior written consent. If Subordinate Lender receives written notice from Senior Lender that the Senior Loan Default which gave rise to Subordinate Lender's obligation not to accept payments has been cured, waived, or otherwise suspended by Senior Lender, the restrictions on payment to Subordinate Lender in this Section 4(f) shall terminate, and Senior Lender shall have no right to any subsequent payments made to Subordinate Lender by Borrower prior to Subordinate Lender's receipt of a new Senior Loan Default Notice from Senior Lender in accordance with the provisions of this Section 4(f);

g. If, after Subordinate Lender receives a Senior Loan Default Notice from Senior Lender in accordance with Section 6(a) below, Subordinate Lender receives any payments under the Subordinate Loan Documents, Subordinate Lender agrees that such payment or other distribution will be received and held in trust for Senior Lender and, unless Senior Lender otherwise notifies Subordinate Lender in writing, will be promptly remitted in kind to Senior Lender and properly endorsed to Senior Lender to be applied to the principal of, interest on and other amounts due under the Senior Loan Documents in accordance with the provisions of the Senior Loan Documents. By executing this Agreement, Borrower specifically authorizes Subordinate Lender to endorse and remit any such payments to Senior Lender, and specifically waives any and all
rights to have such payments returned to Borrower or credited against the Subordinate Loan. Borrower and Senior Lender acknowledge and agree that payments received by Subordinate Lender and remitted to Senior Lender under this Section 4(g) shall not be applied or otherwise credited against the Subordinate Loan, nor shall the tender of such payment to Senior Lender waive any Event of Default or other default under the Subordinate Loan Documents which may arise from the inability of Subordinate Lender to retain such payment or apply such payment to the Subordinate Loan in whole or in part;

h. Subordinate Lender shall not, without first delivering notice to and obtaining the prior written consent of Senior Lender, exercise its right arising under the Subordination Loan Documents, if any, to stop or otherwise delay construction of the Improvements or require the replacement of unsatisfactory work incorporated in such Improvements. If a Subordinate Loan Default occurs and is continuing, Subordinate Lender agrees that, without Senior Lender’s prior written consent, Subordinate Lender will not commence foreclosure proceedings with respect to the Property under the Subordinate Loan Documents or exercise any other rights or remedies it may have under the Subordinate Loan Documents, including, but not limited to, accelerating the Subordinate Loan (and enforcing any “due on sale” provision included in the Subordinate Loan Documents), collecting rents, appointing (or seeking the appointment of) a receiver, or exercising any other rights or remedies thereunder unless and until it has delivered a Subordinate Loan Default Notice to Senior Lender and the Senior Lender Cure Period has expired;

i. Subordinate Lender agrees that during the term of this Agreement it will not commence, or join with any other creditor in commencing, any bankruptcy, reorganization, arrangement, insolvency, or liquidation proceedings (any of the foregoing, an "Insolvency Proceeding") against or with respect to Borrower, without Senior Lender’s prior written consent; and

j. To the extent that Borrower makes a payment to Senior Lender or Senior Lender receives any payment or proceeds of the collateral securing the Senior Loan for Borrower’s benefit, which payment or proceeds or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, and/or required to be repaid to a trustee, receiver, or any other party under any bankruptcy law, state or federal law, common law, or equitable doctrine, then, to the extent of such payment or proceeds received and not retained by Senior Lender, Subordinate Lender’s obligations intended to be satisfied thereby and this Agreement shall be reinstated and continue in full force and effect until full and final payment shall have been made to Senior Lender. Subordinate Lender agrees to hold in trust for Senior Lender and promptly remit to Senior Lender any payments received by Subordinate Lender after such invalidated, rescinded, or returned payment was originally made.

5. Subordinate Lender hereby consents to the Senior Loan, the terms and provisions of the Senior Loan Documents, and the execution and delivery by Borrower to Senior Lender of the Senior Loan Documents. Subordinate Lender specifically acknowledges that subject to completion of certain improvements on the Property and the satisfaction by Borrower of certain other conditions within the time set forth in the Loan Purchase Agreement, CCRC shall purchase the Senior Loan from Senior Lender. Upon such purchase, the Senior Loan will become nonrecourse with certain exceptions and will automatically convert from an interest only construction loan into an amortizing term loan, all as more particularly set forth in the Senior Note. Subordinate Lender acknowledges that upon the purchase of the Senior Note by CCRC, the following Senior Loan Documents shall terminate:

a. Pledge and Security Agreement;

b. UCC-1 Financing Statement (Tax Credits);

c. Security Agreement (Rights to Payment)

d. Completion Guaranty; and

e. Repayment Guaranty.
Subordinate Lender acknowledges that if CCRC should become the owner and holder of the Senior Loan and the Senior Note, then from and after the Conversion Date, CCRC shall become the “Senior Lender” hereunder and this Agreement shall continue to inure to the benefit of CCRC and its successors and assigns.

6. In consideration of Subordinate Lender’s covenants and agreements contained in this Agreement, Senior Lender hereby agrees for the benefit of Subordinate Lender as follows:

a. In the event of any default of Borrower under the Senior Loan Documents (each, a “Senior Loan Default”), Senior Lender shall deliver to Subordinate Lender a copy of any notice of default delivered to Borrower in connection therewith (each, a “Senior Loan Default Notice”), concurrently with delivery to Borrower of the same. In such event, Subordinate Lender has the right, but not the obligation, to:

(i) Cure the noticed default by thirty (30) days after the later of (i) expiration of any notice and cure period afforded Borrower pursuant to the Senior Loan Documents or (ii) the date Subordinate Lender receives a copy of the Senior Loan Default Notice (the “Subordinate Lender Cure Period”), provided that Senior Lender shall have the continuing right to record a notice of default and/or obtain a court-ordered receiver and the Subordinate Lender Cure Period shall not toll or extend the statutory cure period after Senior Lender’s recordation of such a notice of default; and

(ii) Following the Conversion Date, purchase or otherwise acquire title to or possession of the Property from Borrower (a “Subordinate Lender Acquisition”) without acceleration of the Senior Loan by Senior Lender. Upon a Subordinate Lender Acquisition, the Senior Loan shall not be accelerated, Subordinate Lender shall be entitled to assume and succeed to Borrower’s obligations under the Senior Loan on the terms and conditions set forth in the Senior Loan Documents, and Senior Lender shall recognize Subordinate Lender as “Borrower” on the condition that Subordinate Lender assumes, in writing, and agree to perform, all of Borrower’s obligations under the Senior Loan Documents and timely cures all outstanding defaults of Borrower under the Senior Loan, including, without limitation, payment of all outstanding principal and interest then-currently due and owing under the Senior Note. As a condition of such assumption, Subordinate Lender shall pay or reimburse Senior Lender the reasonable administrative and/or legal costs actually incurred by Senior Lender in connection with such assumption.

7. Borrower hereby consents and agrees that during the term of this Agreement, Subordinate Lender may from time-to-time consult with Senior Lender regarding the Senior Loan, including disbursements pursuant to the Senior Loan Agreement to Borrower during the course of improvement of the Project, payments by Borrower to Senior Lender under the Senior Loan Documents, matters arising under the Loan Purchase Agreement, and matters relating to the administration by Subordinate Lender of the Subordinate Loan and Subordinate Regulatory Agreement. Borrower hereby further consents and agrees that during the term of this Agreement, Subordinate Lender may also from time-to-time consult with other subordinate lenders which have one or more other security interests in the Property which have been consented to by Senior Lender as relates to the Project, including, without limitation, the Los Angeles County Development Authority (formerly known as the Community Development Commission of the County of Los Angeles) and the State of California Department of Housing and Community Development.

8. Senior Lender hereby acknowledges Subordinate Lender’s agreement to increase the principal amount of the Subordinate Project Loan and consents to the amendments and modifications of the Subordinate Project Loan Documents in connection therewith in satisfaction of the terms and conditions of the 2017 Subordination Agreement.
9. All notices, requests, disapprovals, consents or other communication under this Agreement shall be in writing and shall be given by personal delivery, facsimile, email confirmed by United States First Class Mail, certified mail (return receipt requested) or overnight business Mail, addressed as follows:

If to Subordinate Lender:  
El Monte Housing Authority  
11333 Valley Boulevard  
El Monte, California 91731  
Attention: Executive Director

If to Senior Lender  
(prior to the Conversion Date):  
Wells Fargo Bank, National Association  
Community Lending and Investment  
333 Market Street, 17th Floor  
MAC# A0119-177  
San Francisco, California 94105  
Attention: Lori A. Saito  
Loan No. 1017557

If to Senior Lender  
(from and after the Conversion Date):  
California Community Reinvestment Corporation  
100 W. Broadway, Suite 1000  
Glendale, California 91210  
Attention: President

If to Borrower:  
Baldwin Rose, L.P.  
c/o Mercy Housing California  
1360 Mission Street #300  
San Francisco, California 95833  
Attention: Asset Management

With a copy to:  
New Directions Housing LLC  
11303 Wilshire Boulevard  
VA Building 116  
Los Angeles, California 90073-1003  
Attention: President

With a copy to:  
Wells Fargo Affordable Housing Community Development Corporation  
One Wells Fargo Center  
301 South College Street  
MAC: D1053-170  
Charlotte, North Carolina 28288  
Attention: Director of Tax Credit Asset Management

10. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute and be construed as one and the same instrument.

11. The City is joining in the execution of this Agreement in acknowledgment and agreement that any rights of the City in, to or under the Subordinate Loan and Subordinate Loan Documents are and shall remain subject to the terms of this Agreement, including, without limitation, the subordination of the Subordinate Note, Subordinate Deed of Trust and other Subordinate Loan Documents to the lien of the Senior Deed of Trust, together with Senior Lender’s right to repayment of the Senior Loan and Senior Lender’s rights under any other Senior Loan Documents.

- 9 -
12. Upon the execution and recordation of this Agreement in the Officia Records, this Agreement shall amend and restate the 2017 Subordination Agreement in its entirety.

NOTICE: THIS AMENDED AND RESTATED SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.

IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT HERETO.

[Signature Pages to Follow]
IN WITNESS WHEREOF, Borrower and Subordinate Lender have executed this Agreement as of the date appearing on the first page of this Agreement.

"BORROWER"

BALDWIN ROSE, L.P.,
a California limited partnership

By: Baldwin Rose LLC,
a California limited liability company,
its managing general partner

By: Mercy Housing California,
a California nonprofit public benefit corporation,
its manager

By: __________________________
Erika Villablanca
Vice President

By: New Directions Housing LLC,
a California limited liability company,
its administrative general partner

By: New Directions, Inc.,
a California nonprofit public benefit
corporation, its sole member

By: __________________________
Leonardo O. Cuadrado Jr.
Executive Director

By: __________________________
Rudy Grimaldo
Chairman of the Board

Signature Page to Amended and Restated Subordination Agreement
($2,155,915 El Monte Housing Authority Loans)
"SUBORDINATE LENDER"

EL MONTE HOUSING AUTHORITY,
a public body corporate and politic

By: ________________________________
    Alma K. Martinez
    Executive Director

APPROVED AS TO FORM:

______________________________
for Authority Legal Counsel

Signature Page to Amended and Restated Subordination Agreement
($2,155,915 El Monte Housing Authority Loans)

S-2
"SENIOR LENDER"

WELLS FARGO BANK, NATIONAL ASSOCIATION,
a national banking association

By: Patricia B. Parina
   Vice President
ACKNOWLEDGED AND AGREED:

"CITY"

CITY OF EL MONTE,
a municipal corporation:

By: 
Name: 
Title: 

APPROVED AS TO FORM:

for City Attorney

Signature Page to Amended and Restated Subordination Agreement
($2,155,915 El Monte Housing Authority Loans)

S-4
ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California                
County of _______________________

On __________________, 2020, before me, ________________________________, Notary Public, personally appeared ________________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature ______________________

(Seal)
EXHIBIT A

DESCRIPTION OF PROPERTY

All that certain real property situated in the County of Los Angeles, State of California, described as follows:

PARCEL A:

PARCEL 1 OF PARCEL MAP NO. 73961, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 394, PAGES 83 TO 86, INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL WATER, OIL, NAPHTHA, GAS OR OTHER KINDRED SUBSTANCES DEPOSITED, LYING UNDER OR FLOWING THROUGH SAID PROPERTY AND ALSO RESERVING THE RIGHT TO DRILL FOR ANY OF THE SUBSTANCES NAMED ABOVE AND THE MARKETING OF SAME, AS RESERVED IN DEEDS FROM TITLE GUARANTEE AND TRUST COMPANY

REGISTERED ON AUGUST 3, 1926 AS INSTRUMENT NO. 104322 OF TORRENS;
REGISTERED OCTOBER 4, 1928 AS INSTRUMENT NO. 153546 OF TORRENS; REGISTERED JUNE 21, 1926 AS INSTRUMENT NO. 98697 OF TORRENS;
REGISTERED JANUARY 27, 1940 AS DOCUMENT NO. 1206-I OF TORRENS;
REGISTERED JANUARY 7, 1927, AS DOCUMENT NO. 111802 OF TORRENS;
REGISTERED JANUARY 26, 1929 AS DOCUMENT NO. 160214 OF TORRENS;
REGISTERED ON JUNE 9, 1926 AS DOCUMENT NO. 98357 OF TORRENS;
REGISTERED ON AUGUST 26, 1926 AS INSTRUMENT NO. 104323 OF TORRENS;
REGISTERED OCTOBER 23, 1926 AS DOCUMENT 107472 OF TORRENS;
REGISTERED MARCH 20, 1928 AS DOCUMENT NO. 141478 OF TORRENS
REGISTERED JUNE 5, 1924 INSTRUMENT NO. 58339 OF TORRENS.

APN: 8577-014-900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 912

PARCEL B:

PARCEL 2 OF PARCEL MAP NO. 73961, IN THE CITY OF EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 394, PAGES 83 TO 86, INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL WATER, OIL, NAPHTHA, GAS OR OTHER KINDRED SUBSTANCES DEPOSITED, LYING UNDER OR FLOWING THROUGH SAID PROPERTY AND ALSO RESERVING THE RIGHT TO DRILL FOR ANY OF THE SUBSTANCES NAMED ABOVE AND THE MARKETING OF SAME, AS RESERVED IN DEEDS FROM TITLE GUARANTEE AND TRUST COMPANY, RECORDED JANUARY 11, 1927 IN BOOK 6172 PAGE 99 OF OFFICIAL RECORDS

REGISTERED SEPTEMBER 30, 1926 AS INSTRUMENT NO. 106244 ON CERTIFICATE DT-40529 OF TORRENS;
REGISTERED SEPTEMBER 10, 1936 AS INSTRUMENT NO. 12554-E OF TCRRENS;
REGISTERED DECEMBER 24, 1928 AS INSTRUMENT NO. 158206 ON CERTIFICATE FK-53593 OF TORRENS;

Exhibit A to Amended and Restated Subordination Agreement
($2,155,915 El Monte Housing Authority Loans)
REGISTERED ON AUGUST 8, 1928 AS INSTRUMENT NO. 150021 AND RECORDED IN BOOK 7119 PAGE 368 OFFICIAL RECORDS;
REGISTERED ON JANUARY 27, 1927, AS DOCUMENT NO. 113780, OF TORRENS;
REGISTERED JULY 25, 1936, AS INSTRUMENT NO. 10232-E OF TORRENS;
RESERVED IN DEED RECORDED APRIL 23, 1964 AS INSTRUMENT NO. 2538, OFFICIAL RECORDS;
REGISTERED ON JUNE 3, 1924 AS DOCUMENT NO. 58254 OF TORRENS;
AND RECORDED JUNE 3, 1924 IN BOOK 3127 PAGE 176, OFFICIAL RECORDS;
REGISTERED JUNE 3, 1954 AS DOCUMENT NO. 8846-W OF TORRENS.

APN: 8577-012-900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 915, 917

Exhibit A to Amended and Restated Subordination Agreement
($2,155,915 El Monte Housing Authority Loans)

A-2
RESOLUTION NO. ___

RESOLUTION OF THE EL MONTE HOUSING AUTHORITY
APPROVING AN AMENDED AND RESTATED
SUBORDINATION AGREEMENT IN FAVOR OF THE
PERMANENT MORTGAGE LENDER, CALIFORNIA
COMMUNITY REINVESTMENT CORPORATION BY AND
BETWEEN MERCY HOUSING CALIFORNIA AND
ACKNOWLEDGING CERTAIN MODIFICATIONS TO THE
BALDWIN-ROSE VETERANS FAMILY HOUSING
COMMUNITY DEVELOPMENT INITIATIVE PROJECT

WHEREAS, the El Monte Housing Authority (the “Housing Authority”) has
adopted its Resolution No. 14, dated December 8, 2015 entitled:

RESOLUTION OF THE EL MONTE HOUSING AUTHORITY
APPROVING THE 2015 EL MONTE HOUSING
AUTHORITY DISPOSITION AND DEVELOPMENT
AGREEMENT BY AND BETWEEN THE EL MONTE
HOUSING AUTHORITY AND MERCY HOUSING
CALIFORNIA (MERCY HOUSING VETERANS FAMILY
HOUSING PROJECT); and

WHEREAS, the Housing Authority has adopted its Resolution No. 16, dated
February 21, 2017 entitled:

RESOLUTION OF THE EL MONTE HOUSING AUTHORITY
APPROVING AN AMENDMENT TO THE 2015
DISPOSITION AND DEVELOPMENT AGREEMENT BY
AND BETWEEN MERCY HOUSING CALIFORNIA AND
THE EL MONTE HOUSING AUTHORITY FOR THE
BALDWIN-ROSE VETERANS FAMILY HOUSING
PROJECT AND AUTHORIZING THE EXECUTIVE
DIRECTOR TO DELIVER A REVISED “FIRM FINANCING
COMMITMENT” OF THE EL MONTE HOUSING
AUTHORITY IN FAVOR OF MERCY HOUSING
CALIFORNIA

WHEREAS, the Housing Authority has adopted its Resolution No. 19, dated
October 17, 2017 entitled:

RESOLUTION OF THE EL MONTE HOUSING AUTHORITY
APPROVING AMENDMENT NO. 2 TO THE 2015
DISPOSITION AND DEVELOPMENT AGREEMENT BY
AND BETWEEN MERCY HOUSING CALIFORNIA AND
THE EL MONTE HOUSING AUTHORITY AND
ACKNOWLEDGING CERTAIN MODIFICATIONS TO THE
2015 AFFORDABLE RENTAL HOUSING DEVELOPMENT COOPERATION AND FINANCING AGREEMENT BY AND BETWEEN THE EL MONTE HOUSING AUTHORITY AND THE CITY OF EL MONTE (MERCY HOUSING CALIFORNIA; BALDWIN-ROSE VETERANS FAMILY HOUSING COMMUNITY DEVELOPMENT INITIATIVE PROJECT)

WHEREAS, the Housing Authority has adopted its Resolution No. 21, dated October 19, 2019 entitled:

RESOLUTION OF THE EL MONTE HOUSING AUTHORITY APPROVING AMENDMENT NO. 3 TO THE 2015 DISPOSITION AND DEVELOPMENT AGREEMENT BY AND BETWEEN MERCY HOUSING CALIFORNIA AND THE EL MONTE HOUSING AUTHORITY AND ACKNOWLEDGING CERTAIN MODIFICATIONS TO THE 2015 AFFORDABLE RENTAL HOUSING DEVELOPMENT COOPERATION AND FINANCING AGREEMENT BY AND BETWEEN THE EL MONTE HOUSING AUTHORITY AND THE CITY OF EL MONTE (MERCY HOUSING CALIFORNIA; BALDWIN-ROSE VETERANS FAMILY HOUSING COMMUNITY DEVELOPMENT INITIATIVE PROJECT)

WHEREAS, the developer of the Baldwin-Rose Veterans Family Housing Project (the “Project”), Mercy Housing California (the “Developer”) has requested that the Housing Authority ratify and approve an “Amended and Restated Subordination Agreement” (the “2020 Subordination Agreement”) in favor of the California Community Reinvestment Corporation (“CCRC”) for the Project. The Permanent mortgage loan of CCRC as secured by the Project shall be in a principal amount not to exceed $2,079,300.

NOW, THEREFORE, THE GOVERNING BOARD OF THE EL MONTE HOUSING AUTHORITY DOES HEREBY RESOLVE, DETERMINE AND ORDER, AS FOLLOWS:

SECTION 1. The information set forth in the recital paragraphs of this Resolution is true and correct.

SECTION 2. The Housing Authority has previously considered the staff presentations and the information submittals of Mercy Housing California and Baldwin Rose, L.P., a California limited partnership regarding the Housing Project, including without limitation the presentations made to the Housing Authority at the meeting at which this Resolution was adopted.
SECTION 3. The Housing Authority hereby approves the 2020 Amended and Restated Subordination Agreement in the form as presented at the meeting at which this Resolution is adopted. The Executive Director is hereby authorized and directed to execute the 2020 Amended and Restated Subordination Agreement on behalf of the Housing Authority together with such technical and conforming changes as may be recommenced by the Housing Authority Counsel in consultation with the Executive Director.

SECTION 4. The Secretary shall certify to the adoption of this Resolution which shall be effective upon adoption.

PASSED AND ADOPTED by the governing board of the El Monte Housing Authority its meeting on this ______ day of June 2020.

______________________________
Andre Quintero, Chair
El Monte Housing Authority

ATTEST:

______________________________
Catherine A. Eredia, Secretary
El Monte Housing Authority
STATE OF CALIFORNIA    )
COUNTY OF LOS ANGELES  ) SS:
CITY OF EL MONTE       )

I, Catherine A. Eredia, Secretary of the El Monte Housing Authority, do hereby certify that the above and foregoing Resolution No. __________ was passed, approved, and adopted by the El Monte Housing Authority, signed by the Chairman and attested by the Secretary at a meeting of said Housing Authority held on this ______day of ______________________ 2020, and that said Resolution was adopted by the following votes to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

______________________________
Catherine A. Eredia, Secretary
El Monte Housing Authority
RESOLUTION NO. ________


WHEREAS, the City Council of the City of El Monte has previously adopted Resolution No. 9620, dated October 12, 2015 entitled:

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL MONTE APPROVING THE 2015 AFFORDABLE RENTAL HOUSING DEVELOPMENT COOPERATION AND FINANCING AGREEMENT BY AND BETWEEN THE EL MONTE HOUSING AUTHORITY AND THE CITY OF EL MONTE (MERCY HOUSING CALIFORNIA: BALDWIN-ROSE VETERANS FAMILY HOUSING COMMUNITY DEVELOPMENT INITIATIVE PROJECT)

WHEREAS, in reliance upon the action taken by the City Council under Resolution No. 9620, the El Monte Housing Authority (the “Housing Authority”) has adopted the following Housing Authority Resolutions:

Housing Authority Resolution No. 14 entitled:

RESOLUTION OF THE EL MONTE HOUSING AUTHORITY APPROVING THE 2015 EL MONTE HOUSING AUTHORITY DISPOSITION AND DEVELOPMENT AGREEMENT BY AND BETWEEN THE EL MONTE HOUSING AUTHORITY AND MERCY HOUSING CALIFORNIA (MERCY HOUSING VETERANS FAMILY HOUSING PROJECT); and

Housing Authority Resolution No. 16 entitled:

RESOLUTION OF THE EL MONTE HOUSING AUTHORITY APPROVING AN AMENDMENT TO THE 2015 DISPOSITION AND DEVELOPMENT AGREEMENT BY AND BETWEEN MERCY HOUSING CALIFORNIA AND THE EL MONTE HOUSING AUTHORITY FOR THE BALDWIN-ROSE VETERANS FAMILY HOUSING PROJECT AND AUTHORIZING THE EXECUTIVE DIRECTOR TO DELIVER A REVISED “FIRM FINANCING COMMITMENT” OF THE EL MONTE HOUSING
AUTHORITY IN FAVOR OF MERCY HOUSING CALIFORNIA; and

Housing Authority Resolution No. 19 entitled:

RESOLUTION OF THE EL MONTE HOUSING AUTHORITY APPROVING AMENDMENT NO 2 TO THE 2015 DISPOSITION AND DEVELOPMENT AGREEMENT BY AND BETWEEN MERCY HOUSING CALIFORNIA AND THE EL MONTE HOUSING AUTHORITY AND ACKNOWLEDGING CERTAIN MODIFICATIONS TO THE 2015 AFFORDABLE RENTAL HOUSING DEVELOPMENT COOPERATION AND FINANCING AGREEMENT BY AND BETWEEN THE EL MONTE HOUSING AUTHORITY AND THE CITY OF EL MONTE (MERCY HOUSING CALIFORNIA: BALDWIN-ROSE VETERANS FAMILY HOUSING COMMUNITY DEVELOPMENT INITIATIVE PROJECT); and

Housing Authority Resolution adopted as of October 15, 2019 entitled:

RESOLUTION OF THE EL MONTE HOUSING AUTHORITY APPROVED AMENDMENT NO. 3 TO THE 2015 DISPOSITION AND DEVELOPMENT AGREEMENT BY AND BETWEEN MERCY HOUSING CALIFORNIA AND THE EL MONTE HOUSING AUTHORITY AND ACKNOWLEDGING CERTAIN MODIFICATIONS TO THE 2015 AFFORDABLE RENTAL HOUSING DEVELOPMENT COOPERATION AND FINANCING AGREEMENT BY AND BETWEEN THE EL MONTE HOUSING AUTHORITY AND THE CITY OF EL MONTE (MERCY HOUSING CALIFORNIA: BALDWIN-ROSE VETERANS FAMILY HOUSING COMMUNITY DEVELOPMENT INITIATIVE PROJECT)

Housing Authority Resolution adopted as of June 23, 2020 entitled:

RESOLUTION OF THE EL MONTE HOUSING AUTHORITY APPROVING AN AMENDED AND RESTATE SUBORDINATION AGREEMENT IN FAVOR OF THE PERMANENT MORTGAGE LENDER, CALIFORNIA COMMUNITY REINVESTMENT CORPORATION BY AND BETWEEN MERCY HOUSING CALIFORNIA AND ACKNOWLEDGING CERTAIN MODIFICATIONS TO THE BALDWIN-ROSE VETERANS FAMILY HOUSING COMMUNITY DEVELOPMENT INITIATIVE PROJECT
NOW THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY
THE CITY COUNCIL OF THE CITY OF EL MONTE, CALIFORNIA, AS FOLLOWS:

SECTION 1. The information set forth in the recital paragraphs of this Resolution is true and correct.

SECTION 2. The City Council has previously considered the staff presentations and the information submittals of Mercy Housing California and Baldwin Rose, L.P. regarding the Baldwin-Rose Veterans Family Housing Community Development Initiatives the Project at the meeting at which this Resolution was adopted. The City Council acknowledges that the improvement of the housing project has been completed and that the housing project has been fully occupied by eligible persons and households.

SECTION 3. The City Council hereby approves the form of the instrument entitled "Amended and Restated Subordination Agreement ($2,155,915 El Monte Housing Authority Loans)" in the form as presented to the City Council at the meeting at which this Resolution is adopted. The City Manager is hereby authorized and directed to execute the Amended and Restated Subordination Agreement on behalf of the City together with such technical and conforming changes as may be recommended by the City Attorney in consultation with the City Manager.

SECTION 4. This Resolution shall take effect upon adoption.

PASSED AND ADOPTED by the City Council of the City of El Monte at its special meeting on this _____ of June 2020.

__________________________
Andre Quintero,
Mayor of the City of El Monte

ATTEST:

__________________________
Catherine A. Eredia
City Clerk of the City of El Monte
STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF EL MONTE

I, Catherine A. Eredia, City Clerk of the City of El Monte, do hereby certify that the above and foregoing Resolution No. ________ was passed, approved, and adopted by the City Council of the City of El Monte, signed by the Mayor and attested by the City Clerk at a meeting of said City held on this ______ day of ___________________ 2020, and that said Resolution was adopted by the following votes to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

______________________________
Catherine A. Eredia,
City Clerk of the City of El Monte
CITY OF EL MONTE
CITY MANAGER’S OFFICE
CITY COUNCIL AGENDA REPORT

CITY COUNCIL MEETING OF JUNE 23, 2020

June 16, 2020

The Honorable Mayor and City Council
City of El Monte
11333 Valley Boulevard
El Monte, CA 91731

Dear Mayor and City Council:

CONSIDERATION AND ADOPTION OF A RESOLUTION APPROVING YEAR-END BUDGET ADJUSTMENTS FOR THE GENERAL FUND AND OTHER FUNDS FOR FISCAL YEAR 2019/20

IT IS RECOMMENDED THAT THE CITY COUNCIL:

1. Consider and adopt a resolution (Attachment 1) amending the City of El Monte’s Operating and Capital Budget for Fiscal Year 2019/20 by increasing appropriations in the General Fund by $5.3 million; Special Revenue Funds by $656,868; Enterprise Fund by $46,200 and the Internal Service Fund by $632,800.

BACKGROUND/JUSTIFICATION OF RECOMMENDED ACTION

The Fiscal Year 2019/20 operating and capital budget was originally adopted on August 29, 2019. The presentation of the year-end budget review provides staff the opportunity to inform residents, the public, and the City Council of the financial condition of the City for the current fiscal year as of May 31, 2020.

This report summarizes the City’s fiscal status by providing an analysis of current year-to-date revenues and expenditures for Fiscal Year 2019/20. The amended budget incorporates revisions for economic trends and emerging issues that were unknown when the budget was originally adopted in August 2019.

A City-wide operational budget amendment is recommended so that the fiscal changes are noted, and so that the amended budget will not only provide the proper funding needed to carry out the programs and activities anticipated through June 30, 2020, but
will also more accurately reflect the financial condition of the City as it enters the Fiscal Year 2020/2021 budget preparation process.

General Fund

Attachment 2 of the report shows a summary illustration of the General Fund’s original adopted budget in comparison to the proposed revised year-end adjustments. Below is a summary analysis of the financial condition of the City through May 31, 2020.

Revenues

In light of the COVID-19 pandemic the City is anticipating a significant reduction in key revenue sources such as Sale Tax, Development Fees, Transient Occupancy Tax (TOT), Business License and Park & Recreation Fees. On March 19, 2020, California’s Governor declared a statewide stay-at-home order declaring all nonessential businesses to close operations to prevent the spread of the COVID-19 virus. As a result of this statewide order, total General Fund revenues are anticipated to fall short of the original projections by approximately 9% resulting in a revenue shortfall of $6.9 million of which, both sales tax and development fees sustaining the largest reductions totaling $5.8 million.

The General Fund adopted Revenue Budget for FY 2019/20 was $76.1 million which, comprised of $74.1 million from operating sources and $2.0 million as bond proceeds from other financing sources. As of May 31, 2020, actual operating revenues were $61.2 million, or 80.3%, of the total projected budget.

The City’s primary General Fund revenue sources are Sales Tax, Property Tax, Utility Users Tax and Franchise Fees which, collectively as a group, generate approximately 75% to 80% of the total General Fund revenues. These major sources of revenues are received at various times throughout the fiscal year. For example, Secured Property Tax Bills are due without penalty to the County by December 10th and April 10th as a result, the City receives approximately half of the annual property tax revenues in December and January while the remaining portion is typically received in April and May of each year. Both Sales Tax and Utility User Taxes are received on a monthly basis however; Sales Tax is reported on a two-month delay while Utility User Tax is reported on a one-month delay. Franchise Fees are received on a quarterly basis while the Transient Occupancy Tax and Park & Recreation fees are received on a monthly basis but can fluctuate from month to month. As a result of the timing of these primary General Fund revenues the City has received approximately 80.3% of the total projected General Fund revenues through the end of May 2020.

As of May 31, 2020, total accumulative Sales Tax revenues were $17.0 million or 78% of the projected annual receipts and are approximately (2.2%) less compared to the same period last year. Total sales tax revenues are anticipated to decline (6%) for FY
2019/20 in comparison to original adopted budget. This projected reduction in sales tax is the direct result of the COVID-19 pandemic and the statewide stay-at-home order. Total Property Tax revenues are $21.0 million or 99% of projected annual receipts, and include $14.0 million from vehicle license in-lieu fees (VLF). Despite the current recessionary conditions of the local economy, property values are anticipated to remain unchanged with no significant reduction in property tax revenues for this fiscal year.

Total year-to-date Utility Users Tax (UUT) revenues are $5.0 million or 77% of projected annual receipts and are not anticipated to be affected by the pandemic. However, the utility user tax associated with phone service has steadily declined over the past several years as more residential customers reduce their dependency on both home and cellular service. Increasingly more residential customers have eliminated their home landline phone service and have settled for cellular service only. As a result, it is anticipated that the year-end total UUT associate with phone services should be reduced by $700,000.

Development fees are anticipated to sustain the largest reduction in revenues as a result of both the COVID-19 pandemic and the delay in several large projects that were anticipated to begin during this fiscal year but were actually delayed prior to the pandemic. As a result, total development fee revenues were overestimated by $4.5 million and should be adjusted to reflect a more accurate projection for this fiscal year.

As a result of the stay-at-home order and the temporary closure of most non-essential businesses, both revenues from Park & Recreation activities and Business License revenues are anticipated to be less than anticipated and should be reduced to more accurately reflect the decline in revenues.

The City is in the midst of issuing two bond sales which will be used to pay off eligible CalPERS unfunded pension liability costs and the unfunded liability cost associated with the City’s supplemental retirement program with PARS. Through the process of issuing these bonds the City anticipated receiving an additional $6.0 million in bond proceeds.

**Expenditures**

The adopted General Fund expenditure budget for FY 2019/20 was $76.1 million while an additional $68,705 of budget appropriations have been presented to City Council for approval during this fiscal year bringing the total approved General Fund expenditure budget to $76.2 million. As a result of various events that have occurred during the fiscal year total General Fund appropriations of $5.3 million are required to support current year activities and were unanticipated at the time of adopting the General Fund budget. These additional appropriations are needed to continue operations and are listed as follows:

As part of the analysis for the preparation to issue the pension obligation bonds it was discovered through a third party actuarial consultant that part of our annual unfunded
liability payment to CalPERS as well as part of the employee normal cost are not eligible to be paid from the tax override fund. As a result, beginning this fiscal year and all future years, these disqualified costs must be supported by other funds. Since the majority of all labor costs are supported by the General Fund, approximately $2.8 million of pension related expenses must be absorbed by the General Fund. For this fiscal year, $1.5 million in disqualified normal cost are being charged to the General Fund along with $1.3 million of the annual unfunded pension liability cost. These costs were unknown at the time of the adoption of the FY 2019/20 budget thus, an additional appropriations of $2.8 million is required to support these annual expenses.

Upon the adoption of the current fiscal year General Fund operating budget, the Police Department projected $2.2 million in overtime costs. As of the end of May 2020, total police overtime has extended beyond $3.0 million resulting in an additional appropriation of $1.0 million is needed to support the anticipated total year-end overtime costs.

Under the original adopted FY 2019/20 General Fund budget, $1.5 million was programmed to support the City annual general liability insurance premium and claims. For the current fiscal year the City paid $2.0 million for the annual general liability insurance premium and through May 2020, the City has paid $941,000 in actual claims and administrative fees. As a result, an additional appropriation of $1.4 million is required to support these additional unanticipated costs.

The current fiscal year General Fund budget was approved on August 29, 2019 with a surplus of $834 while during the fiscal year an additional $68,705 appropriation was requests from reserves. In light of the unanticipated expenditures mentioned above, an additional $5.3 million in appropriation is requested and will be supported by General Fund reserves. As a result of the proposed year-end adjustments in both reducing projected general operating revenues, the infusion of bond proceeds and the additional appropriation, the total General Fund deficit for this fiscal year is projected to be ($6.2) million.

**Special Revenue Funds**

In addition to the General Fund the City relies on other funds for operations which are classified in the following three major categories: Special Revenue, Enterprise, and Internal Service Funds. In addition to year-end budget adjustment to the General Fund, Attachment 3 reflects both revenue and expenditure adjustments to various special revenue funds, enterprise funds and internal service funds.

**Special Revenue**

Special revenue funds are used to account for activities which have legal restrictions or restricted for a specified purpose such as Federal, State and local grants, impact fees and developer contributions. Staff recommends increasing appropriation in the amount
HONORABLE MAYOR AND CITY COUNCIL
JUNE 23, 2020
PAGE 5

of $656,868 in total for 8 special revenue funds which are listed in Attachment 3 along with the recognition of additional revenues. Each fund has sufficient reserves in their respective fund balances. These additional appropriations are needed to support current and ongoing costs for this fiscal year and have no effect on the General Fund. These additional expenditures resulted in events that were not anticipated at the time of the adoption of the Special Revenue Fund’s budget.

Enterprise Funds

As a consequence of the CalPERS costs that are disqualified to be paid from the pension tax override account, similar to the General Fund, both the Water and Sewer Funds have incurred additional labor costs associated with CalPERS retirement expenses. For this fiscal year and future years, the enterprise funds will be required to support employee retirement pension costs that were previously paid solely by the tax override account. For this fiscal year the Water Fund will incur an additional $24,600 related pension costs while the Sewer Fund will incur and additional $21,600.

Internal Service Fund

For many years the City has maintained two separate internal service funds associated with retiree medical insurance which were designated as the Police Officers’ Association (POA) Retiree Insurance Fund and the SEIU Retiree Insurance Fund. The POA Retiree Insurance Fund was previous supported by dues from police offices however, this account has been dormant for many years. The remaining balance of $16,500 was returned to the POA further closing out this fund. Prior to July 2019 the City along with active and retired SEIU members contributed to the SEIU Retiree Insurance Fund on behalf of its members to provide medical insurance to SEIU retired members. Under the current SEIU memorandum of understanding (MOU) the City and employees will no longer contribute to this insurance fund; instead all retiree medical expenses will be supported by the General Fund. In light of this action under the current MOU this fund is no longer used and the cash balance of $773,279 in this fund was transferred to the General Fund. As a result, an additional appropriation of $516,300 is required to support this transfer. Current expenditures through May 2020, in the Worker’s Compensation Fund exceed the appropriations limit by ($28,430), a budget increase of $100,000 is needed to support all costs through the end of the fiscal year.

FISCAL IMPACT

The proposed Citywide year-end budget adjustments will amend the adopted budget to meet increases in service demand levels, reflect changes to the revenue projections as well as provide for full budget disclosure to increase overall financial transparency.
CONCLUSION

It is recommended that the City Council consider and adopt a resolution to increase appropriations in the General Fund budget in the amount of $5.3 million for a total budget of $81,489,643; increase appropriation in the internal service funds in the amount of $632,800; increase accumulative appropriation amount of $656,868 in the Special Revenue funds and increase total appropriation in the enterprise funds by $46,200. These increases in budget appropriations are the result of additional unanticipated expenditures that were unforeseen when the original budget was adopted.
HONORABLE MAYOR AND CITY COUNCIL
JUNE 23, 2020
PAGE 7

Respectfully submitted,

ALMA K. MARTINEZ
City Manager

BRUCE FOLTZ
Finance Director

Attachments:
1. Resolution amending the FY2019/20 Operating and Capital Budget
2. General Fund – Summary
3. Special Revenue Budget Amendments
RESOLUTION NO. _______

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL MONTE, CALIFORNIA ADOPTING AN AMENDMENT OF THE FY 2019/2020 GENERAL FUND, ENTERPRISE FUND, SPECIAL REVENUE, AND OTHER FUNDS

WHEREAS, the City of El Monte adopted the annual operating budget for the fiscal year beginning July 1, 2019 to June 30, 2020; and

WHEREAS, such budget has been reviewed by the City Council with regard to staff requests to amend the estimated revenues and expenditures; and

NOW THEREFORE THE CITY Council of the City of El Monte does hereby pass and resolve as follows:

SECTION 1. This Resolution is adopted for the purposes of amending the approval by the City Council of the City of El Monte of the General Fund, Special Revenue Funds, Enterprise Funds and Other Funds Annual Operating Budget of the City for the 2019/20 Fiscal Year (the "Annual Budget"). A copy of the Original and Amended Annual Budget as presented at the meeting on June 23, 2020 and the Resolution in adoption is on file with the City Clerk. The amended $190.2 million Annual Operating Budget is comprised of the: "General Fund", "Special Revenue Funds," "Enterprise Funds" and "Other Funds".

SECTION 2. The Annual Amended Appropriation Budget provides for each fund as follows:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$81,489,643</td>
</tr>
<tr>
<td>Special Revenues</td>
<td>$74,946,090</td>
</tr>
<tr>
<td>Other Funds</td>
<td>$21,871,081</td>
</tr>
<tr>
<td>Enterprise Funds</td>
<td></td>
</tr>
<tr>
<td>Fund 600 - Water</td>
<td>$ 6,362,062</td>
</tr>
<tr>
<td>Fund 650 - Sewer</td>
<td>$ 5,484,483</td>
</tr>
<tr>
<td>Sub-Total Enterprise Funds</td>
<td>$11,846,545</td>
</tr>
</tbody>
</table>

SECTION 3. The total annual amended budget as set forth as of the date of adoption of the Resolution is as follows: $190,153,359

SECTION 4. The Finance Department is hereby authorized and declared to cause a copy of the Amended Budget as hereby approved to be uploaded or posted to the City website at the earliest feasible time.

SECTION 5. This Resolution shall be effective as the date of original adoption, April 10, 2018.
PASSED, APPROVED, AND ADOPTED by the City Council of the City of El Monte at its regular meeting on this 23rd day of June 2020.

______________________________
Andre Quintero, Mayor
City of El Monte

ATTEST:

______________________________
Catherine A Eredia, City Clerk
City of El Monte

STATE OF CALIFORNIA    )
COUNTY OF LOS ANGELES  ) SS:
CITY OF EL MONTE       )

I, Catherine A. Eredia, City Clerk of the City of El Monte, do hereby certify that the above and foregoing Resolution No. _____ was passed, approved, and adopted by the City Council of the City of El Monte, signed by the Mayor and attested by the City Clerk at a meeting of said City held on this 23rd day of June 2020, and that said Resolution was adopted by the following votes to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

______________________________
Catherine A. Eredia, City Clerk
City of El Monte
## Attachment 2

### General Fund

<table>
<thead>
<tr>
<th></th>
<th>YTD FY2020 Actual</th>
<th>Adopted FY2020 Budget</th>
<th>Adjustments July 2019 to May 2020</th>
<th>YTD FY2020 Budget</th>
<th>Year-End Adjustments</th>
<th>Revised FY2020 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Tax</td>
<td>21,047,843</td>
<td>21,164,000</td>
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<td>21,164,000</td>
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<td>21,164,000</td>
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<tr>
<td>Sales Tax</td>
<td>17,013,178</td>
<td>21,778,000</td>
<td></td>
<td>21,778,000</td>
<td>(1,271,000)</td>
<td>20,507,000</td>
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<tr>
<td>Utility User Tax</td>
<td>4,976,039</td>
<td>6,470,000</td>
<td></td>
<td>6,470,000</td>
<td>(700,000)</td>
<td>5,770,000</td>
</tr>
<tr>
<td>Franchise Fees</td>
<td>2,330,625</td>
<td>3,269,000</td>
<td></td>
<td>3,269,000</td>
<td>250,000</td>
<td>3,519,000</td>
</tr>
<tr>
<td>TOT</td>
<td>687,955</td>
<td>800,000</td>
<td></td>
<td>800,000</td>
<td>(90,000)</td>
<td>710,000</td>
</tr>
<tr>
<td>Business License</td>
<td>2,215,347</td>
<td>2,569,000</td>
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<td>2,569,000</td>
<td>(340,000)</td>
<td>2,229,000</td>
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<tr>
<td>Development Fees</td>
<td>2,972,423</td>
<td>8,132,500</td>
<td></td>
<td>8,132,500</td>
<td>(4,520,000)</td>
<td>3,612,500</td>
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<tr>
<td>Park &amp; Rec Fees</td>
<td>308,434</td>
<td>495,500</td>
<td></td>
<td>495,500</td>
<td>(187,000)</td>
<td>308,500</td>
</tr>
<tr>
<td>Fines and Fees</td>
<td>1,313,270</td>
<td>1,533,700</td>
<td></td>
<td>1,533,700</td>
<td></td>
<td>1,533,700</td>
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<tr>
<td>Other Revenues</td>
<td>5,348,005</td>
<td>5,010,072</td>
<td></td>
<td>5,010,072</td>
<td></td>
<td>5,010,072</td>
</tr>
<tr>
<td>Transfers-in</td>
<td>2,948,279</td>
<td>2,900,000</td>
<td></td>
<td>2,900,000</td>
<td></td>
<td>2,900,000</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>61,161,398</td>
<td>74,121,772</td>
<td>0</td>
<td>74,121,772</td>
<td>(6,858,000)</td>
<td>67,263,772</td>
</tr>
<tr>
<td>Bond Proceeds</td>
<td></td>
<td>2,000,000</td>
<td></td>
<td>2,000,000</td>
<td>6,000,000</td>
<td>8,000,000</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>61,161,398</td>
<td>76,121,772</td>
<td>0</td>
<td>76,121,772</td>
<td>(858,000)</td>
<td>75,263,772</td>
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<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Police Services</td>
<td>27,375,838</td>
<td>27,471,758</td>
<td></td>
<td>27,471,758</td>
<td>2,453,010</td>
<td>29,924,768</td>
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<tr>
<td>Fire Services</td>
<td>14,325,383</td>
<td>14,732,288</td>
<td></td>
<td>14,732,288</td>
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<td>14,732,288</td>
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<tr>
<td>Public Works</td>
<td>7,177,086</td>
<td>10,802,677</td>
<td>68,705</td>
<td>10,871,382</td>
<td>32,500</td>
<td>10,903,882</td>
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<tr>
<td>Economic Development</td>
<td>3,617,035</td>
<td>7,421,423</td>
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<td>7,421,423</td>
<td>39,630</td>
<td>7,461,053</td>
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<tr>
<td>Parks &amp; Recreations</td>
<td>2,481,820</td>
<td>3,130,962</td>
<td></td>
<td>3,130,962</td>
<td>22,360</td>
<td>3,153,322</td>
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<tr>
<td>Legal Services</td>
<td>1,559,905</td>
<td>1,641,000</td>
<td></td>
<td>1,641,000</td>
<td></td>
<td>1,641,000</td>
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<tr>
<td>Administration</td>
<td>9,433,059</td>
<td>10,920,830</td>
<td></td>
<td>10,920,830</td>
<td>2,752,500</td>
<td>13,673,330</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>65,970,126</td>
<td>76,120,938</td>
<td>68,705</td>
<td>76,189,643</td>
<td>5,300,000</td>
<td>81,489,643</td>
</tr>
<tr>
<td><strong>Total Surplus (Deficit)</strong></td>
<td>(4,808,728)</td>
<td>834</td>
<td>(68,705)</td>
<td>(67,871)</td>
<td>(6,158,000)</td>
<td>(6,225,871)</td>
</tr>
</tbody>
</table>
## ATTACHMENT 3
Special Revenues, Enterprise and Internal Service Funds

<table>
<thead>
<tr>
<th>Fund</th>
<th>Fund Name</th>
<th>Revenues</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>201</td>
<td>Parking Business Improvement Fund</td>
<td>$</td>
<td>$ 108,525</td>
</tr>
<tr>
<td>203</td>
<td>Proposition &quot;C&quot;</td>
<td></td>
<td>10,000</td>
</tr>
<tr>
<td>205</td>
<td>Gas Tax Fund</td>
<td></td>
<td>(500,000)</td>
</tr>
<tr>
<td>220</td>
<td>Community Development Block Grant</td>
<td></td>
<td>8,000</td>
</tr>
<tr>
<td>255</td>
<td>Elderly Supportive Services Program</td>
<td>9,687</td>
<td>24,943</td>
</tr>
<tr>
<td>256</td>
<td>Elderly Nutrition Program</td>
<td>14,300</td>
<td>135,400</td>
</tr>
<tr>
<td>259</td>
<td>Asset Forfeiture</td>
<td></td>
<td>700,000</td>
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<tr>
<td>299</td>
<td>Misc. Grants Fund</td>
<td>170,000</td>
<td>170,000</td>
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<tr>
<td></td>
<td><strong>Total Special Revenue Funds</strong></td>
<td>$ 193,987</td>
<td>$ 656,868</td>
</tr>
<tr>
<td>600</td>
<td>Water Fund</td>
<td></td>
<td>24,600</td>
</tr>
<tr>
<td>650</td>
<td>Sewer Fund</td>
<td></td>
<td>21,600</td>
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<td></td>
<td><strong>Total Special Revenue Funds</strong></td>
<td></td>
<td>$ 46,200</td>
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<tr>
<td>700</td>
<td>Worker’s Compensation Fund</td>
<td></td>
<td>$ 100,000</td>
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<td>800</td>
<td>Police Retire Insurance Fund</td>
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<td>16,500</td>
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<tr>
<td>801</td>
<td>SEIU Retire Insurance Fund</td>
<td>(331,000)</td>
<td>516,300</td>
</tr>
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<td></td>
<td><strong>Total Special Revenue Funds</strong></td>
<td>$ (331,000)</td>
<td>$ 632,800</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td>$ (137,013)</td>
<td>$ 1,335,868</td>
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</tbody>
</table>