

TRANSMITTAL

To:

THE COUNCIL

Date: 12/20/2016

From:

THE MAYOR

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.

A handwritten signature in blue ink, appearing to read 'Eric Garcetti', is written over a faint circular stamp.

(Ana Guerrero)

ERIC GARCETTI
Mayor



Housing Development Bureau

1200 West 7th Street, Los Angeles, CA 90017
tel 213.808.8638 | fax 213.808.8610
hcidla.lacity.org



Eric Garcetti, Mayor
Rushmore D. Cervantes, General Manager

December 07, 2016

Council File: 16-0729

C.D.: Citywide

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Honorable Eric Garcetti
Mayor, City of Los Angeles
Room 303, City Hall
200 North Spring Street
Los Angeles, CA 90012

Attention: Mandy Morales, Legislative Coordinator

**COUNCIL TRANSMITTAL: RESULTS OF THE OCCUPANCY MONITORING SERVICES
REQUEST FOR PROPOSALS (RFP) PROCESS AND AUTHORITY TO CONTRACT**

SUMMARY

The Los Angeles Housing and Community Investment Department (HCIDLA) hereby transmits the results of the Occupancy Monitoring Services Request for Proposal (RFP) process along with its recommendations for the selection of a contractor to provide affordable housing occupancy monitoring services on behalf of the City of Los Angeles. Through the implementation of the RFP, HCIDLA determined that Urban Futures Bond Administration, Inc. (UFBA) was the most qualified and the highest scoring proposer. As such, the General Manager of HCIDLA requests authority to execute a one (1) year contract, for Nine Hundred Fifty Thousand Dollars (\$950,000), effective January 1, 2017 through December 31, 2017, with an option to renew the contract for up to four (4) additional, one (1) year program terms contingent upon satisfactory performance by the contractor and funding availability. Funding for the initial one (1) year term of this contract will be funded with HOME Investment Partnerships program (HOME), Municipal Housing Finance (MHFF), and Low and Moderate Income Housing (LMIH) Funds.

RECOMMENDATIONS

The General Manager of HCIDLA respectfully requests that this transmittal be scheduled for consideration at the next available meeting(s) of the appropriate City Council committee(s) and be scheduled for consideration by the full City Council immediately thereafter.

The General Manager of HCIDLA further recommends that the City Council, subject to the approval of the Mayor, take the following actions:

- A. AUTHORIZE the General Manager, HCIDLA, or designee, to negotiate and execute a contract with Urban Futures Bond Administration, Inc. for an amount not to exceed \$950,000 to provide affordable housing occupancy monitoring services for a one (1) year term, effective from January 1, 2017 through December 31, 2017, with four (4) additional, one (1) year renewal options, in substantial conformance with the draft contract attached to this transmittal and subject to the following: 1) funding availability; 2) satisfactory contractor performance; 3) departmental need; 4) compliance with all applicable Federal, State and City regulatory requirements; 5) approval of the City Attorney as to form; and 6) compliance with City contracting standards and requirements.

- B. Authorize the City Controller to:

Establish the following account and appropriate from available cash balance within the Low and Moderate Income Housing Fund No. 55J:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
43N243	Occupancy Monitoring	\$430,000.00

- C. AUTHORIZE the City Controller to expend funds up to \$950,000 on an as-needed basis derived from HOME Investment Partnerships Program Fund No. 561/43, Account No. N243 for \$180,000; the Municipal Housing Finance Fund 815/43, Account No. N243 for \$340,000; and the Low and Moderate Income Housing Fund No. 55J/43, Account No. N243 for \$430,000, upon proper demand by the General Manager of HCIDLA, or designee.
- D. AUTHORIZE the General Manager of HCIDLA, or designee, to prepare Controller instructions and any technical adjustments consistent with Mayor and City Council actions, subject to the approval of the City Administrative Officer (CAO), and instruct the Controller to implement the instructions.

BACKGROUND

HCIDLA's portfolio of multifamily rental affordable housing consists of projects that are subject to one or more contractual affordability restrictions, called regulatory agreements or covenants. These recorded instruments are placed on the property's title when the owner receives financing through the

City's Affordable Housing Trust Fund (AHTF), from Multi-family Housing Revenue Bonds issued by the City, other loans and grants, and/or when the owner has received a land use concession, such as a Density Bonus. Because multiple programs may restrict the same properties, some units are monitored for multiple program requirements. The multifamily rental affordable housing portfolio totals 36,081 units in 1,206 projects; this is an unduplicated count. HCIDLA is charged with annual occupancy monitoring of the affordable units set aside in these covenants and regulatory agreements for up to 55 years to ensure compliance with rent and income restrictions.

The following list includes the program and the sources/authorities that restrict the affordable housing units:

- Federal Programs: HOME Investment Partnerships Program (HOME), Community Development Block Grant (CDBG), Neighborhood Stabilization Program (NSP), Housing Opportunities for Persons with HIV/AIDS (HOPWA), Neighborhood Preservation Program (NPP), Earthquake Program, Section 108, Energy Efficiency and Conservation Block Grant (EECBG), Multi-family Housing Bonds (Bonds)
- State Programs: Jobs-Housing Balance Grant, Workforce Housing Grant, and Community Redevelopment Funds (CRA)
- Land Use Programs: Density Bonus Ordinance, Greater Downtown Housing Incentives Ordinance, State Mello Act, Los Angeles City Planning Commission Determinations and City Council/Mayoral actions that require affordable housing unit set-asides

NEED FOR CONTRACT SERVICES

There is a critical need to provide oversight to property owners/manager who are responsible for renting housing units to income-eligible tenants and charging them affordable rents. Annual occupancy monitoring is the only way that the City can ensure that the tenants are being charged the correct rents for the entire time the project is to remain affordable, per the covenant or regulatory agreement that the owner signed in exchange for a loan, grant or land use concession. Without annual occupancy monitoring, the City cannot:

- preserve the affordability of the housing units;
- protect tenants against illegal rent increases;
- ensure that income-qualified tenants are moving into restricted units;
- shield the City against negative audit findings that result from not monitoring the project to the local, state or federal program standards; nor
- protect the City against potential lawsuits for failure to perform a mandatory function.

The number of multifamily rental affordable housing units in the Affordable Housing Portfolio has grown from nearly 12,000 units in 2003 to over 36,000 units in 2016. It is expected that the inventory will increase by several thousand affordable rental units over the next few years primarily due to new projects with AHTF, Bond, and Land Use restrictions. Additionally, HCIDLA will add to the contract

single family homeownership loans that have been funded by federal, state and/or local programs and that require annual monitoring to ensure the income-qualified buyer continues residing in their home.

Monitoring services are contracted out due to: 1) the extremely large number of affordable housing projects and units that must be monitored annually; 2) the need for a specialized and highly technical database to document and track monitoring status; 3) the need to calculate allowable rents and incomes; and 4) the determination of compliance with various program guidelines. HCIDLA currently does not have the capacity to monitor such a specialized portfolio of projects, nor sufficient staff to review the voluminous documentation and conduct mandatory site visits.

OCCUPANCY MONITORING SERVICES

On August 29, 2016, HCIDLA released a RFP for Occupancy Monitoring Services. The RFP indicated that HCIDLA seeks to contract for monitoring services for its Affordable Housing Inventory with local, state and federal affordability restrictions.

Proposers were invited to submit proposals to provide monitoring services in the program categories listed in the RFP. Required services included: 1) maintain updated electronic files for each monitored project to document and track compliance; 2) annually collect various monitoring documents and certifications from the property owner/manager of each multi-family property in the inventory; 3) accurately review income source documentation for new and recertifying tenants of restricted units; 4) accurately apply various affordable housing program regulations and requirements to determine whether a property/unit is compliant; 5) conduct on-site visits and follow-up on non-compliant properties; 6) provide customer service to property owners/managers; 7) collect information from each homeowner in the single-family loan monitoring portfolio as evidence that the homebuyer is residing in the home; 8) submit documentation to certify compliance with multi-family housing bond projects; 9) provide HCIDLA with a status and compliance report; 10) construct a database and reports to collect data on tenant accessibility needs; and 11) provide additional related services and technical assistance, as requested.

RESPONSE TO RFP

To appropriately market the RFP and encourage submission of as many qualified proposals as possible, HCIDLA advertised the RFP by posting it on the Los Angeles Business Assistance Virtual Network (LABAVN), which drew 55 entities to view the posting. Representatives from four (4) organizations attended the HCIDLA's Proposers' Conference, held on September 8, 2016. HCIDLA received 34 questions from potential proposers by the submission deadline. All questions and answers were posted to the LABAVN website.

HCIDLA received proposals from three (3) organizations by the October 3, 2016 proposal submission deadline. The highly specialized nature of the requested services, as well as the experience, training, and capacity required to bid competitively on HCIDLA's large affordable housing portfolio, resulted in a limited number of firms expressing interest. Proposals were reviewed in accordance with the process identified in the RFP. Proposals were first reviewed to determine if the minimum eligibility

requirements had been met. Proposals that met the minimum eligibility requirements were reviewed, scored and ranked. Proposals were independently scored based on the following criteria and on a 100 point scale:

- | | | |
|----|-------------------------|-----------|
| 1. | Demonstrated ability | 30 points |
| 2. | Demonstrated capacity | 30 points |
| 3. | Technical system design | 20 points |
| 4. | Cost reasonableness | 20 points |

For each proposal, the raters' scores were averaged, resulting in the following final scores:

- | | | |
|----|---|------|
| 1. | Urban Futures Bond Administration, Inc. | 91.8 |
| 2. | Intuitive Real Estate Solutions | 47.8 |
| 3. | Vasquez & Company | 35.3 |

A minimum of 70 points is required to be considered qualified and eligible for a contract. UFBA was the only proposal to receive a score above 70 points. UFBA received the highest overall score and the highest score in each of the scoring categories. HCIDLA notified each proposer of their scores and the appeal process by e-mail. As the most qualified and highest scoring firm, UFBA was informed that pending any appeal, they would be recommended to the Mayor and City Council for a contract.

APPEALS PROCESS

On November 2, 2016, all three proposers were notified of the results of the RFP evaluation process for the Occupancy Monitoring Services program and were offered the opportunity to appeal the review process used by HCIDLA in making its recommendations. HCIDLA provided proposers five business days from the date of receiving their notification letter to file an appeal. One appeal by Intuitive Real Estate Solutions was received within the timeframe required in the RFP.

An appeals hearing was conducted and the appeals panel upheld all four recommendations by HCIDLA. These included upholding three recommendations to deny the appeal requests by the appellant and one recommendation to sustain an appeal request by the appellant and award four additional points for Cost Reasonableness. As such, four points were added to Intuitive Real Estate Solutions' score for a revised total of 51.8.

CONTRACTOR RECOMMENDATION

HCIDLA recommends negotiating and executing a one-year contract with Urban Futures Bond Administration, Inc. for \$950,000, effective from January 1, 2017 through December 31, 2017, with four (4) one-year renewal options contingent upon satisfactory performance by the contractor and funding availability.

FISCAL IMPACT

There will be no impact on the City's General Fund. Funding from the contract will be derived from HOME Investment Partnership Act (HOME), Municipal Housing Finance (MHFF) and Low and Moderate Income Housing (LMIH) Funds.

Prepared by:



BRITTANYA MURILLO
Manager, Occupancy Monitoring Unit

Reviewed by:



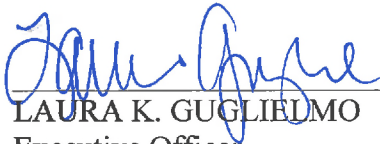
DOUGLAS SWOGER
Director, Asset Management Division

Reviewed by:



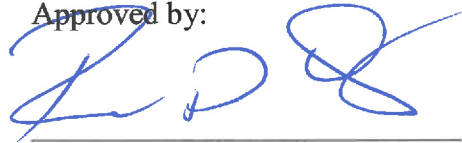
HELMY A. HISSERICH
Assistant General Manager

Approved by:



LAURA K. GUGLIELMO
Executive Officer

Approved by:



RUSHMORE D. CERVANTES
General Manager

HH:DS:BM:js

Attachment: Draft Contract

PROFESSIONAL SERVICES AGREEMENT

Contractor: Urban Futures Bond Administration, Inc.

Title: Occupancy Monitoring Services

Said Agreement is Number _____ of City Contracts

DRAFT

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Exhibit B	Notice Against Retaliation
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Exhibit E	Project Overview
Exhibit F	Monitoring Documents to be Collected
Exhibit G	Site Visit Auditing Documents
Exhibit H	Fee Schedule

AGREEMENT NUMBER _____ OF CITY CONTRACTS
BETWEEN
THE CITY OF LOS ANGELES
AND
URBAN FUTURES BOND ADMINISTRATION, INCORPORATED

THIS AGREEMENT is made and entered into by and between the City of Los Angeles, a municipal corporation, hereinafter called the City, and Urban Futures Bond Administration, Inc., a California corporation, hereinafter called the Contractor.

W I T N E S S E T H

WHEREAS, the Los Angeles Housing and Community Investment Department, hereinafter called HCIDLA, has been designated by the City to provide for the proper planning, coordination, direction and management of the City's various community development activities; and

WHEREAS, the City cooperates with private organizations, other agencies of the City and agencies of other governmental jurisdictions in carrying out certain functions and programs which are its responsibility; and

WHEREAS, the project which is the subject of this Agreement, hereinafter called the Agreement, has been established by the City as one of the above described programs, and has been funded in the HCIDLA Department budget which has been approved by the Los Angeles City Council and the Mayor; and

WHEREAS, the services to be provided herein are of a professional, expert, temporary, and occasional nature; and

WHEREAS, pursuant to Los Angeles City Charter Section 1022, the City Council or designee has determined that the work can be performed more economically or feasibly by independent contractors than by City employees; and

WHEREAS, the City and the Contractor are desirous of executing this Agreement as authorized by the City Council and the Mayor (refer to Council File Number _____ dated _____) which authorizes the General Manager of the Housing and Community Investment Department to prepare and execute the Agreement.

NOW, THEREFORE, the City and the Contractor agree as follows:

I.

INTRODUCTION

§101. Parties to the Agreement

The parties to this Agreement are:

- A. The City of Los Angeles, a municipal corporation, having its principal office at 200 North Spring Street, Los Angeles, CA 90012.
- B. The Contractor, known as Urban Futures Bond Administration, Inc., a California corporation, having its principal office at 3111 N. Tustin Street, Suite 110, Orange, CA 92865.

§102. Representatives of the Parties and Service of Notices

- A. The representatives of the respective parties who are authorized to administer this Agreement and to whom formal notices, demands and communications shall be given are as follows:

- 1. The representative of the City shall be, unless otherwise stated in the Agreement:

Rushmore D. Cervantes, General Manager
Los Angeles Housing and Community Investment Department
1200 West 7th Street, 9th Floor
Los Angeles, CA 90017

With copies to:

Douglas Swoger, Director
Asset Management Division
Los Angeles Housing and Community Investment Department
1200 West 7th Street, 8th Floor
Los Angeles, CA 90017

- 2. The representative of the Contractor shall be:

Raette Frazeur, Operations and Home Compliance Manager
Urban Futures Bond Administration, Inc.
3111 N. Tustin Street, Suite 110

Orange, CA 92865
(714) 332-1000 / Fax (714) 283-9319
raette@urbanturesinc.com

- B. Formal notices, demands and communications to be given hereunder by either party shall be made in writing and may be effected by personal delivery or by registered or certified mail, postage prepaid, return receipt requested and shall be deemed communicated as of the date of mailing.
- 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.

§103. Conditions Precedent to Execution of This Agreement

Contractor shall provide copies of the following documents to the City:

- A. Proof of insurance as required by the City in accordance with and attached hereto as Exhibit A.
- B. A Certification of Compliance with the Living Wage Ordinance Service Contractor Worker Contention and Living Wage Policy in accordance with the Los Angeles Administrative Code §10.37 *et seq.*
- C. City of Los Angeles Affirmative Action Plan, a copy of which is located at <http://bca.lacity.org/site/pdf/aa/aaformwo.pdf>
- D. A Certification of Compliance With Equal Benefits Ordinance/Reasonable Measures Application for Equal Benefits Ordinance in accordance with §426 of this Agreement, the Slavery Disclosure Ordinance in accordance with §428 and First Source Hiring Ordinance in accordance with §433, available on the City of Los Angeles' Business Assistance Virtual Network (BAVN) residing at www.labavn.org, prior to award of a City contract.
- E. Contractor shall submit a Code of Conduct to the City for approval and that it must meet the requirements of §419 Conflict of Interest of the Agreement.
- F. An Iran Contracting Act of 2010 Compliance Affidavit.

II.

TERM AND SERVICES TO BE PROVIDED

§201. Time of Performance

The term of this Agreement shall commence on January 01, 2017 and end December 31, 2017. Said term is subject to the provisions herein. Performance shall not commence until the Contractor has obtained the City's approval of the insurance as required herein.

The City may extend the term of this Agreement at its option for up to four one-year periods, subject to satisfactory Contractor performance and funding availability

§202. Services to be Provided by the Contractor

The Contractor shall provide contractual services which are supported by the work task schedule identified in this section. All work is subject to prior City approval. Failure to receive approval may result in withholding compensation pursuant to §301.

Insert detailed description of services to be provided, including who, what, where, when, how, how many, etc.

A. Set Up Process

1. Upon execution of this Agreement, the Contractor shall monitor the Affordable Housing Inventory provided by HCIDLA using a web-based application capable of producing spreadsheets, Word templates and forms developed by and/or approved by HCIDLA. Contractor shall use only the most current and updated forms designed and/or approved by HCIDLA. Contractor shall provide HCIDLA with a description of how the database shall function to collect the necessary compliance data and fulfill reporting requirements. Additionally, Contractor shall provide HCIDLA with a description of security measures employed to ensure data integrity.

Contractor shall further develop its web-based monitoring system and keep City regularly informed of its on-going maintenance efforts. Further Contractor system enhancements shall facilitate better customer service and increased accessibility to service owners and management agent contacts that now have loans serviced by the HCIDLA due to the absorption of all Redevelopment loans as a result of the cessation of the CRA/LA.

- a. Critical Tasks
 - i. Monitor the Affordable Housing Inventory until otherwise notified or the project covenants expire plus any additional projects identified by HCIDLA (Exhibit C, Inventory).
 - ii. Keep and update as necessary the Project Profile and Project Overview spreadsheets for each new and existing project, by program type (Exhibits D and E respectively).
 - iii. Work with HCIDLA to update all data tables and project files to include units by program type and indicate if units are HOME funded.
- b. Required Document Use. Contractor is required to use only documents that have been approved and/or provided by HCIDLA including those listed below. Documents must be approved by HCIDLA within 30 days of contract execution.
 - i. Reports shall be provided to HCIDLA electronically and/or in Excel format as requested, or in hard copy.
 - ii. The correspondence, report templates and monitoring documents subject to this agreement, include:
 - Introduction Notice setting forth program requirements
 - Tenant Income and Rent Certification or equivalent documents for the Bond and Land Use programs
 - Certificate of Continuing Program Compliance
 - Occupancy Summary or bond program report
 - Annual monitoring schedule
 - Annual audit schedule
 - HOME on-site audit monitoring form
 - 60-day Notification Letter
 - Delinquent, Late and Non-Compliance Notices
 - Any letter, template, or correspondence routinely used in monitoring activities.
 - iii. Monthly Compliance Reporting and Cash Request format for projects.
 - iv. Any letter, template, or correspondence routinely used in monitoring activities.

- c. Annual Rent/Income Schedules
 - i. Contractor will calculate the income and rent tables based on the HUD rent and income limits, and submit to HCIDLA for approval. It will also update utility allowances calculated by the Housing Authority of the City of Los Angeles (HACLA), or provided by the HCIDLA for the current period to calculate allowable rents. Utility allowances are available on HACLA's website: www.hacla.org. Contractor will use the utility allowance stipulated for the HOME Program at 24 CFR 92.252(d). This section requires the participating jurisdiction (PJ) to use the HUD Utility Schedule Model to determine a project's annual utility allowances or determine a project's utility allowance based upon the utilities used at the project. HUD is making a technical correction to the 2013 HOME Final Rule which will delay the effective date of this requirement until January 24, 2015. PJ will have to meet this requirement for projects that it funds on or after January 24, 2015. HUD will also issue further guidance on other models that can be used to determine a project's annual utility allowance.
 - ii. Distribute to all owners, and specified project contacts the updated income/rent schedules and utility allowances for their projects within 30 days of receiving HCIDLA approval.
 - iii. Copies of all individual notices sent to the owners and property managers updating the annual rent/income schedules and utility allowances shall be accessible on the web application. Electronic notification shall be sent to the HCIDLA upon dissemination of notices to the owners and property managers.
- 2. For new projects and/or programs forwarded for monitoring, HCIDLA shall provide the Contractor with the following, as applicable:
 - a. A Project Profile spreadsheet with project information and owner and property manager contact information.
 - b. Training, if necessary, for any program modifications or additions that may occur during the contract period.
- 3. The City reserves the right to change the terms or mix of units for projects in the Affordable Housing Inventory at any time. Subsequent changes shall not affect the ability of the Contractor to earn up to the maximum contract amount under this Agreement.

B. Contractor Staff

Contractor shall maintain professional staff with the necessary knowledge to monitor the following affordable housing projects: Bond, Low-Income Housing Tax Credit (LIHTC), Major Projects, HOME Investment Partnerships Program (HOME), Community Development Block Grant (CDBG), Land Use, Neighborhood Preservation, and Earthquake Emergency Loan Programs. HCIDLA shall provide support and program updates to Contractor as necessary.

C. Compliance Monitoring

1. Within one month of the contract execution date:

- a. Contractor shall submit to HCIDLA an annual monitoring schedule listing all properties in the Affordable Housing Inventory and their reporting due dates for the periods requested. The list shall be organized by month and within the month, by program types, and shall include the property address, compliance due date, total units, number of restricted units, number of HOME units, and owner/manager contact information.

With the submission of each monthly invoice, contractor shall indicate the properties on the schedule that have completed monitoring and their compliance status.

- b. Contractor shall submit to HCIDLA the schedule for on-site audits as requested.

With the submission of each monthly invoice, contractor shall indicate the properties on the schedule that have been audited and the audit results.

- c. Contractor shall submit to HCIDLA a spreadsheet by program type of non-compliant projects with the address, total units, number of restricted units, number of HOME units, date of last site visit, and owner/manager contact information.

2. The Contractor shall monitor the projects in the Affordable Housing Inventory for compliance with the appropriate program regulations by complying with the provisions outlined in Exhibit F: Annually collect various monitoring documents and certifications from the owner/manager of each multi-family property in the inventory, which includes the following tenant data for each restricted unit: unit number, tenant name, move-in date,

number of bedrooms, tenant household composition (names, ages, occupations of all household members, ethnicity and gender of each head of household), household income, rent paid, utility allowance, income source documentation, whether the unit receives rental assistance through a Housing Choice Voucher or Project-Based Section 8 and the amounts of the rental assistance paid and tenant's portion of the rent.

3. Income Eligibility Verification of Program Participants

The Contractor shall collect from the Owner/Property Manager tenant certifications after initial lease-up as required by program type and review them for accuracy and completeness. If instructed by HCIDLA, Income Source documents and income verifications are to be collected and scanned.

HOME, CDBG, NPP, Major Projects: Contractor shall conform to the HOME Program's Income Verification and Documentation requirements. Contractor shall collect and review for eligibility and program compliance, income source documentation for new tenants at their initial occupancy and for all tenants at six (6) year intervals from the initial lease-up of a project. To determine the tenant's household income, the Contractor shall follow the annual income definition found at 24 CFR Part 5, (definition of income used by the Federal Housing Choice Voucher Program (Section 8)) when determining the tenant eligibility for CDBG and HOME funded projects. These requirements are set forth in HUD's manual "Technical Guide for Determining Income and Allowances (Technical Guide) for the HOME Program", which can be downloaded at: www.hud.gov/offices/cpd/affordablehousing/library/modelguides/1780.cfm

Earthquake Projects: Contractor shall review and collect source and verification documents for new tenants or units that have a change in household size or if a current household member turns 18 and to ensure continuing occupancy for tenants that were previously income certified. Contractor shall review Tenant Income and Rent Certifications (TIRC).

4. Project Status - After reviewing the documents submitted by the Owner/Property Manager, the Contractor shall designate the project status as one of the following:

- a. **COMPLIANT:** A project shall be considered compliant if it has submitted all documentation required and the project is in compliance with income and rent provisions for all applicable programs.
- b. **NON-COMPLIANT:** A project shall be considered non-compliant if

the Owner/Property Manager does not submit all required documentation by the reporting due date, or if the documentation submitted is not in compliance with the program regulatory agreement or covenant with respect to affordability and occupancy.

c. **PENDING:** Projects shall be considered to be "Pending" under the following specific circumstances:

- Minor covenant discrepancies, such as incorrect unit mix
- Over income tenants, if initially qualified, until replacement unit is designated.

Contractor shall inform the Owner/Property Manager of the property's compliance, non-compliance or pending status and the reasons why. Contractor shall also include information in the written Notice on how and when the pending/non-compliant units can become totally compliant. For example, if a unit is considered Pending because the tenant is now over Income, the owner should be informed that when that tenant vacates, the unit must be rented to an income qualified tenant according to covenant provisions.

Notification shall be by email and if the Owner/Property Manager does not use email, by fax or U.S. Mail.

5. Non-Compliant Properties

If a property is considered non-compliant as stated in Section 4, the following steps must be taken to bring the property into compliance:

a. Step One – Initial Notice

Late Notice - Owner/Property Manager provides no information at all;

Within fifteen (15) calendar days after the reporting due date, Contractor shall contact the Owner/Property Manager as listed in subsections 1) and 2) below:

Non-Compliance Notice - Owner/Property Manager provides incomplete or incorrect information;

- i. Within one (1) business day after reporting period is deemed non-compliant, contact the Owner/Property Manager by sending a

Delinquent Notice via e-mail, fax, or U.S. mail to request the missing or correct data.

- ii. The Owner and Property Manager shall be given an additional fourteen 14 calendar days from the date of the initial notice to submit the required documentation (extended reporting due date). Contractor shall keep evidence of all forms of contact with the owner and property manager.

b. Step Two – Follow-up Call

Within two (2) business of the initial notice, a follow-up phone call shall be made to the Owner/Property Manager as a courtesy to ensure receipt of the initial notice.

c. Step Three – Audit/Referral Notice

i. HOME-Funded and Major Projects if not HOME-Funded

For the purposes of this contract, if the Owner/Property Manager does not comply with Step One requests, the Contractor shall be required to complete a non-compliance site visit. The site visit shall be conducted to review tenant and property records and obtain missing documentation. The site visit shall be scheduled as outlined in §201 D.

- ii. The project shall be considered non-compliant for the purposes of reporting and billing to HCIDLA when Steps One, Two and Three have been completed and the non-compliance issues have not been resolved. Documentation of non-compliance findings and steps taken to achieve compliance must be reported to HCIDLA upon billing.

iii. Earthquake, NPP-CDBG, Land Use, and Bond Projects

If the Owner/Property Manager does not comply with Steps One and Two, the Contractor shall send a final referral notice indicating their project is being sent back to the HCIDLA for further action.

- iv. The project shall be considered non-compliant for the purposes of reporting and billing to HCIDLA when both Steps One and Two above have been completed and the non-compliance issues have not be resolved. Documentation of non-compliance findings and

steps taken to achieve compliance must be reported to HCIDLA upon billing.

6. Contractor shall keep electronic records of all attempted and successful contacts made with the owner/property manager, or any representative of the owner/property manager.

D. Required On-Site Property Audits for HOME Funded Projects

1. On-site audits for monitored properties must be conducted according to the audit schedule. Audits are to be conducted either at the project or the office at which tenant records are maintained. If a non-compliance site visit is completed, as described in § 201 C.5, the non-compliance site visit may take the place of the audit if it was completed within the previous 12 months, and the project was found to be in full Compliance or is Pending.

Compliance documents to be reviewed during the on-site audit are listed in Exhibit G.

a. Audit Schedule

On-Site Audits are required as follows:

- i. **ANNUALLY:** HOME-funded projects with 26 or more total units. Files must be reviewed for 50% of the total number of units. If a project has 50 or more restricted units, 20% of files are to be reviewed.
- ii. **EVERY TWO YEARS:** HOME-funded projects with 5 – 25 total units. Files must be reviewed for a minimum of 5 units or 50% of the total number of units, whichever is greater.
- iii. **EVERY THREE YEARS:** HOME- funded projects with 1- 4 total units. Files for 100% of units must be reviewed.

b. On-Site Audit Notification

- i. **Two-Week Notice** by email, fax or U.S. Mail of the date and time of the audit to the owner AND property manager. The Notice must include the location of the audit, purpose, and records to be reviewed.
- ii. **One week before the audit**, telephone and email/fax the owner and property manager to remind them of the date and time.

c. Audit Requirements

- i. Documents to be audited for compliance for each program are listed in Exhibit F
- ii. The Contractor shall ensure that the Owner is requesting and maintaining copies of source and third-party income documentation, accurately determining tenant eligibility.
- iii. Owner Verification of Compliance with Rent and Occupancy Limits: Contractor shall review tenant rent amounts stated in the Occupancy Summary for compliance with rent limits provided by HCIDLA.
- iv. Projects with Multiple Funding Sources: Contractor shall verify that the Owner has assigned all applicable program types to a unit on the Occupancy Summary and ensure that the rent and income limits are based on the most restrictive HCIDLA program.
- v. If, as a result of an on-site audit, there is evidence of non-compliance in the tenant files, the Contractor shall take the following steps:
 - Discuss the non-compliance issues with the owner and/or property manager during the audit.
 - Within fifteen (15) calendar days of the audit, send an On-site Audit Report to both the property owner and manager notifying them of the non-compliance issues, and giving them fifteen (15) calendar days to provide the necessary documentation to bring the reporting period into compliance.
 - If Owner/Property Manager does not comply with the On-site Audit Report, an HCIDLA Non-Compliant Referral Notice shall be sent. HCIDLA shall be notified with the next month's billing of all non-compliance issues including the following support information: date of the audit, On-site Audit Report, documents reviewed for compliance, any response from the owner/property manager, and from the Contractor staff conducting the audit.
 - Refer the non-compliant property to the Compliance Group of the HCIDLA's Occupancy Monitoring/Compliance Unit.

- d. If the Owner/Property Manager does not permit the Contractor to conduct an on-site audit or permit the Contractor to audit some or all of the records relating to program compliance, the Contractor shall immediately notify the HCIDLA contract monitor by email. HCIDLA shall contact owner to remind them of their obligation to permit the on-site audit.

E. Investigations and Complaint Resolution

HCIDLA may refer complaints regarding possible violations of covenants, regulatory agreements and/or program requirements to the Contractor for investigation and resolution as part of the Contractor's regular compliance monitoring activities. The timeline to complete the investigation shall be based on the urgency of the issue and shall be agreed upon in writing by the City and the Contractor. Within five calendar days of resolution, the Contractor shall report the outcome of a complaint or investigation to HCIDLA in a format to be determined by the Contractor and HCIDLA.

F. Property Owner and Management Agent Contacts and Training

The Contractor shall work with the Owner and Property Managers listed in the Affordable Housing Inventory to ensure that they have all necessary information and documents to achieve compliance. In addition, the Contractor shall document and notify HCIDLA of any changes, actual or anticipated, via electronic notification. Contractor will conduct as needed compliance training seminar for all interested owners and managers at the request of HCIDLA and at a facility that HCIDLA provides.

G. Property Information

The Contractor shall notify HCIDLA of any changes in the status of any project that it becomes aware of, such as sales, foreclosures, and bankruptcies. The Contractor also shall document and report to HCIDLA any researched and verified changes to Project Ownership.

H. Database Management

The Contractor shall establish and maintain electronic records for each of the projects in the Affordable Housing Inventory. When new projects are forwarded for monitoring, HCIDLA shall provide the Contractor with a Project Profile containing necessary project data and a copy of the regulatory agreement/covenant.

I. Billing and Reporting

The Billing and Reporting Cycle shall begin from the first to the last day of the month. Invoices will be due by the 20th of the following month.

1. To comply with HCIDLA reporting requirements, the Contractor shall:
 - a. Enter all tenant certification data into the Project Overview.
 - b. Record each contact with the Owner/Property Manager, and the results thereof.
 - c. Submit any changes via electronic notification.
2. Monthly billing shall be for an entire project reporting period for which monitoring was completed during the previous month(s). Billed projects will be assigned a status as defined in Section 202.C.4 as follows:
 - a. Compliant: Projects with 100% compliance.
 - b. Non-compliant: Projects for which Contractor has completed the steps for non-compliant properties, including a site visit if required. Documentation of all steps and site visits must accompany billings for non-compliant properties.
 - c. Pending: Projects with minor covenant discrepancies that cannot be resolved provided Contractor has notified owner/property manager of why the property is pending, and how/when it can be brought into 100% compliance.
3. The Contractor shall submit with the monthly cash request (invoice):
 - a. Via electronic notification. Monthly summary reports shall be submitted electronically identifying invoiced projects by status: compliant, non-compliant, or pending.
 - For Compliant and Pending Properties: Project Overview, Certificate of Continued Program Compliance (CCPC), and Occupancy Summary for all projects reported and billed as compliant.
 - For Non-Compliant Properties: Project Overview, any documents received, such as CCPC, Occupancy Summary, Site Visit dates, location, and results, as applicable; name and position of Contractor staff conducting the site visit and project representatives present during site visit.

- b. Documentation for any additional work requested by HCIDLA and as allowed by the contract.
 - c. List of all projects and unit numbers for which income eligibility source documents have been collected and certified.
 - d. List of audits conducted during the previous month, compliance status, follow-up, a copy of the audit report, and whether the property has been referred to HCIDLA.
 - e. Vacant Units – List of properties with 15%, and more than one unit that is vacant and for HOME units provide the move out dates of the previous tenants.
- 4. Contractor shall provide documents from its files that HCIDLA may request for projects under review. This may include transmitting documents electronically that the Contractor has received from the Owner or Property Manager.

J. Notification of Compliance Status

Contractor shall submit to HCIDLA a listing of the Affordable Housing Inventory based on the status of each project: Compliant, Non-Compliant or Pending properties quarterly and upon request by HCIDLA, according to a format agreed upon by HCIDLA and Contractor.

K. Expired Covenants/Regulatory Agreements

Within each monthly Cash Request report all projects with a regulatory agreement and/or covenant that will expire within the next twelve (12) months. After the expiration date and last monitoring period lapses the Contractor shall return files with all monitoring documents and electronic data. Contractor may not submit invoices for reporting periods after the expiration date.

L. File Retention by Contractor

Contractor shall keep all files and monitoring documents electronically or hard copy for five years. Returned files shall be labelled by property address, and organized by year and according to other HCIDLA instructions. Upon termination of the contract, all hard copy files shall be boxed, labelled, and returned to HCIDLA unless the contract is renewed, electronic files shall be submitted on CD's, labelled similarly by address and year. Contractor and HCIDLA, through negotiation shall determine the final disposition of all files.

M. HCIDLA Monitoring Visits

HCIDLA's scheduled visit to Contractor's site shall occur twice a year, at dates and times agreed upon by HCIDLA and the Contractor.

N. HCIDLA Contract Monitor

The Contractor shall submit all reports and invoices to the Contract Monitor at:

Los Angeles Housing and Community Investment Department
Occupancy Monitoring/Compliance Unit
Attention: Tsegalem Woldemariam
1200 West 7th Street, 8th Floor
Los Angeles, CA 90017

Email: tsegalem.woldemariam@lacity.org
Phone: (213) 808-8985
FAX: (213) 808-8965

Contractor shall be notified if the information above changes.

O. Non-Compliant Properties

The contractor and HCIDLA shall finalize a plan to return all non-compliant properties to HCIDLA for follow-up.

III. PAYMENT

§301. Compensation and Method of Payment

- A. The City shall pay to the Contractor as compensation for complete and satisfactory performance of the terms of this Agreement, an amount not to exceed Nine Hundred Fifty Thousand Dollars (\$950,000). The foregoing rate represents the total compensation to be paid by City to Contractor for services to be performed as designated by this Agreement.
- B. The Contractor shall submit monthly invoices to the Los Angeles Housing and Community Investment Department (HCIDLA) by the 20th day of the month for projects monitored and work performed at HCIDLA's request during the previous month. Each project in the Affordable Housing Database may be billed only

once during the calendar year upon completion of annual monitoring. Exceptions may be made upon advance written approval by HCIDLA.

HCIDLA shall pay the following amounts:

1. Monthly Billing

- a. Monthly billing shall include projects for which monitoring was completed during the previous months. Projects are to be billed in their entirety, and must be assigned a status as defined in Section 202.C.4: Compliant, Non-Compliant, or Pending.

Billing shall be in accordance with the payment schedule in Section 301.B.1 c. Projects may not be billed more than one per calendar year unless advanced written approval has been received from HCIDLA.

- b. Each monthly invoice shall conform to Section 202.I:

- Be submitted on the Contractor's letterhead;
- Use the invoice format supplied by HCIDLA; and,
- Include evidence of completed work as provided for in this contract.

Funds shall not be released until the City has approved the work performed and is satisfied with the documentation included in the invoice.

- c. Payment shall be made as specified in Exhibit H

- C. It is understood that the City makes no commitment to fund this Agreement beyond the terms set herein.

- D. Invoices and supporting documentation shall be prepared at the sole expense and responsibility of the Contractor. The City will not compensate the contractor for any costs incurred for invoice preparation. The City may request, in writing, changes to the content and format of the invoice and supporting documentation at any time. The City reserves the right to request additional supporting documentation to substantiate costs at any time. All invoices must be signed by an officer of the Contractor under penalty of perjury that the information submitted is true and correct.

- E. Contractor agrees to offer the City any discount terms that are offered to its best customers for the goods and services to be provided hereunder

and shall warrant that any applicable discounts have been included in the costs to the City.

- F. Contractor acknowledges that it is aware of liabilities resulting from submitting a false claim for payment by the City under the False Claims Act (Cal. Gov. Code §§12650 *et seq.*), including treble damages, costs of legal actions to recover payments, and civil penalties of up to \$10,000 per false claim.

IV.

STANDARD PROVISIONS

§401. Construction of Provisions and Titles Herein

All titles or subtitles appearing herein have been inserted for convenience and shall not be deemed to affect the meaning or construction of any of the terms or provisions hereof. The language of this Agreement shall be construed according to its fair meaning and not strictly for or against the City or the Contractor. The word "Contractor" herein and in any amendments hereto includes the party or parties identified in this Agreement. The singular shall include the plural. If there is more than one Contractor as identified herein, unless expressly stated otherwise, their obligations and liabilities hereunder shall be joint and several. Use of the feminine, masculine, or neuter genders shall be deemed to include the genders not used. The word "days" means calendar days, including weekends and holidays, unless otherwise specifically provided.

§402. Applicable Law, Interpretation and Enforcement

Each party's performance hereunder shall comply with all applicable laws of the United States of America, the State of California, and the City. This Agreement shall be enforced and interpreted under the laws of the State of California and the City.

In any action arising out of this Agreement, Contractor consents to personal jurisdiction, and agrees to bring all such actions, exclusively in state or federal courts located in Los Angeles County.

If any part, term or provision of this Agreement shall be held void, illegal, unenforceable, or in conflict with any law of a federal, state or local government having jurisdiction over this Agreement, the validity of the remaining portions of provisions shall not be affected thereby.

§403. Integrated Agreement

This Agreement sets forth all of the rights and duties of the parties with respect to the subject matter hereof, and replaces any and all previous agreements or understandings, whether written or oral, relating thereto. This Agreement may be amended only as provided for herein.

§404 Independent Contractor

The Contractor is acting hereunder as an independent contractor and not as an agent or employee of the City. No employee of Contractor has been, is, or shall be an employee of the City by virtue of this Agreement, and Contractor shall so inform each employee organization and each employee who is hired or retained under this Agreement. Contractor shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of the City.

§405 Contractor's Personnel

Unless otherwise provided or approved by the City, Contractor shall use its own employees to perform the services described in this Agreement. The City shall have the right to review and approve any personnel who are assigned to work under this Agreement. Contractor agrees to remove personnel from performing work under this Agreement if requested to do so by the City.

Contractor shall not use subcontractors to assist in performance of this Agreement without the prior written approval of the City. If the City permits the use of subcontractors, Contractor shall remain responsible for performing all aspects of this Agreement. The City has the right to approve Contractor's subcontractors, and the City reserves the right to request replacement of subcontractors. The City does not have any obligation to pay Contractor's subcontractors, and nothing herein creates any privity between the City and the subcontractors.

§406. Excusable Delays

In the event that performance on the part of any party hereto shall be delayed or suspended as a result of circumstances beyond the reasonable control and without the fault and negligence of said party, none of the parties shall incur any liability to the other parties as a result of such delay or suspension. Circumstances deemed to be beyond the control of the parties hereunder shall include, but not be limited to, acts of God or of the public enemy; insurrection; acts of the Federal Government or any unit of State or Local Government in either sovereign or contractual capacity; fires; floods; epidemics; quarantine restrictions; strikes, freight embargoes or delays in transportation; to the

extent that they are not caused by the party's willful or negligent acts or omissions and to the extent that they are beyond the party's reasonable control.

§407. Breach

Except for excusable delays, if any party fails to perform, in whole or in part, any promise, covenant, or agreement set forth herein, or should any representation made by it be untrue, any aggrieved party may avail itself of all rights and remedies, at law or equity, in the courts of law. Said rights and remedies are cumulative of those provided for herein except that in no event shall any party recover more than once, suffer a penalty or forfeiture, or be unjustly compensated.

§408. Prohibition Against Assignment or Delegation

The Contractor may not, unless it has first obtained the written permission of the City: Assign or otherwise alienate any of its rights hereunder, including the right to payment; or Delegate, subcontract, or otherwise transfer any of its duties hereunder.

§409. Permits

The Contractor and its officers, agents and employees shall obtain and maintain all permits and licenses necessary for the Contractor's performance hereunder and shall pay any fees required therefor. The Contractor further certifies to immediately notify the City of any suspension, termination, lapses, non-renewals or restrictions of licenses, certificates, or other documents.

§410. Waiver

A waiver of a default of any part, term or provision of this Agreement must be in writing and shall not be construed as a waiver of any succeeding default or as a waiver of the part, term or provision itself. A party's performance after the other party's default shall not be construed as a waiver of that default.

§411. Warranty and Responsibility Of Contractor

Contractor warrants that the work performed hereunder shall be completed in a manner consistent with professional standards practiced among those firms within Contractor's profession, doing the same or similar work under the same or similar circumstances.

§412. Nondiscrimination and Affirmative Action

- A. The Contractor shall comply with the applicable nondiscrimination and affirmative action provisions of the laws of the United States of America,

the State of California, and the City. In performing this Agreement, the Contractor shall not discriminate in its employment practices, including compensation, against any employee or applicant for employment because of such person's race, religion, national origin, ancestry, sex, sexual orientation, gender identification, transgender status, sex stereotypes, age, physical handicap, mental disability, medical condition, marital status, domestic partner status, pregnancy, childbirth and related medical conditions, citizenship, and political affiliation or belief. The Contractor shall comply with Executive Order 11246, entitled "Equal Employment Opportunity", as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 CFR Part 60).

- B. The Contractor shall comply with the provisions of the Los Angeles Administrative Code §10.8 through 10.13, to the extent applicable hereto. If this Agreement contains a consideration in excess of One Thousand Dollars (\$1,000) or more, Contractor shall comply with the Equal Employment Practices Provisions of the Los Angeles Administrative Code Section 10.8.3., in which event, said provisions are incorporated herein by this reference. If this Agreement contains a consideration in excess of Twenty-Five Thousand Dollars (\$25,000), the Affirmative Action Program of this Agreement shall be the mandatory contract provisions set forth in Los Angeles Administrative Code §10.8.4, in which event, said provisions are incorporated herein by this reference. The Contractor shall also comply with all rules, regulations, and policies of the City's Board of Public Works, Office of Contract Compliance relating to nondiscrimination and affirmative action.
- C. Any subcontract entered into by the Contractor relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of this section.
- D. No person shall on the grounds of race, religion, national origin, ancestry, sex, sexual orientation, gender identification, transgender status, sex stereotypes, age, physical handicap, mental disability, medical condition, marital status, domestic partner status, pregnancy, childbirth and related medical conditions, citizenship, and political affiliation or belief be excluded from participation in, be denied the benefit of, or be subjected to discrimination under this program/project. For purposes of this Section, Title 24 Code of Federal Regulations Part 107 and Section 570.601(b) defines specific discriminatory actions that are prohibited and corrective action that shall be taken in situation as defined therein.

§413. Equal Employment Practices

Unless otherwise exempt, this Agreement is subject to the equal employment practices provisions in Section 10.8.3 of the Los Angeles Administrative Code, as amended from time to time.

- A. During the performance of this contract, Contractor agrees and represents that it will provide equal employment practices and Contractor and each subcontractor hereunder will ensure that, in his or her employment practices, persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, gender identification, transgender status, sex stereotypes, age, physical handicap, mental disability, medical condition, domestic partner status, marital status, pregnancy, childbirth and related medical conditions, citizenship and political affiliation or belief.
 - 1. This provision applies to work or service performed or materials manufactured or assembled in the United States.
 - 2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.
 - 3. Contractor agrees to post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.
- B. Contractor will, in all solicitations or advertisements for employees placed by or on behalf of Contractor, state that all qualified applicants will receive consideration, including compensation, for employment without regard to their race, religion, ancestry, national origin, sex, sexual orientation, gender identification, transgender status, sex stereotypes, age, physical handicap, mental disability, medical condition, domestic partner status, marital status, pregnancy, childbirth and related medical conditions, citizenship, and political affiliation or belief.
- C. As part of the City's supplier registration process, and/or at the request of the awarding authority, or the Board of Public Works, Office of Contract Compliance, Contractor shall certify in the specified format that he or she has not discriminated in the performance of City contracts against any employee or applicant for employment on the basis of compensation or because of race, religion, ancestry, national origin, sex, sexual orientation, gender identification, transgender status, sex stereotypes, age, physical handicap, mental disability, medical condition, domestic partner status,

marital status, pregnancy, childbirth and related medical conditions, citizenship, and political affiliation or belief.

- D. Contractor shall permit access to and may be required to provide certified copies of all of his or her records pertaining to employment and to employment practices by the awarding authority or the Office of Contract Compliance for the purpose of investigation to ascertain compliance with the Equal Employment practices provisions of City contracts. Contractor shall, upon request, provide evidence that it has or will comply therewith.
- E. The failure of any Contractor to comply with the Equal Employment Practices provisions of this Agreement may be deemed to be a material breach of City contracts. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice, and an opportunity to be heard has been given to Contractor.
- F. Upon a finding duly made that Contractor has failed to comply with the Equal Employment Practices provisions of a City contract, the contract may be forthwith canceled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the City. In addition such failure to comply may be the basis for a determination by the awarding authority or the Board of Public Works that the Contractor is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Charter of the City of Los Angeles. In the event of such a determination, Contractor shall be disqualified from being awarded a contract with the City for a period of two years, or until Contractor shall establish and carry out a program in conformance with the provisions hereof.
- G. Notwithstanding any other provision of this Agreement, the City shall have any and all other remedies at law or in equity for any breach hereof.
- H. Nothing contained in this Agreement shall be construed in any manner so as to require or permit any act which is prohibited by law.
- I. At the time a supplier registers to do business with the City, or when an individual bid or proposal is submitted, Contractor shall agree to adhere to the Equal Employment Practices specified herein during the performance or conduct of City Contracts.

- J. Equal Employment Practices shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:
1. Hiring practices;
 2. Apprenticeships where such approved programs are functioning and other on-the-job training for non-apprenticeable occupations;
 3. Training and promotional opportunities; and
 4. Reasonable accommodations for persons with disabilities.
- K. Any subcontract entered into by Contractor, to the extent allowed hereunder, shall include a like provision for work to be performed under this Agreement. Failure of Contractor to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject Contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the Contractor's Contract with the City.

§414. Claims for Labor and Materials

The Contractor shall promptly pay when due all amounts payable for labor and materials furnished in the performance of this Agreement so as to prevent any lien or other claim under any provision of law from arising against any City property (including reports, documents, and other tangible matter produced by the Contractor hereunder), against the Contractor's rights to payments hereunder, or against the City, and shall pay all amounts due under the Unemployment Insurance Act with respect to such labor.

§415. Los Angeles City Business Tax Registration Certificate

The Contractor represents that it has obtained and presently holds the Business Tax Registration Certificate(s) required by the City's Business Tax Ordinance (Article 1, Chapter 2, Sections 21.00 and following, of the Los Angeles Municipal Code). For the term covered by this Agreement, the Contractor shall maintain, or obtain as necessary, all such Certificates required of it under said Ordinance and shall not allow any such Certificate to be revoked or suspended.

§416. Bonds

Duplicate copies of all bonds which may be required hereunder shall conform to City requirements established by charter, ordinance or policy and shall be filed with the

Office of the City Attorney for its review in accordance with Los Angeles Administrative Code Sections 11.47 through 11.56.

§417. Indemnification

Except for the active negligence or willful misconduct of CITY, or any of its Boards, Officers, Agents, Employees, Assigns and Successors in Interest, CONTRACTOR/CONSULTANT undertakes and agrees to defend, indemnify and hold harmless CITY and any of its Boards, Officers, Agents, Employees, Assigns, and Successors in Interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees and cost of litigation, damage or liability of any nature whatsoever, for death or injury to any person, including CONTRACTOR'S/CONSULTANT'S employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of the negligent acts, errors, omissions or willful misconduct incident to the performance of this Contract by the CONTRACTOR/CONSULTANT or its SUBCONTRACTORS of any tier. Rights and remedies available to the City under this provision are cumulative of those provided for elsewhere in this Contract and those allowed under the laws of the United States, the State of California, and the City. The provisions of this paragraph survive expiration or termination of this Contract.

§418. Insurance

A. General Conditions

1. During the Term and without limiting Contractor's duty of indemnification herein, Contractor shall provide and maintain at its own expense a program of insurance having coverage and limits customarily carried and actually arranged by Contractor but not less than the amounts and types listed on the Required Insurance And Minimum Limits Sheet (Form Gen. 146) in Exhibit B hereto, covering its operations hereunder. Such insurance shall conform to City requirements established by Charter, ordinance or policy, shall comply with instructions set forth on the City – Instructions And Information On Complying With City Insurance Requirements (Revised 10/09) document, and shall otherwise be in a form acceptable to the Office of the City Administrative Officer, Risk Management. Specifically, such insurance shall: 1) protect City as an insured or an Additional Interest Party, or a Loss Payee As Its Interest May Appear, respectively, when such status is appropriate and available depending on the nature of applicable coverages; 2) provide City at least thirty (30) days advance written notice of cancellation, material reduction in coverage or reduction in limits when such change is made at option of the insurer; and 3) be

primary with respect to City's insurance plan. Except when City is a named insured, Contractor's insurance is not expected to respond to claims that may arise from acts or omissions of the City.

2. The standard City insurance conditions are incorporated into the sample standard subcontract provisions. The specific insurance coverages and limits shall be described by contractor in any RFP for subcontractor services. These coverages and limits should be tailored to the individual subcontract. For City contracts, **Required Insurance and Minimum Limits** are set by the City Risk Management staff in the Office of the City Administrative Officer of the City of Los Angeles on the Form Gen. 146. Electronic submission is the preferred method of submitting your evidence of insurance documents. **Track4LA™** is the City's online insurance compliance system and is designed to make the experience of submitting and retrieving insurance information quick and easy. The system is designed to be used primarily by insurance brokers and agents as they submit client insurance certificates directly to the City. It uses the standard insurance industry form known as the **ACORD 25 Certificate of Liability Insurance** in electronic format. The easiest and quickest way to obtain approval of your insurance is to have your insurance broker or agent access **Track4LA™** at <http://track4la.lacity.org> and follow the instructions to register and submit the appropriate proof of insurance on your behalf. Additional instructions and information on complying with City insurance requirements can be found at http://cao.lacity.org/risk/Submitting_proof_of_Insurance.pdf.

B. Modification of Coverage

City reserves the right at any time during the Term to change the amounts and types of insurance required hereunder by giving Contractor ninety (90) days advance written notice of such change. If such change should result in substantial additional cost to Contractor, City agrees to negotiate additional compensation proportional to the increased benefit to City.

C. Failure to Procure Insurance

1. All required insurance must be submitted and approved by the City Administrative Officer/Risk Management/Insurance and Bonds prior to the performance of services, inception of any operations or tenancy by Contractor. The required coverages and limits are subject to availability on the open market at reasonable cost as determined by City. Non-availability or non-affordability must be

documented by a letter from Contractor's insurance broker or agent indicating a good faith effort to place the required insurance and showing as a minimum the names of the insurance carriers and the declinations or quotations received from each.

2. Within the foregoing constraints, Contractor's failure to procure or maintain required insurance or a self-insurance program during the Term shall constitute a material breach of this Agreement under which City may immediately suspend or terminate this Agreement or, at its discretion, procure or renew such insurance to protect City's interests and pay any and all premiums in connection therewith and recover all monies so paid from Contractor.

D. Workers' Compensation

1. By signing this Agreement, Contractor hereby certifies that it is aware of the provisions of §3700 *et seq.*, of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and that it will comply with such provisions at all such times as they may apply during the performance of the work pursuant to this Agreement.
2. A Waiver of Subrogation in favor of City will be required when work is performed on City premises under hazardous conditions.

§419. Conflict Of Interest

A. No City-funded Employees as Board Members

The City will not execute any Agreements and/or Amendments with Contractors where an employee (an individual who is paid or receives any financial benefit from funds from the Agreement with the City), is a member of the Board of Directors. The Board minutes must reflect this requirement.

B. Code of Conduct

1. The City requires that all Contractors/Sub-Contractors adopt a Code of Conduct which at minimum reflects the constraints discussed in HCID Directive FY12-0001. No Agreements and/or Amendments will be executed without City approval of this Code of Conduct.

2. Further, the City requires compliance with the following conflict of interest requirements for all City funded contractors.

C. Conflict of Interest

1. Prior to obtaining the City's approval of any subcontract, the Contractor shall disclose to the City any relationship, financial or otherwise, direct or indirect, of the Contractor or any of its officers, directors or employees or their immediate family with the proposed subcontractor and its officers, directors or employees.
2. The Contractor covenants that none of its directors, officers, employees, or agents shall participate in selecting, or administering any subcontract supported (in whole or in part) by City funds (regardless of source) where such person is a director, officer, employee or agent of the subcontractor; or where the selection of subcontractors is or has the appearance of being motivated by a desire for personal gain for themselves or others such as family business, etc.; or where such person knows or should have known that:
 - a. A member of such person's immediate family, or domestic partner or organization has a financial interest in the subcontract;
 - b. The subcontractor is someone with whom such person has or is negotiating any prospective employment; or
 - c. The participation of such person would be prohibited by the California Political Reform Act, California Government Code §87100 et seq. if such person were a public officer, because such person would have a "financial or other interest" in the subcontract.
3. Definitions:
 - a. The term "immediate family" includes, but is not limited to, domestic partner and/or those persons related by blood or marriage, such as husband, wife, father, mother, brother, sister, son, daughter, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, and daughter-in-law.

- b. The term "financial or other interest" includes, but is not limited to:
 - (1) Any direct or indirect financial interest in the specific contract, including a commission or fee, a share of the proceeds, prospect of a promotion or of future employment, a profit, or any other form of financial reward.
 - (2) Any of the following interests in the subcontractor ownership: partnership interest or other beneficial interest of five percent (5%) or more; ownership of five percent (5%) or more of the stock; employment in a managerial capacity; or membership on the Board of Directors or governing body.
 - c. A subcontract is any agreement entered into by Contractor for the purchase of goods or services with any funds provided by this Agreement.
- D. Minutes of Board Meetings must reflect disclosure of transactions where Board Members may have had a direct or indirect interest/benefit in the action.
- E. No director, officer, employee (or agent) of the Contractor may be on the Board of Directors if they receive any financial benefit provided by any City Agreement.
- F. The Contractor further covenants that no officer, director, employee, or agent shall solicit or accept gratuities, favors, anything of monetary value from any actual or potential subcontractor, supplier, a party to a sub agreement, (or persons who are otherwise in a position to benefit from the actions of any officer, employee, or agent).
- G. The Contractor shall not subcontract with a former director, officer, or employee within a one (1) year period following the termination of the relationship between said person and the Contractor.
- H. For further clarification of the meaning of any terms used herein, the parties agree that references shall be made to the guidelines, rules, and laws of the City of Los Angeles, State of California, and Federal regulations regarding conflict of interest.

- I. The Contractor warrants that it has not paid or given and will not pay or give to any third person, any money or other consideration for obtaining this Agreement.
- J. The Contractor covenants that no member, officer or employee of Contractor shall have interest, direct or indirect, in any contract or subcontract or the proceeds thereof for work to be performed in connection with this project during his/her tenure as such employee, member or officer or for one (1) year thereafter.
- K. The Contractor shall incorporate the foregoing subsections of this Section into every agreement that it enters into in connection with this project, and shall substitute the term "subcontractor" for the term "Contractor" and "sub-subcontractor" for "Subcontractor".
- L. The Contractor warrants that it has adopted and shall comply with the Code of Conduct, as approved by the City that meets the foregoing requirements.

§420. Intellectual Property Indemnification and Warranty

Contractor, at its own expense, undertakes and agrees to defend (with counsel subject to City approval), indemnify, and hold harmless the City, and its boards, officers, agents, employees, assigns and successors in interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the City, including but not limited to, cost of experts and consultants), damages or liability of any nature whatsoever arising out of the infringement, actual or alleged, direct or contributory, of any intellectual property rights, including, without limitation, patent, copyright, trademark, trade secret, right of publicity and proprietary information right (1) on or in any design, medium, matter, article, process, method, application, equipment, device, instrumentation, software, hardware, or firmware used by Contractor, or its subcontractors of any tier, in performing the work under this contract; or (2) as a result of the City's actual or intended use of any work product furnished by Contractor, or its subcontractors of any tier, under the Agreement. Work Products are all works, tangible or not, created under this contract including, without limitation, documents, material, data, reports, manuals, specifications, artwork, drawings, sketches, computer programs and databases, schematics, photographs, video and audiovisual records, and sound recordings, marks, logos, graphic designs, notes, websites, domain names, inventions, processes, formulas matters and combinations thereof, and all forms of intellectual property. Rights and remedies available to the City under this provision are cumulative of those provided for elsewhere in this contract and those allowed under the laws of the United States, the State of

California, and the City. The provisions of PSC-21 shall survive expiration or termination of this contract.

Contractor represents and warrants that its performance of all obligations under this contract does not infringe in any way, directly or contributorily, upon any third party's intellectual property rights, including, without limitation, patents, copyrights, trademarks, trade secrets, right of publicity and proprietary information.

§421. Ownership and License

Unless otherwise provided for herein, all Work Products originated and prepared by Contractor or its subcontractors of any tier under this contract shall be and remain the exclusive property of the City for its use in any manner it deems appropriate. Contractor hereby assigns, and agrees to assign, all goodwill, copyright, trademarks, patent, trade secret and all other intellectual property rights worldwide in any Work Products originated and prepared by Contractor under this contract. Contractor further agrees to execute any documents necessary for the City to perfect, memorialize, or record the City's ownership of rights provided herein. For all Work Products delivered to the City that are not originated or prepared by Contractor or its subcontractors of any tier under this contract, Contractor hereby grants a non-exclusive perpetual license to use such Work Products for any City purposes.

Contractor shall not provide or disclose any Work Product to any third party without prior written consent of the City.

Any subcontract entered into by Contractor relating to this contract, to the extent allowed hereunder, shall include a like provision for work to be performed under this contract to contractually bind or otherwise oblige its subcontractors performing work under this contract such that the City's ownership and license rights of all Work Products are preserved and protected as intended herein. Failure of Contractor to comply with this requirement or to obtain the compliance of its subcontractors with such obligations shall subject Contractor to the imposition of any and all sanctions allowed by law including, but not limited to termination of the contract.

§422. Compliance with Statutes and Regulations

Contractor shall comply with all applicable requirements of state, federal, County and City of Los Angeles laws, executive orders, regulations, program and administrative requirements, policies and any other requirements governing this Agreement. Contractor shall comply with state and federal laws and regulations pertaining to labor, wages, hours, and other conditions of employment. Contractor shall comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Agreement. These requirements include, but are not limited to:

A. Americans with Disabilities Act

In implementing this Agreement, Contractor represents and certifies that it will:

1. Comply with the Americans with Disabilities Act, as amended, 42 U.S.C. Section 12101 et seq., the Rehabilitation Act of 1973, as amended, 29 U.S.C. Section 701 et seq., the Fair Housing Act, and its implementing regulations and any subsequent amendments; and California Government Code Section 11135.
2. Not discriminate in the provision of its programs, services or activities on the basis of disability or on the basis of a person's relationship to, or association with, a person who has a disability.
3. Provide reasonable accommodation upon request to ensure equal access and effective communication to all of its programs, services and activities.

Contractor represents and certifies that any construction for housing performed with funds provided through this Agreement will be done in accordance with the Uniform Federal Accessibility Standards (UFAS), 24 CFR, Part 40.

Contractor represents and certifies that its buildings, and facilities used to provide services in accordance with this Agreement, are in compliance with the federal and state standards for accessibility as set forth in the 2010 ADA Standards, California Title 24, Chapter 11, or other applicable federal and state law.

Contractor understands that the City is relying upon these certifications and representations as a condition to funding this Agreement.

Contractor will require its subcontractors, if any, to include this language in any subcontract.

B. Political and Sectarian Activity Prohibited

None of the funds, materials, property or services provided directly or indirectly under this Agreement shall be used for any partisan political activity, or to further the election or defeat of any candidate for public office. Neither shall any funds provided under this Agreement be used for any purpose designed to support or defeat any pending legislation or administrative regulation. None of the funds provided pursuant to this

Agreement shall be used for any sectarian purpose or to support or benefit any sectarian activity.

C. Records Inspection

1. At any time during normal business hours and as often as the City may deem necessary, Contractor shall make available for examination all of its records with respect to all matters covered by this Agreement. The City shall have the authority to audit, examine and make excerpts or transcripts from records, including all Contractor's invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this Agreement.
2. Contractor agrees to provide any reports requested by the City regarding performance of the Agreement.

D. Records Maintenance

Records, in their original form, including, but not limited to financial transactions, shall be maintained in accordance with requirements prescribed by the City with respect to all matters covered on file for all documents specified in this Agreement. Original forms are to be maintained on file for all documents specified in this Agreement. Such records shall be retained for a period of five (5) years after termination of this Agreement or final payment made by the City hereunder, and after final disposition of all pending matters. "Pending matters" include, but are not limited to, an audit, litigation or other actions involving records. The City may, at its discretion, take possession of, retain and audit said records. Records, in their original form pertaining to matters covered by this Agreement, shall at all times be retained within the County of Los Angeles unless authorization to remove them is granted in writing by the City.

E. Subcontracts and Procurement

Contractor shall comply with the federal and City standards in the award of any subcontracts. For purposes of this Agreement, subcontracts shall include but not be limited to purchase agreements, rental or lease agreements, third party agreements, consultant service contracts and construction subcontracts.

Contractor shall ensure that the terms of this Agreement with the City are incorporated into all Subcontractor Agreements. The Contractor shall

submit all Subcontractor Agreements to the City for review prior to the release of any funds to the subcontractor. The Contractor shall withhold funds to any subcontractor agency that fails to comply with the terms and conditions of this Agreement and their respective Subcontractor Agreement.

§423. Federal, State and Local Taxes

Federal, State and local taxes shall be the responsibility of the Contractor as an independent Contractor and not as a City employee.

§424. Living Wage Ordinance Service Contractor Worker Retention and Living Wage Policy

- A. Unless otherwise exempt in accordance with the provisions of this Ordinance, this contract is subject to the applicable provisions of the Living Wage Ordinance (LWO), Section 10.37 et seq. of the Los Angeles Administrative Code, as amended from time to time, and the Service Contractor Worker Retention Ordinance (SCWRO), Section 10.36 et seq., of the Los Angeles Administrative Code, as amended from time to time. The Ordinances require the following:
1. Contractor/Consultant assures payment of a minimum initial wage rate to employees as defined in the LWO and as may be adjusted each July 1 and provision of benefits as defined in the LWO.
 2. Contractor/Consultant further pledges that it will comply with federal law proscribing retaliation for union organizing and will not retaliate for activities related to the LWO. Contractor/Consultant shall require each of its Subcontractors within the meaning of the LWO to pledge to comply with the terms of federal law proscribing retaliation for union organizing. Contractor/Consultant shall deliver the executed pledges from each such Subcontractor to the City within ninety (90) days of the execution of the Subcontract. Contractor/Consultant's delivery of executed pledges from each such Subcontractor shall fully discharge the obligation of the Contractor/Consultant to comply with the provision in the LWO contained in Section 10.37.6(c) concerning compliance with such federal law.
 3. The Contractor/Consultant, whether an employer, as defined in the LWO, or any other person employing individuals, shall

not discharge, reduce in compensation, or otherwise discriminate against any employee for complaining to the City with regard to the employer's compliance or anticipated compliance with the LWO, for participating in proceedings related to the LWO, for seeking to enforce his or her rights under the LWO by any lawful means, or otherwise asserting rights under the LWO. Contractor/Consultant shall post the Notice of Prohibition Against Retaliation provided by the City.

4. Any Subcontract entered into by the Contractor/Consultant relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of LWO and the SCWRO, and shall incorporate the "Living Wage Ordinance and Service Contractor Worker Retention Ordinance" language.
 5. Contractor/Consultant shall comply with all rules, regulations and policies promulgated by the designated administrative agency, which may be amended from time to time.
- B. Under the provisions of Section 10.36.3(c) and Section 10.37.5(c) of the Los Angeles Administrative Code, the City shall have the authority, under appropriate circumstances, to terminate this contract and otherwise pursue legal remedies that may be available if the City determines that the subject Contractor/Consultant has violated provisions of the LWO and the SCWRO.
- C. Where under the LWO Section 10.37.6(d), the designated administrative agency has determined (a) that the Contractor/Consultant is in violation of the LWO in having failed to pay some or all of the living wage, and (b) that such violation has gone uncured, the awarding authority in such circumstances may impound monies otherwise due the Contractor/Consultant in accordance with the following procedures. Impoundment shall mean that from monies due the Contractor/Consultant, the awarding authority may deduct the amount determined to be due and owing by the Contractor/Consultant to its employees. Such monies shall be placed in the holding account referred to in LWO Section 10.37.6(d)(3) and disposed of under procedures there described through final and binding arbitration. Whether the Contractor/Consultant is to continue work following an impoundment shall remain in the unfettered discretion of the awarding authority. The Contractor/Consultant may not elect to discontinue work either because there has been an impoundment

or because of the ultimate disposition of the impoundment by the arbitrator.

§425. Earned Income Tax Credit

This Agreement is subject to the provisions of Section 10.37.4 of the Los Angeles Administrative Code, requiring employers to inform employees making less than Twelve Dollars (\$12.00) per hour of their possible right to the federal Earned Income Tax Credit (EITC). Employers must further make available to employees the forms required to secure advance EITC payments from employers.

§426. Equal Benefits Ordinance

Unless otherwise exempted in accordance with the provisions of the Equal Benefits Ordinance (EBO), Section 10.8.2.1 of the Los Angeles Administrative Code, this Contract is subject to the provisions of the EBO as amended from time to time.

- A. During the performance of the Contract, the Contractor/Consultant certifies and represents that the Contractor/Consultant will comply with the EBO. The Contractor/Consultant agrees to post the following statement in conspicuous places at its place of business available to employees and applicants for employment:

“During the performance of a Contract with the City of Los Angeles, the Contractor/Consultant will provide equal benefits to employees with spouses and its employees with domestic partners. Additional information about the City of Los Angeles’ Equal Benefits Ordinance may be obtained from the Department of Public Works, Bureau of Contract Administrator, Office of Contract Compliance Section at (213) 847-6480.”

- B. The failure of the Contractor/Consultant to comply with the EBO will be deemed to be a material breach of the Contract by the Awarding Authority.
- C. If the Contractor/Consultant fails to comply with the EBO the Awarding Authority may cancel, terminate or suspend the Contract, in whole or in part, and all monies due or to become due under may be retained by the City. The City may also pursue any and all other remedies at law or in equity for any breach.
- D. Failure to comply with the EBO may be used as evidence against the Contractor/Consultant in actions taken pursuant to the

provisions of Los Angeles Administrative Code Section 10.40 et seq., Contractor Responsibility Ordinance.

- E. If the Office of Contract Compliance determines that a Contractor/Consultant has set up or used its Contracting entity for the purpose of evading the intent of the EBO, the Awarding Authority may terminate the Contract on behalf of the City. Violation of this provision may be used as evidence against the Contractor/Consultant in actions taken pursuant to the provisions of the Los Angeles Administrative Code Section 10.40 et seq., Contractor Responsibility Ordinance.

§427. Contractor Responsibility Ordinance

Unless otherwise exempt in accordance with the provisions of the Ordinance, this Agreement is subject to the provisions of the Contractor Responsibility Ordinance, Section 10.40 et seq., of Article 14, Chapter 1 of Division 10 of the Los Angeles Administrative Code, which requires Contractor/Consultant to update its responses to the responsibility questionnaire within thirty calendar days after any change to the responses previously provided if such change would affect Contractor's/Consultant's fitness and ability to continue performing the contract. In accordance with the provisions of this Ordinance, by signing this Contract, Contractor/Consultant pledges, under penalty of perjury, to comply with all applicable federal, state and local laws in the performance of this contract, including but not limited to, laws regarding health and safety, labor and employment, wage and hours, and licensing laws which affect employees. The Contractor/Consultant further agrees to: (1) notify the awarding authority within thirty calendar days after receiving notification that any government agency has initiated an investigation which may result in a finding that the Contractor/Consultant is not in compliance with all applicable federal, state and local laws in performance of this contract; (2) notify the awarding authority within thirty calendar days of all findings by a government agency or court of competent jurisdiction that the Contractor/Consultant has violated the provisions of Section 10.40.3 (a) of the Ordinance; (3) ensure that its subcontractor(s), as defined in the Ordinance, submit a Pledge of Compliance to awarding authorities; and (4) ensure that its subcontractor(s), as defined in the Ordinance, comply with the requirements of the Pledge of Compliance and the requirement to notify Awarding Authorities within thirty calendar days after any government agency or court of competent jurisdiction has initiated an investigation or has found that the subcontractor has violated Section 10.40.3 (a) of the Ordinance in performance of the subcontract.

§428. Slavery Disclosure Ordinance

Unless otherwise exempt in accordance with the provisions of this Ordinance, this Agreement is subject to the Slavery Disclosure Ordinance, Section 10.41 of the Los

Angeles Administrative code, as may be amended from time to time. Contractor/Consultant certifies that it has complied with the applicable provisions of this Ordinance. Failure to fully and accurately complete the affidavit may result in termination of this Contract.

§429. Restriction on Disclosures

Any reports, analysis, studies, drawings, information, or data generated as a result of this Agreement are to be considered as confidential. Such information shall not be made available to any individual, agency, or organization except as provided for in this Agreement or as provided by law.

§430. Child Support Assignment Orders

This Agreement is subject to Section 10.10 of the Los Angeles Administrative Code, Child Support Assignment Orders Ordinance. Pursuant to this Ordinance, Contractor/Consultant certifies that it will (1) fully comply with all State and Federal employment reporting requirements applicable to Child Support Assignment Orders; (2) that the principal owner(s) of Contractor/Consultant are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code Section 5230 et seq.; and (4) maintain such compliance throughout the term of this Agreement. Pursuant to Section 10.10.b of the Los Angeles Administrative Code, failure of Contractor/Consultant to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal owner(s) of Contractor/Consultant to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally shall constitute a default by the Contractor/Consultant under the terms of this Agreement, subjecting this Agreement to termination where such failure shall continue for more than ninety (90) days after notice of such failure to Contractor/Consultant by City. Any subcontract entered into by the Contractor/Consultant relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of this paragraph and shall incorporate the provisions of the Child Support Assignment Orders Ordinance. Failure of the Contractor/Consultant to obtain compliance of its subcontractors shall constitute a default by the Contractor/Consultant under the terms of this contract, subjecting this Contract to termination where such failure shall continue for more than ninety (90) days after notice of such failure to Contractor/Consultant by the City.

Contractor/Consultant shall comply with the Child Support Compliance Act of 1998 of the State of California Employment Development Department. Contractor/Consultant assures that to the best of its knowledge it is fully complying with the earnings assignment orders of all employees, and is providing the names of all new

employees to the New Hire Registry maintained by the Employment Development Department as set forth in subdivision (1) of the Public Contract Code 7110.

§431. Minority, Women, and Other Business Enterprise Outreach Program

Contractor agrees and obligates itself to utilize the services of Minority, Women and Other business Enterprise firms on a level so designated in its proposal, if any. Contractor certifies that it has complied with Mayoral Directive 2001-26 regarding the Outreach Program for Personal Services Contracts Greater than \$100,000, if applicable. Contractor shall not change any of these designated subcontractors, nor shall Contractor reduce their level of effort, without prior written approval of the City, provided that such approval shall not be unreasonably withheld.

§432. First Source Hiring Ordinance

Unless otherwise exempt, this Agreement is subject to the applicable provisions of the First Source Hiring Ordinance (FSHO), Section 10.44 *et seq.* of the Los Angeles Administrative Code as amended from time to time.

- A. Contractor shall, prior to the execution of the contract, provide to the Designated Administrative Agency (DAA) a list of anticipated employment opportunities that Contractor estimates it will need to fill in order to perform the services under the contract.
- B. Contractor further pledges that it will, during the term of the contract: (1) at least seven (7) business days prior to making an announcement of a specific employment opportunity, provide notifications of that employment opportunity to the Housing and Community Investment Department (HCID), which will refer individuals for interview; (2) interview qualified individuals referred by HCID; and (3) prior to filing any employment opportunity, the Contractor shall inform the DAA of the names of the Referral Resources used, the names of the individuals they referred, the names of the referred individuals who the Contractor interviewed and the reasons why referred individuals were not hired.
- C. Any subcontract entered into by the Contractor relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of FSHO, and shall incorporate the FSHO.
- D. Contractor shall comply with all rules, regulations and policies promulgated by the DAA, which may be amended from time to time.

Where under the provisions of Section 10.44.13 of the Los Angeles Administrative Code the DAA has determined that the Contractor intentionally violated

or used hiring practices for the purpose of avoiding the FSHO, that determination will be documented in the Awarding Authority's Contractor Evaluation, required under Los Angeles Administrative Code Section 10.39 *et seq.*, and must be documented in each of the Contractor's subsequent Contractor Responsibility Questionnaires submitted under the Los Angeles Administrative Code Section 10.40 *et seq.* This measure does not limit the City's authority to act under the FSHO.

Under the provisions of Section 10.44.8 of the Los Angeles Administrative Code, the Awarding Authority shall, under appropriate circumstances, terminate this Agreement and otherwise pursue legal remedies that may be available if the DAA determines that the Contractor has violated provisions of the FSHO.

§433. Compliance With Los Angeles City Charter Section 470(C)(12)

The Contractor, Subcontractors, and their Principals are obligated to fully comply with City of Los Angeles Charter Section 470(c)(12) and related ordinances regarding limitations on campaign contributions and fundraising for certain elected City officials or candidates for elected City office if the contract is valued at \$100,000 or more and requires approval of a City elected official. Additionally, Contractor is required to provide and update certain information to the City as specified by law. Any Contractor subject to Charter Section 470(c)(12), shall include the following notice in any contract with a subcontractor expected to receive at least \$100,000 for performance under this contract:

Notice Regarding Los Angeles Campaign Contribution and Fundraising Restrictions

As provided in Charter Section 470(c)(12) and related ordinances, you are a subcontractor on City of Los Angeles Contract #_____. Pursuant to City Charter Section 470(c)(12), subcontractor and its principals are prohibited from making campaign contributions and fundraising for certain elected City officials or candidates for elected City office for 12 months after the City contract is signed. Subcontractor is required to provide to contractor names and addresses of the subcontractor's principals and contact information and shall update that information if it changes during the 12 month time period. Subcontractor's information included must be provided to Contractor within ten (10) business days. Failure to comply may result in termination of contract or any other available legal remedies including fines. Information about the restrictions may be found at the City Ethics Commission's website at <http://ethics.lacity.org/> or by calling 213/978-1960.

Contractor, Subcontractors, and their Principals shall comply with these requirements and limitations. Violation of this provision shall entitle the City to terminate this Agreement and pursue any and all legal remedies that may be available.

§434. Iran Contracting Act of 2010

In accordance with California Public Contract Code Sections 2200-2208, all contactors entering into or renewing contracts with the City of Los Angeles for goods and services estimated at \$1,000,000 or more are required to complete, sign, and submit the "Iran Contracting Act of 2010 Compliance Affidavit."

V.

DEFAULTS, SUSPENSION, TERMINATION, AND AMENDMENTS

§501. Defaults

Should the Contractor fail for any reason to comply with the contractual obligations of this Agreement within the time specified by this Agreement, the City reserves the right to:

- A. Reduce the total budget;
- B. Make any changes in the general scope of this Agreement;
- C. Suspend project operations in accordance with §502 of this Agreement; or
- D. Terminate the Agreement.

§502. Suspension

The City may suspend all or part of the project operations for failure by the Contractor to comply with the terms and conditions of this Agreement by giving written notice, which shall be effective upon receipt.

- A. Said notice shall set forth the specific conditions of non-compliance and the period provided for corrective action.
- B. Within five (5) working days the Contractor shall reply in writing setting forth the corrective actions which will be undertaken, subject to City approval in writing.

- C. Performance under this Agreement shall be automatically suspended without any notice from the City as of the date the Contractor is not fully insured in compliance with §413 (Insurance) herein. Performance shall not resume without the prior written approval of City.

§503. Termination

- A. Either party to this Agreement may terminate this Agreement or any part hereof upon giving the other party at least thirty (30) days written notice prior to the effective date of such termination, which date shall be specified in such notice.
- B. All property, documents, data, studies, reports and records purchased or prepared by the Contractor under this Agreement shall be disposed of according to City directives.
- C. In the event that the Contractor ceases to operate (i.e. dissolution of corporate status, declaration of bankruptcy, etc.) Contractor shall provide to the City copies of all records relating to this Agreement.
- D. Upon satisfactory completion of all termination activities, the City shall determine the total amount of compensation that shall be paid to the Contractor for any unreimbursed expenses reasonably and necessarily incurred in the satisfactory performance of this Agreement.
- E. The City may withhold any payments due to the Contractor until such time as the exact amount of any damages that may be due to the City from the Contractor is determined.
- F. The foregoing Subsection B, C, D, and E shall also apply to activities terminating upon the date specified in §201 or upon completion of the performance of this Agreement.

§504. Notices of Suspension or Termination

In the event that this Agreement is suspended or terminated, the Contractor shall immediately notify all employees and participants and shall notify in writing all other parties contracted with under the terms of this Agreement within five (5) working days of such suspension or termination.

§505. Amendments

Any change in the terms of this Agreement, including changes in the services to be performed by the Contractor, and any increase or decrease in the amount of compensation which are agreed to by the City and the Contractor shall be incorporated into this Agreement by a written amendment properly executed and signed by the person authorized to bind the parties thereto.

The Contractor agrees to comply with all future City Directives, or any rules, amendments or requirements promulgated by the City affecting this Contract.

VI.

ENTIRE AGREEMENT

§601. Complete Agreement

This Agreement contains the full and complete Agreement between the two parties. No verbal agreement nor conversation with any officer or employee of either party shall affect or modify any of the terms and conditions of this Agreement.

§602. Number of Pages and Attachments

This Agreement is executed in two (2) duplicate originals, each of which is deemed to be an original. This Agreement includes **insert number (insert number)** pages and eight (8) Exhibits which constitute the entire understanding and agreement of the parties.

IN WITNESS WHEREOF, the City of Los Angeles and the Contractor have caused this Agreement to be executed by their duly authorized representatives.

APPROVED AS TO FORM AND LEGALITY: Executed this _____ day of
MICHAEL N. FEUER, City Attorney _____, 2016

By _____
Deputy/Assistant City Attorney

Date _____

For: THE CITY OF LOS ANGELES

RUSHMORE D. CERVANTES
General Manager

Los Angeles Housing and Community
Investment Department

ATTEST:

HOLLY L. WOLCOTT, City Clerk

By _____
Title _____

By _____
Deputy City Clerk

Date _____

Executed this _____ day of
_____, 2016

For: Urban Futures Bond
Administration, Inc.

(Contractor's Corporate
Seal or Notary)

By: _____
Marshall F. Linn
Chief Executive Officer

D-U-N-S Number **07-273559**

CFDA Number _____

City Business License Number **948691-43**

Internal Revenue Service ID Number **95-4641627**

Council File/CAO File Number _____ Date of Approval _____

Said Agreement is Number _____ of City Contracts

**EXHIBIT A
INSURANCE**

Form Gen 146 (Rev. 9/06)

Required Insurance and Minimum Limits

Name: Urban Futures Bond Administration, Inc.

Date: _____

Agreement/Reference: «ContractNo»

Evidence of coverages checked below, with the specified minimum limits, must be submitted and approved prior to occupancy/start of operations. Amounts shown are Combined Single Limits ("CSLs"). For Automobile Liability, split limits may be substituted for a CSL if the total per occurrence equals or exceeds the CSL amount.

☒ **Workers' Compensation – Workers' Compensation (WC) and Employer's Liability (EL)**
WC Statutory EL \$1,000,000

☐ Waiver of Subrogation in favor of ☐ Longshore & Harbor Workers City ☐ Jones Act

☒ **General Liability** \$ 1,000,000

☒ Products/Completed Operations ☐ Sexual Misconduct
☐ Fire Legal Liability ☐ _____

☐ **Automobile Liability** (for any and all vehicles used for this contract, \$ _____
other than commuting to/from work)

☐ **Professional Liability** (Errors and Omissions) \$ _____
Discovery Period 12 Months After Completion of Work or Date of Termination.

☐ **Property Insurance** (to cover replacement cost of building - as determined \$ _____
by insurance company)

☐ All Risk Coverage ☐ Boiler and Machinery ☐ Flood ☐ Builder's Risk
☐ Earthquake ☐ _____

☐ **Pollution Liability** \$ _____
☐ _____

☐ **Surety Bonds – Performance and Payment (Labor and Materials) Bonds 100% of the contract Price**

☐ **Crime Insurance** \$ _____

Other:

EXHIBIT A
INSTRUCTIONS AND INFORMATION
ON COMPLYING WITH CITY INSURANCE REQUIREMENTS

(Share this information with your insurance agent or broker.)

PERSON TO CONTACT Direct all correspondence, questions, requests for additional forms, etc., to the contact person listed here or to the department that administers your contract, lease or permit:

NAME	LaFaye Jones
CITY AGENCY	Community Development Dept. Financial Management
Div.	
ADDRESS	1200 W. 7 th Street, 4 th Floor Los Angeles, CA 90017
TEL	(213) 744-7321
FAX	(213) 744-7362

GENERAL INFORMATION

1. **Agreement/Reference** All evidence of insurance must identify the nature of your business with the CITY. Clearly show any assigned number of a bid, contract, lease, permit, etc. or give the project name and the job site or street address to ensure that your submission will be properly credited. Provide the **types of coverage and minimum dollar amounts** specified on the Required Insurance and Minimum Limits sheet (Form Gen. 146) included in your CITY documents.

2. **When to submit** Normally, no work may begin until a CITY insurance certificate approval number ("CA number") has been obtained, so insurance documents should be submitted as early as practicable. For **As-needed Contracts**, insurance need not be submitted until a specific job has been awarded. **Design Professionals** coverage for new construction work may be submitted simultaneously with final plans and drawings, but before construction commences.

3. **Acceptable Evidence and Approval** Electronic submission is the preferred method of submitting your documents. **Track4LA™** is the CITY's online insurance compliance system and is designed to make the experience of submitting and retrieving insurance information quick and easy. The system is designed to be used primarily by insurance brokers and agents as they submit client insurance certificates directly to the City. It uses the standard insurance industry form known as the **ACORD 25 Certificate of Liability Insurance** in electronic format. Track4LA™ advantages include standardized, universally accepted forms, paperless approval transactions (24 hours, 7 days per week), and security checks and balances. The easiest and quickest way to obtain approval of your insurance is to have your insurance broker or agent access **Track4LA™** at <http://track4la.lacity.org> and follow the instructions to register and submit the appropriate proof of insurance on your behalf.

Insurance industry certificates other than the ACORD 25 may be accepted. **All** Certificates must provide a thirty (30) days' cancellation notice provision (ten (10) days for non-payment of premium) AND an Additional Insured Endorsement naming the CITY an additional insured completed by your insurance company or its designee. If the policy includes an automatic or blanket additional insured endorsement, the Certificate must state the CITY is an automatic or blanket additional insured. An endorsement naming the CITY an Additional Named Insured and Loss Payee as Its Interests May Appear is required on property policies. All evidence of insurance must be authorized by a person with authority to bind coverage, whether that is the authorized agent/broker or insurance underwriter.

Acceptable Alternatives to Acord Certificates and other Insurance Certificates:

- A copy of the full insurance policy which contains a thirty (30) days' cancellation notice

provision (ten (10) days for non-payment of premium) and additional insured and/or loss-payee status, when appropriate, for the CITY.

- **Binders and Cover Notes** are also acceptable as interim evidence for up to 90 days from date of approval.

Additional Insured Endorsements DO NOT apply to the following:

- Indication of compliance with statute, such as Workers' Compensation Law.
- Professional Liability insurance.

Completed **Insurance Industry Certificates other than ACORD 25 Certificates** can be sent electronically (CAO.insurance.bonds@lacity.org) or faxed to the Office of the City Administrative Officer, Risk Management (213) 978-7616. **Please note that submissions other than through Track4LATM will delay the insurance approval process as documents will have to be manually processed.**

Verification of approved insurance and bonds may be obtained by checking **Track4LA™**, the CITY's online insurance compliance system, at <http://track4la.lacity.org>.

4. Renewal When an existing policy is renewed, have your insurance broker or agent submit a new Acord 25 Certificate through **Track4LA™** at <http://track4la.lacity.org> or submit an Insurance Industry Certificate or a renewal endorsement as outlined in Section 3 above. If your policy number changes you must also submit a new Additional Insured Endorsement with an Insurance Industry Certificate.

5. Alternative Programs/Self-Insurance Risk financing mechanisms such as Risk Retention Groups, Risk Purchasing Groups, off-shore carriers, captive insurance programs and self-insurance programs are subject to separate approval after the CITY has reviewed the relevant audited financial statements. To initiate a review of your program, you should complete the Applicant's Declaration of Self Insurance form (<http://cao.lacity.org/risk/InsuranceForms.htm>) to the Office of the City Administrative Officer, Risk Management for consideration.

6. General Liability insurance covering your operations (and products, where applicable) is required whenever the CITY is at risk of third-party claims which may arise out of your work or your presence or special event on City premises. **Sexual Misconduct** coverage is a required coverage when the work performed involves minors. **Fire Legal Liability** is required for persons occupying a portion of CITY premises. (Information on two CITY insurance programs, the SPARTA program, an optional source of low-cost insurance which meets the most minimum requirements, and the Special Events Liability Insurance Program, which provides liability coverage for short-term special events on CITY premises or streets, is available at (www.2sparta.com), or by calling (800) 420-0555.

7. Automobile Liability insurance is required only when vehicles are used in performing the work of your Contract or when they are driven off-road on CITY premises; it is not required for simple commuting unless CITY is paying mileage. However, compliance with California law requiring auto liability insurance is a contractual requirement.

8. Errors and Omissions coverage will be specified on a project-by-project basis if you are working as a licensed or other professional. The length of the claims discovery period required will vary with the circumstances of the individual job.

9. **Workers' Compensation and Employer's Liability** insurance are not required for single-person contractors. However, under state law these coverages (or a copy of the state's Consent To Self Insure) must be provided if you have any employees at any time during the period of this contract. Contractors with no employees must complete a Request for Waiver of Workers' Compensation Insurance Requirement (<http://cao.lacity.org/risk/InsuranceForms.htm>). **A Waiver of Subrogation** on the coverage is required only for jobs where your employees are working on CITY premises under hazardous conditions, e.g., uneven terrain, scaffolding, caustic chemicals, toxic materials, power tools, etc. The Waiver of Subrogation waives the insurer's right to recover (from the CITY) any workers' compensation paid to an injured employee of the contractor.

10. **Property Insurance** is required for persons having exclusive use of premises or equipment owned or controlled by the CITY. **Builder's Risk/Course of Construction** is required during construction projects and should include building materials in transit and stored at the project site.

11. **Surety** coverage may be required to guarantee performance of work and payment to vendors and suppliers. A **Crime Policy** may be required to handle CITY funds or securities, and under certain other conditions. **Specialty coverages** may be needed for certain operations. For assistance in obtaining the CITY required bid, performance and payment surety bonds, please see the City of Los Angeles Bond Assistance Program website address at <http://cao.lacity.org/risk/BondAssistanceProgram.pdf> or call (213) 258-3000 for more information.

Rev. 10/09

EXHIBIT B
NOTICE OF PROHIBITION AGAINST RETALIATION

An employer subject to the Living Wage Ordinance shall post in a prominent place in an area frequented by employees a copy of the below notice to employees regarding the LWO prohibition against retaliation (also available in English at www.lacity.org/BCA/lwo_retaliation_english.pdf and in Spanish at www.lacity.org/BCA/lwo_retaliation_spanish.pdf). The retaliation notice must be posted by an employer even if the employer has been exempted from the LWO.

**NOTICE TO EMPLOYEES
WORKING ON CITY CONTRACTS
RE: LIVING WAGE ORDINANCE AND
PROHIBITION AGAINST RETALIATION**

“Section 10.37.5 Retaliation Prohibited” of the Living Wage Ordinance (LWO) provides that any employer that has a contractual relationship with the City **may not** discharge, reduce the pay of, or discriminate against his or her employees working under the City contract for any of the following reasons:

1. Complaining to the City if your employer is not complying with the Ordinance.
2. Opposing any practice prohibited by the Ordinance.
3. Participating in proceedings related to the Ordinance, such as serving as a witness and testifying in a hearing.
4. Seeking to enforce your rights under this Ordinance by any lawful means.
5. Asserting your rights under the Ordinance.

Also, you may not be fired, lose pay or be discriminated against for asking your employer questions about the Living Wage Ordinance, or asking the City about whether your employer is doing what is required under the LWO. If you are fired, lose pay, or discriminated against, you have the right to file a complaint with the Equal Employment Opportunity/Affirmative Action Section, as well as file a claim in court.

For more information, or to obtain a complaint form, please call the Equal Employment/Affirmative Action Section at (213) 847-6480

**CITY OF LOS ANGELES
Department of Public Works
Bureau of Contract Administration
Office of Contract Compliance
600 South Spring Street, Suite 1300
Los Angeles, CA 90014
Phone: (213) 847-6480 — Fax: (213) 847-5566**

Exhibit C

Affordable Housing Inventory

The properties monitored by the HCIDLA fall into five program categories. The approximate number of projects and units for each program is listed.

Major Projects – 345 projects, 11,699 restricted units. New construction or major rehabilitation using HUD funds (primarily HOME and CDBG) and/or the Affordable Housing Trust Fund (AHTF), often in conjunction with Low Income Housing Tax Credits (LIHTC).

HOPWA Projects (subset of Major Projects) – The HOPWA program authorizes entitlement grants and competitively awarded grants for housing assistance and services. The City of Los Angeles serves as the administrator of the HOPWA program for all of Los Angeles County.

Neighborhood Preservation Program –16 projects, 146 restricted units. Rehabilitation of smaller properties funded through a number of different programs, most funded with HOME or CDBG funds.

Earthquake Projects– 111 projects, 1,306 restricted units. Primarily rehabilitation financed with HUD funds under the City's Earthquake Emergency Loan Program (EELP) and includes some tax credit projects.

Bond Projects – 156 projects, 3,569 restricted units. New construction projects developed using funds made available through the sale of multi-family housing revenue bonds. Due to changes in law, projects are separated into pre-1986 and post-1986 bond issues.

Land Use Projects– 304 projects, 5,489 restricted units. New construction, rehabilitation and conversions developed in consideration of a land use benefit, such as a density bonus, tract map approval, variance, conditional use permit, coastal development permit and others.

Community Redevelopment Agency Projects – 438 projects, 18,009 units. On June 12, 2012, the Los Angeles Housing Department (now HCIDLA) became the housing successor entity for CRA/LA. After the implementation of AB1x26 (the redevelopment elimination bill), HCIDLA became responsible for the enforcement of all CRA/LA housing affordability covenants and other monitoring functions as defined under California Redevelopment Law.

Homeownership Units– 2,488 units. Homeownership loans are primarily financed through several programs including the HOME Program, the Neighborhood Stabilization Program (NSP), or the 2014 Low Income Purchase Assistance Program (LIPA). Under all HCIDLA homeownership programs, borrowers or their extended families (for two unit properties) must occupy the property as their primary residence. Under all the Homeownership programs administered by HCIDLA the total household income for all adults 18 years of age or older who live in the home must be at or below each programs' published income limits.

Large scale projects frequently have multiple regulatory agreements tied to funding sources or land use. The property is required to adhere to the most restrictive combination of the requirements drawn from all of these regulatory agreements to be found in compliance.

EXHIBIT D
PROJECT PROFILE DATA

PROJECT

1. HIMS # Sequentially assigned
2. Project Name
3. Regulatory/Covenant/Agreement Number
4. Program
5. Regulatory/Covenant start Date
6. Regulatory/Covenant end Date
7. Reporting Month
8. Units Fixed or Floating
9. Site Address
10. City
11. Zip Code

SET ASIDE UNIT DETAIL

1. Percentage Units Set Aside
2. Number of Units
3. Number of Bedrooms
4. Number of Units designated as HOME

PROPERTY MANAGEMENT COMPANY

1. Contact Name
2. Address
3. Contact Phone
4. Email Address
5. Contact Mailing

OWNER

1. Contact Name
2. Address
3. Contact Phone
4. Email Address
5. Contact Mailing

EXHIBIT E

PROJECT OVERVIEW

UNIT COMPLIANCE DATA

1. HIMS # Sequentially assigned by HCIDLA
2. Project Name-Provided by HCIDLA
3. Address
4. Address- Line 2
5. City
6. State
7. Zip Code
9. Unit #
10. HOME unit (Y or N)
11. Programs applicable to each Affordable Housing unit
12. Indicate Housing Choice Voucher/Project Based Voucher
13. # of bedrooms
14. Head of Household
15. Name
16. Ethnicity (only for Major Projects and NPP)
17. Gender (only for Major Projects and NPP)
18. Gross Income
19. Number of Household Members
20. Covenant specified restriction level - % of Median Income
21. Total Rent
22. Tenant Rent- If tenant pays less than the total amount of rent
23. Utility Allowance- Calculated dollar amount deducted from maximum allowable rent* (Land Use Excluded)
24. Compliance Documentation Certification date
25. Move-in Date(Building)-Date tenant moved in
26. New Entry (Y/N) - Is this a new household?
27. Status Code- In compliance, Non compliance, Provisional compliance.

Exhibit F

Monitoring Documents to be Collected by Program Type

PROGRAM	DOCUMENT	SIGNIFICANCE	FREQUENCY
HOME CDBG Neighborhood Preservation Program (NPP) Major Projects	Certificate of Continuing Program Compliance	Compliance	Annually
	HOME Checklist and Occupancy Summary	Rent verification	Annually
	Tenant Income & Rent Certification Form	Income verification	Annually/as needed
	Income Source Documents for new and existing Tenants	Income verification	Initial move in Every 6 th year
	Mandatory Addendum to Lease or Rental Agreement or lease waiver	Compliance	Initial move in/current tenants/as needed
	During On-Site Audit-Property Management Plan (includes: Waiting List Tenant Selection Plan, Affirmative Marketing Plan, Sample Lease and Lease Addendum)	Compliance	New Owners/as needed
Bond	Certificate of Continuing Program Compliance (CCPC)	Compliance	Quarterly, semi-annually, or annually
	Bond Program Report	Rent verification	Quarterly, semi-annually or annually
	New Tenant Income Certification/Recertification	Income verification	Annually and as required
	Income Source & Third-Party Documents	Income verification	Annually and as required
Earthquake (non-HOME)	CCPC	Compliance	Annually
	Occupancy Summary	Rent/income verification	Annually
	Tenant Income & Rent Certification Form	Income verification	Initially and as required
	Income Source Documents	Income verification	Initially and when household changes
Land Use	Occupancy Summary and CCPC	Rent verification	Annually
	New tenant income source documentation	Income verification	Initially and as required
	Tenant Income and Rent Certifications	Income verification	Annually
Housing Opportunities for Persons with AIDS (HOPWA)	HOPWA CCPC	Compliance	Annually
	HOPWA Program Report	Rent verification	Annually
	New Tenant Income Certification/Recertification	Income verification	Annually and as required
	Income Source & Third-Party Documents	Income verification	Annually and as required
NSP	Owner Occupancy Affidavit	Compliance	Annually

EXHIBIT G

SITE VISIT/AUDITING DOCUMENT REVIEW

PROGRAM	ITEMS TO BE REVIEWED
Bond	<p>Source Documents- Documents on file should be comprehensive enough to sufficiently determine household income. Income listed on the filed source documents should match the household income used to qualify the tenant household.</p> <p>File Storage- Owner must maintain records which support compliance with program guidelines. Each tenant household should have a separate file. The owner should have copies of all documents submitted to HCIDLA for compliance and the supporting documentation.</p>

PROGRAM	ITEMS TO BE REVIEWED
Earthquake	<p>Lease Addendum- For all tenants, a Lease Addendum should be in the tenant information folder.</p> <p>Source Documents- Documents on file should be comprehensive enough to sufficiently determine household income. Income listed on the filed source documents should match the household income used to qualify the tenant household.</p> <p>File Storage- Owner must maintain records which support compliance with program guidelines. Each tenant household should have a separate file. The owner should have copies of all documents submitted to HCIDLA for compliance and the supporting documentation.</p>

PROGRAM	ITEMS TO BE REVIEWED
Land Use	<p>Source Documents- Documents on file should be comprehensive enough to sufficiently determine household income. Income listed on the filed source documents should match the household income used to qualify the tenant household.</p> <p>File Storage- Owner must maintain records which support compliance with program guidelines. Each tenant household should have a separate file. The owner should have copies of all documents submitted to HCIDLA for compliance and the supporting documentation.</p>

PROGRAM	ITEM TO BE REVIEWED
Major Projects NPP HOME	<p>Record Maintenance- HOME requires owners to maintain both Project and Tenant Files for rental projects, to document that all Rent, Occupancy and Lease Requirements have been met. Owners must ensure that tenants have copies of all documents that they have signed. Tenant income, rent and inspection information must be kept for the most recent five years, up to five years after the affordability period.</p>

EXHIBIT G (Continued)

SITE VISIT/AUDITING DOCUMENT REVIEW

	<p>Project Files- Project Files should include all documents associated with the loan and documents demonstrating how rent and occupancy targets are/were met. All Project Files should include, but are not limited to, the following documents:</p> <p>Certificate of Continuing Program Compliance- Annual certification that the borrower remained in compliance with the terms of the regulatory agreement.</p> <p>Occupancy Summary- Rental log used for annual certifications that shows the owner has reviewed for: (a) new tenants in restricted units which may change the household's income eligibility and (b) new households in the restricted units. It is also used for annual certification of rent and other information related to the eligibility of the household.</p> <ul style="list-style-type: none">• Regulatory Agreement• All Correspondence• Annual rent and utilities allowances• Property Management Plan, Affirmative Marketing, Lease Addendum• Tenant selection policy <p>Tenant Files: Should include documentation necessary to demonstrate that each HOME-assisted unit is occupied by an income-eligible household and that lease requirements are met. Files should include all the following documents:</p> <ul style="list-style-type: none">• Lease Application• Copy of Lease or Lease Waiver• Income Source Verification Documentation <p>Documents on file should be comprehensive enough to sufficiently determine household income. Income source documents should confirm the income listed on the Tenant Information Sheet.</p> <p>HOME Checklist</p> <p>Information provided on Tenant Income and Rent Certification Forms (Tenant Information Sheets) should match the information reported on the Occupancy Summary.</p> <p>Mandatory Addendum to the Lease or Rental Agreement</p> <p>For Section 8 tenants:</p> <ul style="list-style-type: none">• HAP Contracts• Rent Adjustment Notice for the Housing Authority
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EXHIBIT H
Itemized Fee Schedule

Service	Fee	Explanation of Fee
Bond	\$17.00	Per Unit
Major Project (MP)	\$27.00	Per Unit
CRA	\$22.00	Per Unit
Neighborhood Preservation Project (NPP)	\$22.00	Per Unit
Earthquake (EQ)	\$20.00	Per Unit
Land Use (LU)	\$14.00	Per Unit
Housing Opportunities for Persons with AIDS	\$17.00	Per Unit
Single Family	\$15.00	Per Unit

Service	1 - 25 Units (Every 3 Years)	26 or More Units (Every 2 Years)	Explanation of Fees
HOME and Non-Compliant On-Site Audit Fee	\$250.00	\$200.00	Per Visit

Service	Fee	Explanation of Fee
Annual Administrative Fees	10% of Annual Contract	Includes: new project set-up, compliance requests, queries, misc. reports, etc.

*Hourly Rates		Fee
Managing Director		\$130.00
Compliance Lead		\$75.00
Compliance Specialist		\$50.00
Compliance Assistant		\$40.00

**Note: Hourly rates are provided only for services performed outside the*

All costs related to the "Scope of Work" are included in the itemized fee schedules listed above. UFBA does not charge additional fees for non-salary expenses (i.e. mileage, supplies, etc.)