CITY OF LAGUNA HILLS
CITY COUNCIL/PLANNING AGENCY

REGULAR MEETING AGENDA
Tuesday, November 28, 2017 – 7:00 PM
(Closed Session at 6:00 PM when scheduled)

Don Sedgwick, Mayor

Melody Carruth, Mayor Pro Tempore | **Dore J. Gilbert, M.D., Council Member**

Janine Heft, Council Member | **Barbara D. Kogerman, Council Member**

Location: City Council Chamber, 24035 El Toro Road, Laguna Hills, CA 92653

Any person wishing to address the City Council/Planning Agency on any matter, whether or not it appears on this Agenda, is asked to complete a pink "Request to Speak" form available on the table at the back of the Chamber. The completed form is to be submitted to the City Clerk prior to an individual being heard by the City Council/Planning Agency. Completion of the form is voluntary. All persons may attend the meeting regardless of whether this form is completed.

Members of the public wishing to address the City Council can do so during the Public Comments portion of the Agenda with a time limitation of three minutes per person, an overall time limit of ten minutes for any one subject, and a total time limit of thirty minutes for Public Comments. If you are commenting on an Agenda item, your comments will be heard at the time that item is scheduled on the Agenda. If you are addressing the City Council on an item not listed on the Agenda, the City Council is prohibited by law from discussing or taking any action on that item.

CLOSED SESSION - CONVENING AT 6:00 PM

CALL TO ORDER

Resolution No. 96-04-09-1 established rules of decorum for public meetings held by the City of Laguna Hills. Resolution No. 96-04-09-1 is available on the table at the back of the City Council Chamber.

ROLL CALL OF CITY COUNCIL MEMBERS

ANNOUNCEMENT OF CLOSED SESSION ITEM(S)

The City Council will convene in Closed Session, in the City Council Conference Room, City Hall, Laguna Hills Civic Center, to consider the following matter(s):

A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Paragraph (1) of subdivision (d) of Government Code Section 54956.9
Name of Case: *George Dayeh, Maryam Dayeh vs. City of Laguna Hills,*
Orange County Superior Court, Civil Complex Center;
Case No. 30-2017-00909717

PUBLIC COMMENT ON CLOSED SESSION ITEM(S)

ADJOURN TO CITY COUNCIL CONFERENCE ROOM

CONVENE INTO CLOSED SESSION

The City Council will convene in Closed Session, to consider the matter(s) listed above.

RECONVENE TO CITY COUNCIL CHAMBER

RECESS

CITY OF LAGUNA HILLS
CITY COUNCIL/PLANNING AGENCY

REGULAR MEETING AGENDA
Tuesday, November 28, 2017 – 7:00 PM
(Closed Session at 6:00 PM when scheduled)

Don Sedgwick, Mayor

Melody Carruth, Mayor Pro Tempore | **Dore J. Gilbert, M.D., Council Member**

Janine Heft, Council Member | **Barbara D. Kogerman, Council Member**

Location: City Council Chamber, 24035 El Toro Road, Laguna Hills, CA 92653

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GENERAL BUSINESS - RECONVENING AT 7:00 PM

CALL TO ORDER

Resolution No. 96-04-09-1 established rules of decorum for public meetings held by the City of Laguna Hills. Resolution No. 96-04-09-1 is available on the table at the back of the City Council Chamber.

PLEDGE OF ALLEGIANCE: COUNCIL MEMBER KOGERMAN

ROLL CALL OF CITY COUNCIL MEMBERS

CLOSED SESSION REPORT

1. PRESENTATIONS AND PROCLAMATIONS

1.1 Laguna Hills High School Student Liaison

Recommendation: That the City Council receive an update from Laguna Hills High School Student Liaison Maya Williams.

1.2 Certificate of Recognition - Deputy Sheriff Anthony Sambrano

Recommendation: That the City Council present a Certificate of Recognition to Deputy Sheriff Anthony Sambrano for being awarded the "Above and Beyond" award by the Saddleback Unified School District.

2. PUBLIC COMMENTS

This is the time to address the City Council on any matter not listed on this Agenda that is within the subject matter jurisdiction of the City Council. Public Comments are limited to three minutes per person, an overall time limit of ten minutes for any one subject, and a total time limit of thirty minutes.

3. CONSENT CALENDAR

All matters listed under “CONSENT CALENDAR” are considered to be routine and will be enacted by one motion approving the recommendation listed on the Agenda. There will be no separate discussion unless Members of the City Council or Staff request specific items be removed from the Consent Calendar.

3.1 Waive Reading in Full of all Ordinances and Resolutions on the Agenda

Recommendation: That the City Council waive reading in full of all Ordinances and Resolutions on the Agenda and declare that said titles which appear on the Public Agenda shall be determined to have been read by title and further reading waived.

3.2 Approval of Minutes for November 14, 2017, Regular Meeting

Recommendation: That the City Council approve the Minutes for the November 14, 2017, Regular Meeting.

3.3 Approval of Warrant Register for Period Ended November 28, 2017

Recommendation: That the City Council approve the Warrant Register in the amount of $256,778.77.

3.4 2016/2017 Development Impact Fees Annual Report

Recommendation: That the City Council approve the 2016/2017 Development Impact Fees Report pursuant to Government Code Section 66006.

3.5 First Quarter Financial and Treasurer's Report for Fiscal Year 2017/2018

Recommendation: That the City Council receive and file the First Quarter Financial and Treasurer's Report for Fiscal Year 2017/2018.

3.6 Contracts with the County of Orange and Age Well Senior Services for Community Development Block Grant Funds for Fiscal Year 2017/2018

Recommendation: That the City Council: (1) Approve the Contract between the County of Orange and the City of Laguna Hills for Community Development Block Grant Funds for Fiscal Year 2017/2018; (2) Approve the Contract between Age Well Senior Services and the City of Laguna Hills for Community Development Block Grant Funds for Fiscal Year 2017/2018; and (3) Authorize the Mayor and City Manager to execute the Contracts.

ITEMS REMOVED FROM THE CONSENT CALENDAR

4. PLANNING AGENCY

4.1 ROLL CALL OF PLANNING AGENCY MEMBERS

4.2 PUBLIC COMMENTS

This is the time to address the Planning Agency on any matter not listed on this Agenda that is within the subject matter jurisdiction of the Planning Agency. Public Comments are limited to three minutes per person, an overall time limit of ten minutes for any one subject, and a total time limit of thirty minutes.

4.3 APPROVAL OF MINUTES FOR NOVEMBER 14, 2017, REGULAR MEETING

4.3.1 Approval of Minutes for November 14, 2017, Regular Meeting

Recommendation: That the Planning Agency approve the Minutes for the November 14, 2017, Regular Meeting.

4.4 ADMINISTRATIVE REPORTS

4.5 PLANNING AGENCY PUBLIC HEARINGS

PLANNING AGENCY ADJOURNMENT

5. CITY COUNCIL PUBLIC HEARINGS

6. ADMINISTRATIVE REPORTS

6.1 City Manager

6.1.1 Acceptance of Letter of Resignation Filed by City Manager

Recommendation: That the City Council accept the Letter of Resignation filed by City Manager Bruce E. Channing, receive and file the report, and provide direction as necessary.

6.2 City Attorney

6.2.1 Appointment of Labor Negotiator

Recommendation: That the City Council appoint Mayor Don Sedgwick to serve as the Council-designated Labor Representative for purposes of facilitating the Contract Negotiation process to retain a new City Manager.

7. MATTERS AGENDIZED AND PRESENTED BY CITY COUNCIL MEMBERS

7.1 Proposal to Amend Title 9 (Zoning and Subdivisions) of the Laguna Hills Municipal Code to Require a Regulatory Permit for the Limited Personal Cultivation of Marijuana Inside a Person's Private Residence and Inside an Accessory Structure to a Person's Private Residence in Accordance with State Law

Recommendation: That the City Council approve the process of drafting an Amendment to Title 9 (Zoning and Subdivisions) of the Laguna Hills Municipal Code to require a Regulatory Permit for the Limited Personal Cultivation of Marijuana inside a Person's Private Residence and inside an Accessory Structure to a Person's Private Residence in accordance with State Law.

8. CITY COUNCIL MEMBER COMMENTS

9. CLOSED SESSION

ANNOUNCEMENT OF CLOSED SESSION ITEM(S)

The City Council will convene in Closed Session, in the City Council Conference Room, City Hall, Laguna Hills Civic Center, to consider the following matter(s):

9.1 PUBLIC EMPLOYEE APPOINTMENT

Pursuant to Government Code Section 54957
Title: City Manager

9.2 CONFERENCE WITH LABOR NEGOTIATOR

Pursuant to Government Code Section 54957.6
Agency Negotiator: Don Sedgwick, Mayor
Unrepresented Employee: Donald J. White, Assistant City Manager

PUBLIC COMMENT ON CLOSED SESSION ITEM(S)

ADJOURN TO CITY COUNCIL CONFERENCE ROOM

The City Council will convene in Closed Session, to consider the matter(s) listed above.

RECONVENE TO CITY COUNCIL CHAMBER

CLOSED SESSION REPORT

City Attorney to announce whether any reportable action was taken on any matters considered during Closed Session.

ADJOURNMENT

The next Regular Meeting of the City Council/Planning Agency will be December 12, 2017, in the City Council Chamber, located at 24035 El Toro Road, Laguna Hills, California.

CERTIFICATION

I, Melissa Au-Yeung, City Clerk of the City of Laguna Hills, do hereby certify that a copy of the foregoing Agenda was posted at Laguna Hills City Hall, Laguna Hills Community Center, and the Courtyard at La Paz Center on November 22, 2017, by 5:00 pm.

mlh ayn

______________________	**November 22, 2017**
City Clerk	***Date***

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, you should contact the office of the City Clerk at (949) 707-2635. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to this meeting.

Materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office at 24035 El Toro Road, Laguna Hills, California, during normal business hours.

City Council Members receive no additional compensation or stipend as a result of simultaneously convening meetings of the Laguna Hills Planning Agency.

City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: November 28, 2017

TO: Mayor and Council Members

FROM: Cindy Sands
Admin. Assistant to City Manager

ISSUE: Certificate of Recognition - Deputy Sheriff Anthony Sambrano

RECOMMENDATION: That the City Council present a Certificate of Recognition to Deputy Sheriff Anthony Sambrano for being awarded the "Above and Beyond" Award by the Saddleback Unified School District.

SUMMARY:

Deputy Sheriff Anthony Sambrano, Laguna Hills High School Resource Officer, was recently recognized by Saddleback Valley Unified School District Superintendent, Dr. Crystal Turner, and the Executive Board with an “Above and Beyond” Award for his compassion and empathy while providing assistance and reassurance to two students whose mother had been involved in a domestic disturbance.

The City of Laguna Hills would like to present Certificate of Recognition to Deputy Sheriff Anthony Sambrano in recognition of his outstanding service to the City of Laguna Hills.

ATTACHMENTS:

- Certificate of Recognition - Sambrano

CITY OF LAGUNA HILLS

CERTIFICATE OF RECOGNITION

ANTHONY SAMBRANO

Deputy Sheriff
City of Laguna Hills
Orange County Sheriff's Department

WHEREAS, *Anthony Sambrano has served as Deputy Sheriff for the City of Laguna Hills since May 29, 2015, and the Laguna Hills School Resource Officer since October 14, 2016; and*

WHEREAS, *Deputy Sambrano has proven himself to be a person of immense character, honesty, and loyalty; and*

WHEREAS, *Deputy Sambrano has fostered a strong partnership between law enforcement, school administrators, parents, and students and; therefore, has enhanced campus safety at Laguna Hills High School, Lomarena Elementary, San Joaquin Elementary, and Valencia Elementary; and*

WHEREAS, *Deputy Sambrano, while serving as the Laguna Hills School Resource Officer, has been honored with an "Above and Beyond" award by the Saddleback Valley Unified School District for his act of compassion and empathy while providing assistance and reassurance to two students whose mother had been shot during a domestic disturbance.*

NOW, THEREFORE, *I, Don Sedgwick, Mayor, on behalf of the City Council of the City of Laguna Hills, California, and all the staff, do hereby recognize and honor Deputy Sheriff Anthony Sambrano for receiving an "Above and Beyond" award from the Saddleback Valley Unified School District.*

Dated this 28th day of November 2017.

DON SEDGWICK, MAYOR

City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: November 28, 2017

TO: Mayor and Council Members

FROM: Cindy Sands
Admin. Assistant to City Manager

ISSUE: Approval of Minutes for November 14, 2017, Regular Meeting

RECOMMENDATION: That the City Council approve the Minutes for the November 14, 2017, Regular Meeting.

ATTACHMENTS:

- 171114 CC Minutes

CITY OF LAGUNA HILLS
CITY COUNCIL/PLANNING AGENCY

REGULAR MEETING
MINUTES
Tuesday, November 14, 2017

GENERAL BUSINESS - CONVENING AT 7:00 PM

CALL TO ORDER

The meeting was called to order at 7:00 p.m. by Mayor Don Sedgwick.

PLEDGE OF ALLEGIANCE: COUNCIL MEMBER HEFT

ROLL CALL OF CITY COUNCIL MEMBERS

Attendee Name	Title	Status	Arrived
Don Sedgwick	Mayor	Present	
Melody Carruth	Mayor Pro Tempore	Present	
Dore J. Gilbert, M.D.	Council Member	Present	
Janine Heft	Council Member	Present	
Barbara D. Kogerman	Council Member	Present	

1. PRESENTATIONS AND PROCLAMATIONS

1.1 Laguna Hills High School Student Liaison

Recommendation: The City Council received an oral report from Laguna Hills High School Student Liaison Maya Williams.

1.2 Certificate of Commendation - Lynette Brinkis

Recommendation: Mayor Sedgwick presented a Certificate of Commendation to Laguna Hills resident Lynette Brinkis in recognition of her heroic efforts to aid those injured during the Las Vegas, Nevada, mass shooting event.

2. PUBLIC COMMENTS

LACK OF MEDIA COVERAGE

Meg Gorham, a resident of Laguna Hills, voiced her concerns regarding the lack of media coverage in the Orange County Register of the City of Laguna Hills' newsworthy events and information.

SOUTHERN CALIFORNIA EDISON

Karalee Darnell, Southern California Edison Government Relations Manager, formally introduced herself to the City Council.

3. CONSENT CALENDAR

Motion to approve the Consent Calendar, with Mayor Pro Tempore Carruth removing Item No. 3.9, Council Member Heft removing Item No. 3.10, and Council Member Kogerman removing Item No. 3.3:

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Melody Carruth, Mayor Pro Tempore
SECONDER:	Barbara D. Kogerman, Council Member
AYES:	Don Sedgwick, Mayor; Melody Carruth, Mayor Pro Tempore; Dore J. Gilbert, M.D., Council Member; Janine Heft, Council Member; Barbara D. Kogerman, Council Member

3.1 Waive Reading in Full of all Ordinances and Resolutions on the Agenda

Recommendation: That the City Council waive reading in full of all Ordinances and Resolutions on the Agenda and declare that said titles which appear on the Public Agenda shall be determined to have been read by title and further reading waived.

3.2 Approval of Minutes for August 22, 2017, Regular Meeting

Recommendation: That the City Council approve the Minutes for the August 22, 2017, Regular Meeting.

3.4 Approval of Warrant Register for Period Ended November 14, 2017

Recommendation: That the City Council approve the Warrant Register in the amount of $2,056,250.68.

3.5 Proposed Office Lease with First American Advisors, Inc., for 24031 El Toro Road, Suite 304, Laguna Hills, California

Recommendation: That the City Council approve the lease with First American Advisors, Inc., for 24031 El Toro Road, Suite 304, Laguna Hills, California, and authorize the City Manager to execute the Lease.

3.6 Civic Center First Quarter Financial Report for Fiscal Year 2017/2018

Recommendation: That the City Council receive and file the report.

3.7 Second Reading and Adoption of an Ordinance Adding Chapter 10-72 to Title 10 of the Laguna Hills Municipal Code to Provide an Expedited, Streamlined Permitting Process for Electric Vehicle Charging Stations

Recommendation: That the City Council adopt Ordinance No. 2017-6, An Ordinance of the City of Laguna Hills, California, adding Chapter 10-72 (Electric Vehicle Charging Station Permits) to Title 10 (Buildings and Construction) of the Laguna Hills Municipal Code to provide an expedited, streamlined permitting process for Electric Vehicle Charging Stations in accordance with AB 1236 and Section 65850.7 of the California Government Code, including an exemption from the California Environmental Quality Act (CEQA) Guidelines Sections 15060(C)(2) and (C)(3).

3.8 Second Reading and Adoption of an Ordinance Approving Specific Plan Amendment No. 11-16-3681 Amending Sections of the Urban Village Specific Plan Pertaining to the Right-of-Way, Parkway, and Sidewalk Standards for Avenida de la Carlota Between El Toro Road and Los Alisos Boulevard

Recommendation: That the City Council adopt Ordinance No. 2017-7, An Ordinance of the City of Laguna Hills, California, approving Specific Plan Amendment No. 11-16-3681, an amendment to sections of the Urban Village Specific Plan amending the right-of-way, parkway, and sidewalk standards for Avenida de la Carlota between El Toro Road and Los Alisos Boulevard.

ITEMS REMOVED FROM THE CONSENT CALENDAR

3.3 Approval of Minutes for October 10, 2017, Regular Meeting

Council Member Kogerman removed Item No. 3.3 from the Consent Calendar due to her absence at the October 10, 2017, Regular Meeting.

Recommendation: That the City Council approve the Minutes for the October 10, 2017, Regular Meeting.

RESULT:	**APPROVED [4-0]**
MOVER:	Dore J. Gilbert, M.D., Council Member
SECONDER:	Janine Heft, Council Member
AYES:	Don Sedgwick, Mayor; Melody Carruth, Mayor Pro Tempore; Dore J. Gilbert, M.D., Council Member; Janine Heft, Council Member
ABSTAIN:	Barbara D. Kogerman, Council Member

3.9 Community Assistance Funding for the Laguna Hills Chamber of Commerce

Mayor Pro Tempore Carruth removed Item No. 3.9 from the Consent Calendar to voice her opposition to this Item.

Recommendation: That the City Council adopt Resolution No. 2017-11-14-1, A Resolution of the City Council of the City of Laguna Hills, California, authorizing Community Assistance Funding for the Laguna Hills Chamber of Commerce, a California 501 (C)(3) Nonprofit Public Benefit Corporation."

RESULT:	**APPROVED [3-2]**
MOVER:	Barbara D. Kogerman, Council Member
SECONDER:	Janine Heft, Council Member
AYES:	Don Sedgwick, Mayor; Janine Heft, Council Member; Barbara D. Kogerman, Council Member
NAYS:	Melody Carruth, Mayor Pro Tempore; Dore J. Gilbert, M.D., Council Member

3.10 Parking Citation Processing Agency Services Agreement with Data Ticket, Inc.

Council Member Heft removed Item No. 3.10 from the Consent Calendar to request additional information.

Recommendation: That the City Council:

(1) Waive competitive informal and formal bidding requirements and procedures set forth in the City of Laguna Hills Municipal Code (LHMC) Section 3-08.080 and Section 3-08.090 with regard to approval of the proposed Parking Citation Processing Agency Services Agreement with Data Ticket, Inc., as it is hereby found and determined, pursuant to LHMC Sections 3-08.110(G), (I), and (J), that the decision to use and rely on the 2015 County of Orange competitive selection process for parking citation processing services is appropriate based on the analysis and facts provided herein by City staff; and

(2) Approve a proposed Parking Citation Processing Agency Services Agreement with Data Ticket, Inc. for parking citation processing services for an initial five-year term, commencing on November 14, 2017, and ending on November 14, 2022. The City will have the unilateral option, at its sole discretion, to automatically renew the proposed Agreement for no more than one additional three-year term; and

(3) Authorize the City Manager to execute the proposed Parking Citation Processing Agency Services Agreement with Data Ticket, Inc.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Barbara D. Kogerman, Council Member
SECONDER:	Don Sedgwick, Mayor
AYES:	Don Sedgwick, Mayor; Melody Carruth, Mayor Pro Tempore; Dore J. Gilbert, M.D., Council Member; Janine Heft, Council Member; Barbara D. Kogerman, Council Member

4. PLANNING AGENCY

Mayor Sedgwick recessed the City Council meeting and, acting in the capacity of Chair, called the Regular Meeting of the Planning Agency of the City of Laguna Hills, California, to order at 7:25 p.m.

4.1 ROLL CALL OF PLANNING AGENCY MEMBERS

Attendee Name	Title	Status	Arrived
Don Sedgwick	Chair	Present	
Melody Carruth	Vice Chair	Present	
Dore J. Gilbert, M.D.	Agency Member	Present	
Janine Heft	Agency Member	Present	
Barbara D. Kogerman	Agency Member	Present	

4.2 PUBLIC COMMENTS

There were no Public Comments.

4.3 APPROVAL OF MINUTES

4.3.1 Approval of Minutes for August 22, 2017, Regular Meeting

Recommendation: That the Planning Agency approve the Minutes for the August 22, 2017, Regular Meeting.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Melody Carruth, Vice Chair
SECONDER:	Janine Heft, Agency Member
AYES:	Don Sedgwick, Chair; Melody Carruth, Vice Chair; Dore J. Gilbert, M.D., Agency Member; Janine Heft, Agency Member, Barbara D. Kogerman, Agency Member

Attachment: 171114 CC Minutes (1422 : Approval of Minutes for November 14, 2017, Regular Meeting)

4.3.2 Approval of Minutes for October 10, 2017, Regular Meeting

Recommendation: That the Planning Agency approve the Minutes for the October 10, 2017, Regular Meeting.

RESULT:	**APPROVED [4-0]**
MOVER:	Barbara D. Kogerman, Agency Member
SECONDER:	Melody Carruth, Vice Chair
AYES:	Don Sedgwick, Chair; Melody Carruth, Vice Chair; Dore J. Gilbert, M.D., Agency Member; Janine Heft, Agency Member
ABSTAIN:	Barbara D. Kogerman, Agency Member

4.4 ADMINISTRATIVE REPORTS

There were no Administrative Reports.

4.5 PLANNING AGENCY PUBLIC HEARINGS

There were no Planning Agency Public Hearings.

PLANNING AGENCY ADJOURNMENT

Mayor Sedgwick reconvened the City Council Meeting at 7:26 p.m. All Council Members were present.

5. CITY COUNCIL PUBLIC HEARINGS

There were no City Council Public Hearings

6. ADMINISTRATIVE REPORTS

6.1 City Manager

The City Manager gave no Administrative Reports.

7. MATTERS AGENDIZED AND PRESENTED BY CITY COUNCIL MEMBERS

There were no matters agendized and presented by City Council Members.

8. CITY COUNCIL MEMBER COMMENTS

Council Member Kogerman

Council Member Kogerman reported that she attended The Eighth Annual Southern California Economic Summit on November 9, 2017, distributed literature received at the Summit, and shared key points regarding the lack of affordable housing throughout the region.

Mayor Pro Tempore Carruth

Mayor Pro Tempore Carruth stated that Saturday, November 25, 2017, is Small Business Saturday, a day to celebrate and support small businesses, and urged everyone to shop our local small businesses. Mayor Pro Tempore Carruth also reported that she, along with Mayor Sedgwick, attended Senator Patricia Bates' Mayor and Mayor Pro Tem Roundtable event Wednesday, November 8, 2017. Mayor Pro Tempore Carruth also attended the Public Hearing held on Tuesday, October 17, 2017, regarding the Aliso Creek Mainstem Ecosystem Restoration Study.

Council Member Heft

Council Member Heft reported that she attended the very informative ACC-OC Municipal Law Seminar on Tuesday, October 24, 2017. She also met with Ashley Hayek, Executive Director of the California Women's Leadership Association, an organization committed to bringing together influential women. Council Member Heft voiced her concerns regarding the South American Palm Weevil threatening palm trees in California and requested that staff consult an expert in the field to look into this issue.

Mayor Sedgwick

Mayor Sedgwick reported that he represented the City at the 29th Annual Veterans Day Observance at the El Toro Memorial Park on Saturday, November 11, 2017. Mayor Sedgwick stated that he welcomed attendees to the ACC-OC Prop 64 Forum held at the Laguna Hills Community Center on Wednesday, November 8, 2017. Mayor Sedgwick also reported that he was sworn in as the 5th District City Representative to the Orange County Human Relations Commission and attended his first meeting last week.

9. CLOSED SESSION

9.1 PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Pursuant to Government Code Section 54957(b)(1)
Public Employee Title: City Manager - Annual Performance Evaluation

Mayor Sedgwick recessed the meeting into Closed Session at 7:48 p.m. There were no Public Comments on the Closed Session Item.

Mayor Sedgwick reconvened the City Council meeting at 8:28 p.m. All Council Members were present. Mayor Sedgwick stated that the City Council met in Closed Session pursuant to the Closed Session authority listed on the Agenda. No reportable action was taken as a result of tonight's Closed Session meeting.

ADJOURNMENT

There being no further business before the City Council at this session, Mayor Sedgwick declared the meeting adjourned at 8:31 p.m.

Melissa Au-Yeung, City Clerk

ATTEST:

Don Sedgwick, Mayor

Approved at meeting of November 28, 2017.

City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: November 28, 2017

TO: Mayor and Council Members

FROM: Donald J. White
Assistant City Manager

ISSUE: Approval of Warrant Register for Period Ended November 28, 2017

RECOMMENDATION: That the City Council approve the Warrant Register in the amount of $256,778.77.

ATTACHMENTS:

- Warrant Register 171128

City of Laguna Hills
City Council Meeting Agenda
Staff Report

DATE: NOVEMBER 28, 2017

TO: MAYOR AND COUNCIL MEMBERS

FROM: DONALD J. WHITE, ASSISTANT CITY MANAGER

ISSUE: APPROVAL OF WARRANT REGISTER FOR PERIOD ENDED NOVEMBER 28, 2017.

RECOMMENDATION: THAT THE CITY COUNCIL APPROVE THE WARRANT REGISTER IN THE AMOUNT OF $256,778.77.

SUMMARY:

In accordance with Government Code Section 37202, the attached Warrant Register reflects the disbursements of the City of Laguna Hills for the period reported thereon. The Assistant City Manager certifies and attests to its accuracy and the availability of funds for the payment thereof. These warrants are hereby submitted to the City Council for approval of payment.

Prepared by:

JANICE MATEO REYES
Finance Manager

Certified:

DONALD J. WHITE
Assistant City Manager

November 28, 2017
DATE

FISCAL IMPACT:

The warrant register total is $256,778.77.

ATTACHMENTS:

1. **Warrant Register**

Check Register Report

Warrant Register 11/28/17

Date: 11/16/2017
Time: 3:39 pm
Page:

CITY OF LAGUNA HILLS

BANK: UNION BANK- GENERAL

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amou
UNION BANK- GENERAL Checks							
8813665	11/09/2017	Printed		A-0331	AT&T MOBILITY	Wireless Service, Oct '17	64.
8813666	11/09/2017	Printed		A-0304	AU-YEUNG, MELISSA	Travel Reimb, ICMA, Oct	396.
8813667	11/09/2017	Printed		B-0276	BANK OF AMERICA	Departmental Expenditure, Oct	16,424.
8813668	11/09/2017	Printed		Z-CS-0073	CHO, JIN	Refund, Fac Dep, V#2004239.002	250.
8813669	11/09/2017	Printed		C-0023	COX COMMUNICATION	WiFi Svcs, Com Ctr, Nov '17	170.
8813670	11/09/2017	Printed		C-1146	CYBERSOURCE CORPORATION	Gateway Expense, Oct '17	29.
8813671	11/09/2017	Printed		M-1546	MAILFINANCE, INC.	Lease - Mailing Equip,Sep-Nov	498.
8813672	11/09/2017	Printed		M-1302	MOULTON NIGUEL WATER DISTRICT	Water Usage, Pub Svcs, Oct '17	17,967.
8813673	11/09/2017	Printed		Z-CS-0020	PACIFIC SUN LEAGUE	Refund, Fac Dep, V#2004238.002	500.
8813674	11/09/2017	Printed		Q-1715	QUESTYS SOLUTIONS	Software Maintenance,7/17-6/18	4,125.
8813675	11/09/2017	Printed		S-1902	SAN DIEGO GAS & ELECTRIC	ST Lites, Oct '17	14,238.
8813676	11/09/2017	Printed		S-1904	SOUTHERN CALIFORNIA EDISON	ST Lites, TC, Oct '17	807.
8813677	11/09/2017	Printed		Z-CD-0077	SWAN POOLS OF SOUTHERN CA	Refund, Pool Bond, CR#56059	500.
8813678	11/09/2017	Printed		T-2698	TPX COMMUNICATIONS	Communications Expense, Nov	1,291.
8813679	11/09/2017	Printed		T-2605	TUTTLE CLICK FORD	Maintenance, 2006 Ford Truck	837.
8813680	11/09/2017	Printed		V-2249	US BANK VOYAGER FLEET SYS	Vehicle Fuel, Oct '17	1,320.
8813681	11/09/2017	Printed		V-2224	VERIZON WIRELESS	Communication Expense, Oct '17	984.
8813682	11/09/2017	Printed		V-2251	VIZUAL SYMPHONY, INC.	Council Chamber Upgrade, 17/18	14,738
8813683	11/16/2017	Printed		A-0130	AAA AWARDS & MONOGRAMMING	Operating Supplies, Pol Svcs	123.
8813684	11/16/2017	Printed		A-0317	ABRAHAM, MICHAEL	Annual Maintenance, Accutrac	3,000.
8813685	11/16/2017	Printed		A-0138	ALL CITY MANAGEMENT, INC.	Crossing Guard Svc, 10/8-10/21	4,317.
8813686	11/16/2017	Printed		A-0359	ANDERSON PENNA PARTNERS, INC.	Inspection Services, Oct '17	1,591.
8813687	11/16/2017	Printed		A-0365	AT&T - CALNET 3	Traf Sig, PS, Alarm, CC	99.
8813688	11/16/2017	Printed		A-0304	AU-YEUNG, MELISSA	Travel Reimb, CM Meeting, Nov	239.
8813689	11/16/2017	Printed		B-0304	BEE MAN, THE	Bee Removal, Pub Svcs, Sep	150.
8813690	11/16/2017	Printed		C-0412	C&D ELECTRIC, INC.	Park Repairs, Pub Svcs, Nov	216.
8813691	11/16/2017	Printed		C-1133	CALIFORNIA YELLOW CAB	Senior Mobility Program, Oct	2,614.
8813692	11/16/2017	Printed		C-1193	CALTROP CORPORATION	Professional Services, CIP#175	12,097.
8813693	11/16/2017	Printed		C-1144	CHARLES ABBOTT ASSOCIATES, INC	Road Maintenance, Oct '17	39,942.
8813694	11/16/2017	Printed		C-1096	CODE PUBLISHING COMPANY, INC.	Municipal Code Update, Nov '17	425.
8813695	11/16/2017	Printed		C-1191	COMMUNICATIONS CHGS- LAW ENF	Communications Chgs, Oct-Dec	2,249.
8813696	11/16/2017	Printed		C-1139	COMPLETE OFFICE OF CALIFORNIA	Computer, Office&Operating Sup	791.
8813697	11/16/2017	Printed		C-1176	COMPUTER SERVICE CO.	Traffic Sig. Maint, Oct '17	4,745.
8813698	11/16/2017	Printed		C-0023	COX COMMUNICATION	T-1 Line, Traffic Control, Nov	899.
8813699	11/16/2017	Printed		Z-CS-0050	CRUZ, LEA	Refund, Fac Dep, V#2004240.002	250.
8813700	11/16/2017	Printed		D-0410	DMV	Registration Ren, Gen Gov, DW	276.
8813701	11/16/2017	Printed		D-0552	DUNBAR ARMORED, INC.	Courier Fee, Armored Trans,Nov	140.
8813702	11/16/2017	Printed		E-0554	ECONOMICS, INC.	Prof Svcs, Recycling Program	6,626.
8813703	11/16/2017	Printed		F-0604	FEDERAL EXPRESS CORPORATION	Delivery Services, Oct '17	22.
8813704	11/16/2017	Printed		C-1190	FINGERPRINT ID (AFIS) LAW ENF.	Fingerprint ID System, Nov	1,129.
8813705	11/16/2017	Printed		Z-CS-0074	GELLER, VALERIE	Refund, Fac Dep, V#2004243.002	500.
8813706	11/16/2017	Printed		H-0959	HABASH, JOHN	Contract Inst Svcs., Dance	101.
8813707	11/16/2017	Printed		H-0955	HR GREEN CALIFORNIA, INC.	Plan Chk, Bldg&Safety, Sep '17	24,730.
8813708	11/16/2017	Printed		I-0965	INT'L COUNCIL OF SHOPPING	Membership, Gen Gov '18	100.
8813709	11/16/2017	Printed		I-0942	IRVINE RANCH WATER DISTRICT	Water Usage, Public Svcs, Oct	188.
8813710	11/16/2017	Printed		J-1057	JAMEY CLARK, INC.	Park Repair & Graffiti Removal	1,485.
8813711	11/16/2017	Printed		L-1226	LAGUNA HILLS CHAMBER OF COMM	Contribution, 2017/18	5,000.
8813712	11/16/2017	Printed		L-1376	LONG BEACH BMW MOTORCYCLES	Motorcycle Maint, PS, Oct '17	59.
8813713	11/16/2017	Printed		Z-CD-0079	MAKI, ISAMU	Refund, Duplicate Payment #720	224.
8813714	11/16/2017	Printed		M-1552	MARTIN-RUSK, DINA	Contract Instr Svcs, Zumba	266.00
8813715	11/16/2017	Printed		M-1388	MOBILE MINI, INC.	Storage Rental, CC, 11/7-12/4	82.97

Attachment: Warrant Register 171128 (1423 : Approval of Warrant Register for Period Ended November 28, 2017)

Check Register Report

Warrant Register 11/28/17

Date: 11/16/2017
Time: 3:39 pm
Page:

CITY OF LAGUNA HILLS

BANK: UNION BANK- GENERAL

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amou
UNION BANK- GENERAL Checks							
8813716	11/16/2017	Printed		Z-CS-0075	MOVAHEAD, AMIR	Refund, Fac Dep, V#2004241.002	500.
8813717	11/16/2017	Printed		C-1008	NPDES	Watershed Monitoring,CIP#410	504.
8813718	11/16/2017	Printed		O-1525	OCCMA	Meeting Expense, Dec	390.
8813719	11/16/2017	Printed		O-1546	OFFICE SOLUTIONS	Office/Operating Supplies	842.
8813720	11/16/2017	Printed		O-1500	ORANGE COUNTY REGISTER	Subscription, CC, 12/04-1/1/18	51.
8813721	11/16/2017	Printed		O-1575	ORANGE COUNTY REGISTER-FREEDOM	Legal Advertising, Oct '17	459.
8813722	11/16/2017	Printed		R-1934	RENEGADE RACING	Event Mgmt Svcs, 1/2 Marathon	5,000.
8813723	11/16/2017	Printed		R-1813	RPW SERVICES, INC.	Rodent Control, Pub Svcs, Oct	1,560.
8813724	11/16/2017	Printed		R-1967	RUSSELL, RICHARD WYATT	Contract Inst Svcs, Tennis	1,392.
8813725	11/16/2017	Printed		S-1902	SAN DIEGO GAS & ELECTRIC	ST Lites, TC, Oct '17	319.
8813726	11/16/2017	Printed		S-2212	SHARPS COMPLIANCE, INC.	Hazardous Waste Supplies, Nov	1,033.
8813727	11/16/2017	Printed		S-2267	SINTA DESIGN	Program Expense, 1/2 Marathon	1,925.
8813728	11/16/2017	Printed		S-1949	SMART & FINAL	Program Supplies, CS, Oct '17	68.
8813729	11/16/2017	Printed		S-2239	SOCAL OFFICE TECHNOLOGIES	Copier Usage, CC, 7/22 - 10/21	1,112.
8813730	11/16/2017	Printed		S-1904	SOUTHERN CALIFORNIA EDISON	ST Lites, TC, Oct '17	8,285.
8813731	11/16/2017	Printed		S-2250	SPARKLETTS	Operating Supplies, CH, Oct 17	157.
8813732	11/16/2017	Printed		S-2201	SUNSET PROPERTY SERVICES	Street Sweeping, Oct '17	10,678.
8813733	11/16/2017	Printed		T-2002	TAB PRODUCTS COMPANY	Office Supplies, Gen Gov	591.
8813734	11/16/2017	Printed		T-2700	TEAK MASTER, INC.	Furniture, Community Center	3,950.
8813735	11/16/2017	Printed		T-2656	TYLER TECHNOLOGIES, INC.	Prof Svcs, Incode/Energov Mgmt	7,063.
8813736	11/16/2017	Printed		Z-CD-0078	WE GREEN INC.	Refund, Permit Fees, CR# 57057	90.
8813737	11/16/2017	Printed		W-2337	WEST COAST ARBORISTS, INC.	Tree Trimming, Oct '17	3,530.
8813738	11/16/2017	Printed		W-2441	WEST COAST MOVEMENT PROJECT,	Contract Inst Svcs., Dance	13,892.
8813739	11/16/2017	Printed		W-2302	WEST PUBLISHING CORPORATION	Subscription, City Clk, Oct	219.
8813740	11/16/2017	Printed		W-2426	WHITE NELSON DIEHL EVANS LLP	Partial Audit Fee 16/17	2,700.
8813741	11/16/2017	Printed		X-2400	XEROX CORPORATION	Copier Lease & Usage, Oct '17	631.

Total Checks: 77 — **Checks Total (excluding void checks):** **256,778.**

Total Payments: 77 — **Bank Total (excluding void checks):** **256,778.**

Total Payments: 77 — **Grand Total (excluding void checks):** **256,778.**

City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: November 28, 2017

TO: Mayor and Council Members

FROM: Donald J. White
Assistant City Manager

ISSUE: 2016/2017 Development Impact Fees Annual Report

RECOMMENDATION: That the City Council approve the 2016/2017 Development Impact Fees Report pursuant to Government Code Section 66006.

SUMMARY:

The City of Laguna Hills has three types of development impact fees that can be assessed on development projects: Public Art Fees, Traffic Mitigation Fees, and Quimby Act Fees. According to Section 66006 of the California Government Code, public agencies are required to submit certain annual reports upon the collection of development impact fees.

BACKGROUND:

AB 1600, as provided for in Section 66006 of the California Government Code, regulates how public agencies collect, maintain, and spend development impact fees imposed on developers for the purpose of defraying costs of public facilities. It includes specific requirements for accounting, spending, and annually reporting the fees. Furthermore, AB 1600 includes requirements for findings or refunds if fees remain unspent for five or more years after receipt.

The following fees collected by the City have been identified as fees subject to the above-mentioned requirements: Public Art Fees, Traffic Mitigation Fees, and Quimby Act Fees. Accordingly, Section 66006 of the California Government Code requires the following information be made available to the public in an annual report:

A. A brief description of the type of fee in the account or fund;

B. The amount of the fee;

C. The beginning and ending balance of the account or fund;

D. The amount of the fees collected and interest earned;

E. Identification of each public improvement on which fees were expended and the total amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with the fees;

F. Identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, and the public improvement remains incomplete;

G. A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan; and

H. The amount of any refunds made pursuant to Section 66001(e) and the amount of any allocations pursuant to Section 66001(f).

In addition to the requirements of Section 66006, Section 66008 provides that a local agency shall expend a fee for public improvements solely and exclusively for the purpose for which it is collected. The fee may not be levied, collected, or imposed for general revenue purposes.

In Fiscal Year 2016/2017, the Traffic Mitigation Fees fund collected $97,850.00 in revenues and $527.24 in interest. The Traffic Mitigation Fees fund balance, a total of $97,850.00, was transferred to the General Fund. The purpose of this transfer was to repay the General Fund for Urban Village Specific Plan traffic impact capital improvements completed in prior fiscal years. The Public Art Fees fund balance as of

June 30, 2017, was $78,154.67. During Fiscal Year 2016/2017, the Public Art Fees fund collected $304,990.00 in revenues and $418.86 in interest, for a total of $305,408.86. Of the total Public Art Fees fund revenues, $227,254.19 was used to repay a loan from the General Fund for public art programs completed in previous fiscal years. No Quimby Act Fees were collected or expended in the reporting period.

Section 66001(d) specifies that every fifth fiscal year following the first deposit into the account, the following finding must be made with respect to the unexpended portion of the funds: (1) identify the purpose to which the fee is to be put; (2) demonstrate a reasonable relationship between the fee and the purpose for which it is charged; (3) identify all sources and amounts of funding anticipated to complete financing of incomplete improvements; and (4) designate the approximate dates on which the funding referred to in 3 is expected to be deposited into the appropriate account or fund. The fifth year findings are not required due to the fact that the received funds have been expended in a timely manner.

Pursuant to Section 66006, the Annual Report must be made available to the public and be reviewed by the City Council at a regularly scheduled meeting not less than 15 days after the information is made available to the public. A copy of this report was available at the City Clerk's office on November 13, 2017, thereby satisfying the law's requirement that the report be available to the public by that date. Additionally, the Building Industry Association received an advance copy of this report by the same date.

The annual report with the required findings is included as an attachment to this Staff Report.

ATTACHMENTS:

- Exhibit A - 2016-2017 Development Impact Fees Annual Report

Exhibit A

City of Laguna Hills
Annual Report on Development Impact Fees
Pursuant to Government Code Section 66006
Fiscal Year 2016-2017

			Public Art Fees*	Traffic Mitigation Fees	Quimby Fees
Revenues:					
	Fees		$304,990.00	$97,850.00	$0
	Interest		$418.86	$527.24	$0
	Misc Revenue		$0	$0	$0
		Total Revenue	$305,408.86	$98,377.24	$0
Expenditures:			$0	$0	$0
		Total Expenditures	$0	$0	$0
Transfers In/Out			$0	($98,377.24)	$0
Change in Fund Balance			$305,408.86	$0	$0
Beginning Fund Balance, July 1			($227,254.19)	$0	$0
Ending Fund Balance, June 30			$78,154.67	$0	$0

*The adoption of the Urban Village Specific Plan in November 2002 included a public art component whereby all new developments with a total compensation cost of $250,000 or more are required to provide public art, or contribute to a Public Art Fund as part of their project. The minimum value for the Public Art component or in-lieu fee is equal to one-half percent (0.5%) of the total costs of the project. Permissible use of fee revenue include: the artist fee for design and fabrication, mountings and bases for installation of the artwork, and lighting that is integral to the artwork.

ANNUAL REPORT ON DEVELOMENT IMPACT FEES FY 2016-2017

The Laguna Hills City Council has adopted three development impact fees: Public Art Fees, Traffic Mitigation Fees, and Quimby Act Fees. Pursuant to Section 66006 of the California State Government Code, it is required that the City annually publish summary information regarding each development impact fee.

Type of Fee

There are currently three types of development impact fees in the City of Laguna Hills:

- Public Art Fees: This fee provides funding for Public Art throughout the Urban Village, thereby enhancing the cultural and aesthetic environment of the City and to encourage creativity, education, and the appreciation of the arts.

- Traffic Mitigation Fees: This fee provides funding for additional or improved traffic signal, operation, and infrastructure improvements for which the need is generated by new development within the Urban Village.

- Quimby Act Fees: This fee provides funding for additional or improved park and/or recreation facilities improvements for which the need is generated by new development within the City.

Amount of Fee

The amounts of the development impact fees are shown below:

- Public Art Fees:

  The minimum amount for the public art component or in-lieu fees shall be required of all new developments with a total construction cost of $250,000 or more pursuant to the following formula:

  TCC x 0.005 = Value of Public Art of In-Lieu Fee

  TCC = Total construction costs of the project (building permit valuation)
  0.005 = Minimum value shall be 0.5% of total construction costs

- Traffic Mitigation Fees:

  The fee shall be three thousand nine hundred fourteen dollars ($3,914.00) per each new PM peak hour trip as determined by the City Engineer based upon a traffic study.

- Quimby Act Fees

  The amount of land or in-lieu fees to be dedicated shall be determined pursuant to the following formula:

$$A = \frac{5.0(DU \times PPD)}{1{,}000}$$

1193460.1

In-Lieu Fee: A x FMV

A = acres required to be dedicated as parkland
5.0 = Park acreage standard for the City
DU = Number of proposed dwelling units
FMV = Fair Market Value
PPD = Number of persons per dwelling unit as applicable for the subdivision and type of dwelling units to be constructed

Beginning and Ending Balances of Funds

The beginning and ending balances of each of the fee accounts are shown in the table below. The ending balance was arrived at by adding the fees collected and interest earned to each account, and then subtracting the expenditures.

Balances	Public Art Fees	Traffic Mitigation Fees	Quimby Fees
Beginning Balance (7/1/2016)	($227,254.19)	$0	$0
Ending Balance (6/30/2017)	$78,154.67	$0	$0

The Public Art Fees fund collected $305,408.86 in revenues, of which $227,254.19 was used to repay a loan from the General Fund for public art programs completed in previous fiscal years. The remaining balance of the Public Art Fees fund is $78,154.67. The Traffic Mitigation Fees fund collected a total of $98,377.24, which was transferred to the General Fund. The purpose of this transfer was to repay the General Fund for Urban Village Specific Plan traffic impact capital improvements completed in prior fiscal years. There were no Quimby Act Fees during the reporting period.

Fees Collected and Interest Earned

The table below shows the amount of fees collected and interest earned.

Balances	Public Art Fees	Traffic Mitigation Fees	Quimby Fees
Fees Collected	$304,990.00	$97,850.00	$0
Interest Earned	$418.86	$527.24	$0

Expenditures

For this section, State law requires an identification of each public improvement on which fees were expended and the amount of expenditures on each improvement, including the total percentage of the costs of the public improvement that was funded with fees.

There were no expenditures in FY 2016-2017.

Construction Commencement Date for Incomplete Improvements

Not applicable at this time.

Interfund Transfers and Loans

The Public Art Fees fund collected $305,408.86 in revenues, of which $227,254.19 was used to repay a loan from the General Fund for public art programs completed in previous fiscal years. The Traffic Mitigation Fee fund balance of $98,377.24 was transferred to the General Fund. The purpose of this transfer was to repay the General Fund for Urban Village Specific Plan traffic impact capital improvements completed in prior fiscal years. No other interfund transfers were made, nor were any collected fees loaned to another account.

Amount of Refunds
No refunds of any of these fees were made or required in FY 2016-2017.

City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: November 28, 2017

TO: Mayor and Council Members

FROM: Donald J. White
Assistant City Manager

ISSUE: First Quarter Financial and Treasurer's Report for Fiscal Year 2017/2018

RECOMMENDATION: That the City Council receive and file the First Quarter Financial and Treasurer's Report for Fiscal Year 2017/2018.

SUMMARY:

Attached to this report is a booklet entitled: "City of Laguna Hills Quarterly Financial Highlights, First Quarter, Fiscal Year 2017/18." The information presented in the pamphlet provides the City Council and City management with the results of the City's financial operations for the first quarter ended September 30, 2017. The total fund balance at the end of the first quarter for all governmental funds totaled $7,229,417. The report states that there are no material deviations or significant variances to report at this time. The Quarterly Financial Highlights also contains a condensed Treasurer's Investment Report as of September 30, 2017, on Page 6. The City's total portfolio of $7,614,669 at the end of the first quarter for all funds is invested in authorized securities. The City's investment policy approved by City Council Resolution is the prevailing guideline in managing investments.

ATTACHMENTS:

- FY17-18 Quarter1 FINAL complete

CITY OF LAGUNA HILLS

Quarterly Financial Report

First Quarter FY 2017/18

The following unaudited financial information summarizes the City's overall financial activity for the current fiscal year through September 30, 2017. Financial analysis for this report is provided for the General Fund, Capital Improvement Program, Debt Service, and other City governmental funds, and is intended to provide the City Council and the public with a summary overview of the City's general fiscal condition through September 30, 2017.

A Summary of Funding Sources and Uses for the three months ended September 30, 2017, is presented in the table below. As of September 30, 2017, the City received roughly 5% of its revenue projection and 21% of its projected total funding uses.

Summary of Funding Sources & Uses
For the 3 months ended September 30, 2017

	YTD Actual (million)	Budget (million)	YTD % of Budget
Funding Sources	*$ 1.4*	*$ 30.1*	*5%*
Funding Uses	*5.2*	*24.8*	*21%*
Net Change	*($3.8)*	*$5.3*	

REPORT VARIANCES

The Comparative Statement of Operations for Governmental Funds, on page 3, shows the detail of the YTD actual financial activity in relation to the Amended Budget. Interpreting the information presented herein requires consideration of the cash flow fluctuations of revenues and expenditures. Financial data is reported on a cash basis, meaning expenditures are reported when payments are made and revenues are reported when payment is received. There are a number of revenue and expenditures items that would show significant deviation if a straight-line comparison was applied. In this approach, one would expect line items to approximate 25% of budget by the end of the first quarter. However, the timing of many revenue and expenditure transactions do not occur at uniform times or at equal intervals over the course of the fiscal year. Consequently, although the first quarter represents 25% of the fiscal year, not all line items will be at 25% of the budget. Thus, the YTD as a percentage of budget shown in this report does not necessarily indicate material deviations or budget variances. With this perspective in mind, given anticipated payment schedules and past trends, there are no significant budget variances to report at this time.

FUND BALANCE

Included in this pamphlet, on page 5, is a snapshot of the City's fund balance as of September 30, 2017. At the end of the first quarter of the current fiscal year, the City's total fund balance for its governmental funds stood at $7,229,417. An abridged balance sheet, which summarizes the City's assets and liabilities, is included on page 4 and reconciles the fund balance at quarter end. City-managed short-term idle funds, as well as debt service funds, are invested in approved securities.

Funding Sources

The City's total funding sources comprise of general fund revenues, special fund revenues, and oth financing sources. At the end of the first quarter, total funding sources were approximately $1.4 m lion, or 5% of budget.

General Fund Revenues

General Fund Revenues are utilized primarily to finance the City's general governmental activities. quarter end, general fund revenues totaled $1,207,973 or 6% of budget. Receipts of Property Tax car in at $212,524, or 2% of budget. Intergovernmental Revenues, which includes sales tax revenue, we $454,777, or 8% of budget. The recording of these revenue sources comply with GASB 33 which a dresses the timing of recognition of non-exchange transactions, e.g. taxes and fines. Revenues fro non-exchange transactions, such as property and sales tax, received in the first two months of this fi cal year were accrued in the prior fiscal year. Franchise fees from utility companies and transient o cupancy tax comprise Franchise Taxes, which came in at $46,662, or 2% of budget. These receipts l at least a quarter and no accrual was made at quarter end. Revenues from Licenses & Permit $221,050, and Charges for Services, $214,474, are dependent upon development activities and car in at 21% and 20% of budget, respectively. Fines and Forfeitures, which includes parking and vehic fines, ended the quarter at 24% of budget, at $246,000.

Special Revenues and Grants

Many of the Special Revenue funding sources are tied in with the City's Capital Improvement Plan. Th receipts of funding sources for certain capital projects typically lag behind the spending on the pr jects, as the claims are applied for during construction or after project-completion. At the end of th first quarter, special revenues receipts totaled $211,247, or 2% of budget.

Other Funding Sources

In accordance with GAAP, not all increases in governmental fund financial resources can be classifi as revenue. Certain increases instead are reported as other financing sources, such as sales of gener capital assets, proceeds of general long-term debt, and financial inflows from other funds.

Funding Uses

The City's total funding uses consist of the City's Operating Expenditures, outlay for Capital Improvement projects, debt charges and expenditures for grant related programs. At the end of the first quarter, total funding uses were approximately $5.25 million, which was 21% of budget.

Operating Expenditures

At the end of the first quarter, operating expenditures totaled roughly $5 million, which represents 24% of the total operating budget. While total operating expenditures came in slightly below 25% of budget, the spending level for Non-Departmental came in higher, at 58% of its budget, due to annual insurance premiums paid in full at the onset of the fiscal year, as well as annual IT related maintenance contracts.

Capital Improvement Plan (CIP)

CIP expenditures totaled $29,109, or 1% of budget, at the end of the first quarter. All budget capital improvement projects automatically re-appropriate each fiscal year until the project is complete. The FY 17/18 CIP Budget was amend to include a carry-over appropriation of $38,8 from the prior fiscal year for CIP#168 Traffic Sign Improvement Coordination and $304,553 CIP#101 Annual Street Maintenance. The budg was also amended by Resolution No. 2017-06-13 to account for the partial funding with the n Gas Tax RMRA revenue source. The following ble lists the YTD expenditures for capital proje by type as of September 30, 2017.

Capital Improvement Program For the 3 Months Ended, September 30, 2017		
Streets, Signals & Lighting	$	7,73
Streetscape		
Flood Control & Water Quality		3,09
Parks		18,28
Public Facilities		
Trails & Open Space		
Total	**$**	**29,109**

CITY OF LAGUNA HILLS

Comparative Statement of Operation - Governmental Funds

For the 3 Months Ended, September 30, 2017

	FY 2017/18 Y-T-D ACTUAL	FY 2017/18 AMENDED BUDGET	FY 2017/18 YTD % of BUDGET	FY 2016/17 Y-T-D ACTUAL	FY 2016/17 AMENDED BUDGET	FY 2016/17 YTD BUD
FUNDING SOURCES						
General Fund Revenues						
Property Taxes	$ 212,524	$ 10,595,386	2%	$ 222,292	$ 9,973,907	2
Intergovernmental Revenues	454,777	5,900,250	8%	594,239	6,201,744	1
Franchise Taxes	46,662	2,713,239	2%	93,550	2,657,170	4
Licenses and Permits	221,050	1,050,000	21%	177,932	725,000	2
Charges for Current Services	214,474	1,091,842	20%	227,359	1,163,640	2
Fines & Forfeitures	58,486	246,000	24%	32,485	260,000	1
Total General Fund Revenues	1,207,973	21,596,717	6%	1,347,859	20,981,461	6
Special Revenue Funds						
Gas Tax Fund	60,213	920,868	7%	65,088	753,305	9
Measure M2 Fair Share	94,241	570,658	17%	86,333	622,250	1
Measure M - Competitive	-	-		-	545,000	0
AB 2766 Fund	-	40,000	0%	-	-	
CDBG	-	-		-	70,000	0
Developer Traffic Impact Fees	-	830,567	0%	-	-	
Quimby Act Fees	-	5,832,228	0%	-	-	
CR&R Recycling Fees	2,000	2,000	100%	2,000	14,454	1
C&D Forfeited Deposits	-	40,000	0%	-	65,846	0
Senior Mobility Program	-	33,984	0%	5,518	110,328	5
Public Art Fund	-	127,420	0%	-	-	
Grants and Contributions	-	-		-	1,339,150	0
Law Enforcement Grants	54,793	100,000	55%	-	100,000	0
Total Special Revenue Funding	211,247	8,497,725	2%	158,938	3,620,333	4
Other Funding Sources						
Interest Income	22,972	-		14,126	-	
Distribution from Enterprise Fund	-	50,000	0%	-	-	0
Total Other Funding Sources	22,972	50,000		14,126	-	
TOTAL FUNDING SOURCES	$ 1,442,192	$ 30,144,442	5%	$ 1,520,922	$ 24,601,794	6
FUNDING USES						
Operating Expenditures						
General Government	$ 506,000	2,832,799	18%	$ 535,129	$ 2,754,308	1
Non-Departmental	711,764	1,232,010	58%	406,701	863,664	4
Community Development	228,878	1,446,568	16%	227,732	1,450,827	1
Public Services	930,587	4,384,685	21%	915,368	4,479,727	2
Community Services	493,906	2,130,520	23%	521,432	2,051,365	2
Police Services	2,128,578	8,393,820	25%	1,880,134	8,032,544	2
Total Operating Expenditures	4,999,713	20,420,402	24%	4,486,495	19,632,435	2
Capital Improvement Program	29,109	2,333,298	1%	453,165	4,716,792	1
Other Funding Uses						
Debt Charges	197,694	1,785,387	11%	224,694	1,799,387	1
Use of Reserves	8,664	80,178	11%	5,758	50,000	1
Special Revenue Fund Expenditures						
CDBG Fund Expenditures	-	-		-	70,000	0
Senior Mobility Program	4,554	43,500	10%	6,482	110,328	6
Beverage Recyling	-	34,707	0%	-	80,300	0
CR&R Recyling Fund	-	2,000	0%	11,556	-	
Forfeited C&D Deposits	13,763	97,000	14%	885	-	
AB 939 Surcharge Grant	-	-		-	-	
Grants & Contributions	-	-		-	-	
Law Enforcement Fund Expenditures	-	-		-	-	
Total Other Funding Uses	224,674	2,042,772	11%	249,375	2,110,015	1
TOTAL FUNDING USES	$ 5,253,496	$ 24,796,472	21%	$ 5,189,035	$ 26,459,242	2
NET CHANGE IN FUND BALANCE	$ (3,811,304)	$ 5,347,970		$ (3,668,113)	$ (1,857,448)	

Attachment: FY17-18 Quarter1 FINAL complete (1421 : First Quarter Financial and Treasurer's Report for FY 2017/2018)

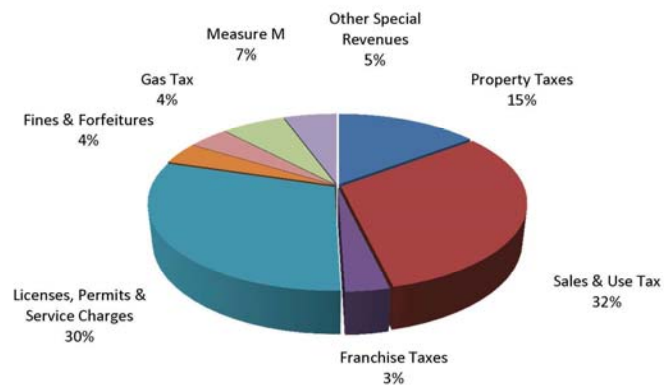
CITY OF LAGUNA HILLS
Abridged Balance Sheet - Governmental Funds (Unaudited)
September 30, 2017

Assets		
Cash and investments	$	7,486,671
Receivables:		
Accounts		88,711
Interest		20,229
Due from other governments		205,008
Prepaid items		31,275
Total assets	**$**	**7,831,895**
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	$	438,447
Refundable deposits to contractors		97,205
Deferred revenue		61,998
Trust accounts		4,827
Total liabilities		602,478
Fund balances:		7,229,417
Total liabilities and fund balances	**$**	**7,831,895**

REVENUES -

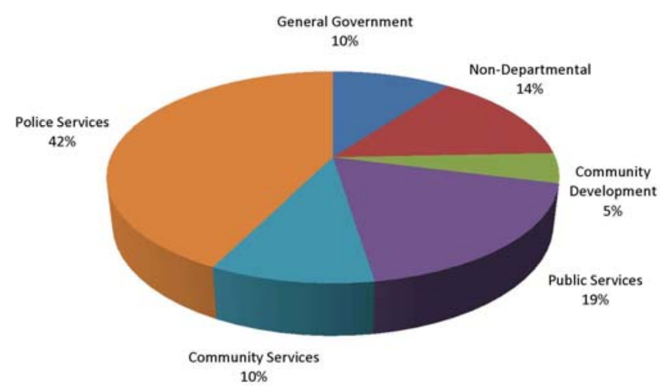
General Fund & Special Revenue Funds FY 2017/18,

As of 09/30/17



OPERATING EXPENDITURES FY 2017/18,

As of 09/30/17



CITY OF LAGUNA HILLS
Governmental Funds
Statement of Working Funds (Unaudited)
As of September 30, 2017

Fund Balance		
General Fund	$	6,831,683
Gas Tax		304,553
AB 2766 Fund		136,950
CARITS		1,251,468
Water Conservation		328,004
Senior Mobility Program		66,830
Beverage Recycling		34,951
C&D Forfeited Deposits		104,995
Public Art Fund		78,155
Law Enforcement Special Revenue Funds		578
Grants & Contributions		83,611
Debt Service		1,818,945
Total Beginning Fund Balance, as of July 1, 2017		**11,040,721**
Net Change in Fund Balance, as of September 30, 2017		(3,811,304)
Total Fund Balance, as of September 30, 2017	$	**7,229,417**
Disposition of Working Funds		
Total Cash and Demand Deposits	$	826,579
Total Investments		6,660,092
Total Cash and Investments		7,486,671
Receivables Net of Liabilities		(257,254)
Total Fund Balance, as of September 30, 2017	$	**7,229,417**

The Quarter End Financial Management Report for the First Quarter of Fiscal Year 2017-18 is hereby submitted. The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. To the best of our knowledge and belief, the above information is reported in a manner that presents fairly the financial position and results of operation of the Governmental Funds of the City of Laguna Hills as of September 30, 2017.

Respectfully submitted,

Janice M. Reyes

November 21, 2017

Janice M. Reyes
Finance Manager

Date

Treasurer's Investment Report - All Funds (Condensed)
For the 1st Quarter Ended September 30, 2017

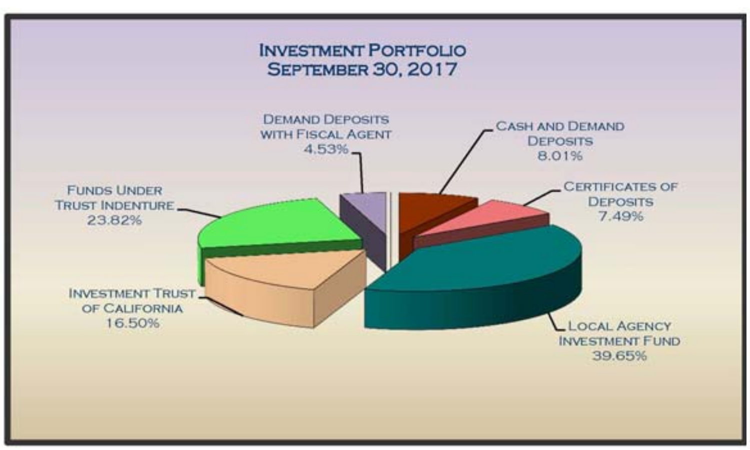
Cash and Investments by Type	Beginning Book Value	Deposits	Withdrawals	Ending Book Value	1st Qtr Interest Income
Cash on Hand	$ 1,750	$ -	$ -	$ 1,750	$ -
Demand Deposits	725,764	7,830,921	7,948,784	607,901	-
Certificates of Deposits	500,000	-	-	500,000	791
Multiple Maturity Certificates of Deposits	70,502	-	-	70,502	869
State Treasurer's Investment Fund	6,355,321	14,003	3,350,000	3,019,324	12,723
Investment Trust of CA Money Market	-	751,285	-	751,285	1,285
Investment Trust of CA- Short Term Fund	1,253,014	2,336	750,000	505,350	2,336
Funds Under Trust Indenture	1,814,787	196,539	197,694	1,813,632	4,898
Demand Deposits with Fiscal Agent	459,454	331,749	446,277	344,926	-
Deposits in Escrow	-	-	-	-	-
TOTAL	$ 11,180,591	$ 9,126,832	$ 12,692,754	$ 7,614,669	$ 22,903

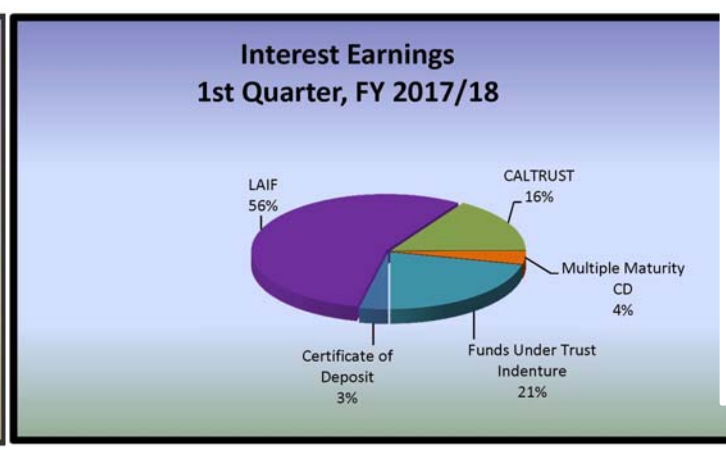
The City's investment policy approved by Council resolution is the prevailing guideline in managin investments. Short-term excess cash is currently invested primarily in the State Treasurer's Loca Agency Investment Fund (LAIF) and the Investment Trust of California (CalTRUST), a Public Join Powers Authority (JPA). Restricted investments held under trust indenture by The Bank of New Yorl Mellon Trust Company, N.A, is a Reserve Fund, deposited with LAIF, established to secure the timel payment of principal and interest represented by the 2010 Refinancing Project bond issues.

The following is the summary of the cash and investments for the 1st quarter ended September 30 2017, compared with the same period of the previous fiscal year:

	September 30, 2017	September 30, 2016
Cash on hand	$ 2,000	$ 2,250
Pooled Deposits:		
Demand Deposits	952,577	1,007,820
Certificates of Deposits	570,502	820,502
Total Pooled Deposits	1,523,079	1,828,323
Pooled Investments:		
Local Agency Investment Fund	3,019,324	5,426,334
Investment Trust of California	1,256,635	-
Restricted Cash and Investments:		
Local Agency Investment Fund	1,809,755	1,801,340
Demand Deposits	3,876	4,265
Total Cash and Investments	$ 7,614,669	$ 9,062,512

We believe the City's portfolio provides sufficient cash flow liquidity to meet the next six months of the City's projected operating expenditures.





City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: November 28, 2017

TO: Mayor and Council Members

FROM: Donald J. White
Assistant City Manager

ISSUE: Contracts with the County of Orange and Age Well Senior Services for Community Development Block Grant Funds for Fiscal Year 2017/2018

RECOMMENDATION: That the City Council: (1) Approve the Contract between the County of Orange and the City of Laguna Hills for Community Development Block Grant Funds for Fiscal Year 2017/2018; (2) Approve the Contract between Age Well Senior Services and the City of Laguna Hills for Community Development Block Grant Funds for Fiscal Year 2017/2018; and (3) Authorize the Mayor and City Manager to execute the Contracts.

SUMMARY:

On January 24, 2017, staff completed and submitted an application for federal Community Development Block Grant (CDBG) funding for "Public Facilities and Improvements" for Fiscal Year 2017/2018 on behalf of the Florence Sylvester Memorial Senior Center (Center) in the amount of $140,000. Earlier this month, Orange County Community Resources notified the City that it had been awarded the requested amount of $140,000 to assist Age Well Senior Services in completing a number of improvements at the Center. In order to access the awarded funds and to begin the bidding process to make improvements to the Center, the City of Laguna Hills is required to enter into and sign individual Contracts with the County of Orange and Age Well Senior Services. Both draft Contracts are included as attachments to this Staff Report.

Staff recommends that the City Council approve individual Contracts with the County of Orange and Age Well Senior Services and authorize the Mayor and City Manager to execute the Contracts.

BACKGROUND:

The County of Orange is responsible for administering all programs for those cities who participate in the Urban County Program including the CDBG program. The Urban County consists of the unincorporated areas of Orange County and the cities which are "non-entitlement" cities. "Non-entitlement" cities are those with a population under 50,000. There are thirteen cities in the County that must utilize the Urban County Program in order to access these funds which are allocated on a competitive basis.

For Fiscal Year 2017/2018, the City of Laguna Hills has been awarded $140,000 in CDBG funds for the following project activities:

Florence Sylvester Memorial Senior Center

FY 2017/18	Scope of Services	Amount
Florence Sylvester Memorial Senior Center	1 Facility: Remove existing tile flooring and replace with slip-resistant tile flooring	$80,000
Florence Sylvester Memorial Senior Center	1 Facility: Remodel men's restroom to bring into compliance with ADA requirements	$60,000
TOTAL	**2 FACILITIES**	**$140,000**

Approval of the attached Contract with the County of Orange commits the City of Laguna Hills to spend the CDBG funds consistent with any applicable federal, state, and county laws and regulations. Funds must be spent only on eligible projects and City staff must complete the documentation and reporting requirements associated with expenditure of the funds.

Approval of the attached contract with Age Well Senior Services ensures that CDBG funds are expended on the specified scope of work and that the improvement work at the Center is completed in accordance with all federal, state, and county laws and regulations.

CEQA FINDINGS:

The Florence Sylvester Memorial Senior Center project has been found to be Categorically Exempt from the requirements of the California Environmental Quality Act (CEQA) based upon a Class 1 – Existing Facilities (Section 15301) exemption.

FISCAL IMPACT:

In accordance with the Contract between the City of Laguna Hills and the County of Orange, the City agrees to leverage the County's funds with in-lieu staff time totaling $6,904.49. No other commitment of General Fund monies is required.

ATTACHMENTS:

- Draft Contract with the County of Orange for 2017-2018 Public Facilities and Improvements
- Draft Contract with Age Well Senior Services, Inc. for 2017-2018 Public Facilities and Improvements

CONTRACT # 17-23-0008-PFI

BETWEEN

COUNTY OF ORANGE

AND

CITY OF LAGUNA HILLS

FOR

PUBLIC FACILITIES & IMPROVEMENTS

FLORENCE SYLVESTER MEMORIAL SENIOR CENTER REHABILITATION

CFDA#	FAIN #	PROGRAM/SERVICE TITLE	FUNDING AGENCY
14.218	Pending	Community Development Block Grant (CDBG)	Department of Housing and Urban Development (HUD)

CONTRACT

GENERAL TERMS AND CONDITIONS

ATTACHMENTS / EXHIBITS

Exhibit 1 – County of Orange Child Support Enforcement
Exhibit 2 – OC Community Resources Contract Reimbursement Policy
Exhibit 3 – Certification for a Drug-Free Workplace
Exhibit 4 – Disclosure of Lobbying Activities

This Agreement, 17-23-0008-PFI hereinafter referred to as "CONTRACT" is made between the County of Orange, a political subdivision of the State of California and recognized Urban County under the Federal Housing and Community Development Act of 1974 (Public Law 93-383), as amended, with a place of business at 1300 South Grand Avenue, Building B, Santa Ana, CA 92705-4407; hereinafter referred to as "COUNTY," and City of Laguna Hills, DUNS # 798794947, a municipal corporation in the State of California, with a place of business at 24035 El Toro Road, Laguna Hills, CA 92653-3103, hereinafter referred to as "SUBRECIPIENT," with COUNTY and SUBRECIPIENT sometimes referred to as "PARTY", or collectively as "PARTIES."

RECITALS

WHEREAS, COUNTY has applied for and anticipates receiving funds from the United States Department of Housing and Urban Development, hereinafter referred to as "HUD", under Title I of the Housing and Community Development Act of 1974 (Public Law 93-383, as amended) for the purpose of funding programs meeting one of the HUD national objectives; and

WHEREAS, a Grant Agreement between HUD and the County of Orange has been entered; and

WHEREAS, COUNTY and Participating Cities previously entered into a Cooperation Agreement effective July 1, 2015 as amended, in which both PARTIES agreed to cooperate in the undertaking, or assist in the undertaking, of community development and housing assistance activity; and

WHEREAS, SUBRECIPIENT responded or has previously submitted an application approved under the FY 2017-18 Public Facilities & Improvements RFP for activities and was deemed eligible for funding; and

WHEREAS, the SUBRECIPIENT represented that its proposed services shall meet or exceed the requirements and specifications of the RFP; and

WHEREAS, COUNTY Board of Supervisors has authorized the OC Community Resources Director or his designee to enter into this CONTRACT with SUBRECIPIENT to carry out certain program services and activities for the Fiscal Year 2017-18;

NOW, THEREFORE, the PARTIES mutually agree as follows:

Terms and Conditions:

1. **Scope of Contract**

This CONTRACT specifies the Contractual terms and conditions by which the COUNTY will procure services from SUBRECIPIENT as further detailed in the Scope of Services, identified and incorporated herein by this reference as Attachment A.

2. **Term of Contract**

This CONTRACT shall commence on July 1, 2017 and continue through June 30, 2018 for one (1) year, unless otherwise terminated by the COUNTY.

3. **Contingency of Funds**

SUBRECIPIENT acknowledges that funding or portions of funding for this CONTRACT may be contingent upon receipt of funds from, and/or obligation of funds by, Federal, State of California and/or local funds to COUNTY; and inclusion of sufficient funding for the services hereunder in the budget approved by COUNTY's Board of Supervisors for each fiscal year covered by this CONTRACT. If such approval, funding or appropriations are not forthcoming, or are otherwise limited, COUNTY may immediately terminate or modify this CONTRACT without penalty.

4. **Maximum Obligation**

The total Maximum Obligation of COUNTY to the SUBRECIPIENT for the cost of services provided in accordance with this CONTRACT is $140,000.00, with individual Maximum Obligation budgets for each Fiscal Year as further detailed in the Budget, identified and incorporated herein by this reference as Attachment C.

5. **Changes/Amendments/Extra Work**

The SUBRECIPIENT shall make no changes to this CONTRACT without the COUNTY's written consent. In the event that there are new or unforeseen requirements, the COUNTY's CONTRACT ADMINISTRATOR has the discretion with the SUBRECIPIENT's concurrence, to make changes at any time without changing the scope or price of the CONTRACT.

If COUNTY-initiated changes or changes in laws or government regulations affect price, the SUBRECIPIENT's ability to deliver services, or the project schedule, the SUBRECIPIENT will give COUNTY written notice no later ten (10) days from the date the law or regulation went into effect or the date the change was proposed and SUBRECIPIENT was notified of the change. Such changes shall be agreed to in writing and incorporated into a CONTRACT amendment. Said amendment shall be issued by the COUNTY-assigned CONTRACT ADMINISTRATOR, shall require the mutual consent of all PARTIES, and may be subject to approval by the COUNTY Board of Supervisors. Nothing herein shall prohibit the SUBRECIPIENT from proceeding with the work as original set forth or as previously Amended in this CONTRACT.

All extra work/services are by mutual consent of all PARTIES and may be subject to the approval of the County of Orange Board of Supervisors.

6. **Breach of CONTRACT**

The failure of the SUBRECIPIENT to comply with any of the provisions, covenants or conditions of this CONTRACT shall be a material breach of this CONTRACT. In such event the COUNTY may, and in addition to any other remedies available at law, in equity, or otherwise specified in this CONTRACT:

A. Afford the SUBRECIPIENT written notice of the breach and ten calendar days or such shorter time that may be specified in this CONTRACT within which to cure the breach;

B. Discontinue payment to SUBRECIPIENT for and during the period in which SUBRECIPIENT is in breach; and

C. Offset against any monies billed by SUBRECIPIENT but yet unpaid by the COUNTY those monies disallowed pursuant to the above.

COUNTY may terminate the CONTRACT immediately, pursuant to Paragraph K "Termination" and Paragraph 19 "Termination – Orderly" herein;

7. Conditions Affecting Work:

The SUBRECIPIENT shall be responsible for taking all steps reasonably necessary, to ascertain the nature and location of the work to be performed under this CONTRACT; and to know the general conditions which can affect the work or the cost thereof. Any failure by the SUBRECIPIENT to do so will not relieve SUBRECIPIENT from responsibility for successfully performing the work without additional cost to the COUNTY. The COUNTY assumes no responsibility for any understanding or representations concerning the nature, location(s) or general conditions made by any of its officers or agents prior to the execution of this CONTRACT, unless such understanding or representations by the COUNTY are expressly stated in the CONTRACT.

8. Conflict of Interest:

A. COUNTY Personnel: The County of Orange Board of Supervisors policy prohibits its employees from engaging in activities involving a conflict of interest. The SUBRECIPIENT shall not, during the period of this CONTRACT, employ any COUNTY employee for any purpose.

B. SUBRECIPIENT's Personnel: The CONTRACTOR shall exercise reasonable care and diligence to prevent any actions or conditions that could result in a conflict with the best interests of the COUNTY. This obligation shall apply to the SUBRECIPIENT; the SUBRECIPIENT's employees, agents, and relatives; sub-tier contractors; and third parties associated with accomplishing work and services hereunder. The SUBRECIPIENT's efforts shall include, but not be limited to establishing precautions to prevent its employees or agents from making, receiving, providing or offering gifts, entertainment, payments, loans or other considerations which could be deemed to appear to influence individuals to act contrary to the best interests of the COUNTY.

9. Consulting Contract – Follow-On Work:

No person or firm or subsidiary thereof who has been awarded a consulting services contract or a contract which includes a consulting component may be awarded a CONTRACT for the provision of services, the delivery of goods or supplies, or the provision of any other related action which is required, suggested, or otherwise deemed appropriate as an end product of the consulting services contract. Therefore, any consultant that contracts with a COUNTY agency/department to develop a feasibility study or to provide formal recommendations is precluded from contracting for any work recommended in the study or included in the recommendations.

10. Project Manager, COUNTY:

The COUNTY shall appoint a Project Manager to act as liaison between the COUNTY and the SUBRECIPIENT during the term of this CONTRACT. The COUNTY's Project Manager shall coordinate the activities of the COUNTY staff assigned to work with the SUBRECIPIENT.

11. SUBRECIPIENT Project Manager and Key Personnel:

SUBRECIPIENT shall appoint a Project Manager to direct the SUBRECIPIENT's efforts in fulfilling SUBRECIPIENT's obligations under this CONTRACT. The name of the Project Manager shall be provided to the COUNTY. If there is a Project Management change the SUBRECIPIENT will notify the COUNTY in writing prior to the change being made.

The SUBRECIPIENT's Project Manager and Key Personnel shall be assigned to this CONTRACT for the duration of this CONTRACT and shall diligently pursue all work and services to meet the project timelines. SUBRECIPIENT's Key Personnel are those individuals who report directly to the SUBRECIPIENT's Project Manager.

12. SUBRECIPIENT Personnel:

The SUBRECIPIENT warrants that all persons employed to provide service under this CONTRACT have satisfactory past work records indicating their ability to accept the kind of responsibility anticipated under this CONTRACT.

13. Title to Data:

All materials, documents, data or information obtained from the COUNTY data files or any COUNTY medium furnished to the SUBRECIPIENT in the performance of this CONTRACT will at all times remain the property of the COUNTY. Such data or information may not be used or copied for direct or indirect use by the SUBRECIPIENT after completion or termination of this CONTRACT without the express written consent of the COUNTY. All materials, documents, data or information, including copies, must be returned to the COUNTY at the end of this CONTRACT.

All PARTIES to the CONTRACT acknowledge that the COUNTY shall maintain ownership and control of all data files and the related indexes and pointers to those data files.

14. County Of Orange Child Support Enforcement: In order to comply with the child support enforcement requirements of the County of Orange, within ten (10) days of award of CONTRACT, the selected SUBRECIPIENT agrees to furnish to the CONTRACT administrator, the Purchasing Agent, or the agency/department deputy purchasing agent:

A. In the case of an individual SUBRECIPIENT, his/her name, date of birth, Social Security number, and residence address;

B. In the case of a SUBRECIPIENT doing business in a form other than as an individual, the name, date of birth, Social Security number, and residence address of each individual who owns an interest of ten (10) percent or more in the contracting entity;

C. A certification that the SUBRECIPIENT has fully complied with all applicable federal and State reporting requirements regarding its employees; and

D. A certification that the SUBRECIPIENT has fully complied with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment and will continue to so comply.

Failure of the SUBRECIPIENT to timely submit the data and/or certifications required may result in the CONTRACT being awarded to another SUBRECIPIENT. In the event a CONTRACT has been issued, failure of the SUBRECIPIENT to comply with all federal, state, and local reporting requirements for child support enforcement or to comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment shall constitute a material breach of the CONTRACT. Failure to cure such breach within ten (10) calendar days of notice from the COUNTY shall constitute grounds for termination of the CONTRACT.

15. EDD Independent Contractor Reporting Requirements:

The County of Orange is required to file federal Form 1099-Misc for services received from a "service provider" to whom the COUNTY pays $600 or more or with whom the COUNTY enters into a contract for $600 or more within a single calendar year. The purpose of this reporting requirement is to increase child support collection by helping to locate parents who are delinquent in their child support obligations.

The term "service provider" is defined in California Unemployment Insurance Code Section 1088.8, subparagraph B.2 as "an individual who is not an employee of the service recipient for California purposes and who received compensation or executes a contract for services performed for that service recipient within or without the state." The term is further defined by the California Employment Development Department to refer specifically to independent contractors. An independent contractor is defined as "an individual who is not an employee of the ... government entity for California purposes and who receives compensation or executes a contract for services performed for that ... government entity either in or outside of California."

The reporting requirement does not apply to corporations, general partnerships, limited liability partnerships, and limited liability companies.

Additional information on this reporting requirement can be found at the California Employment Development Department web site located at www.edd.ca.gov/txicr.htm.

16. Licenses:

At its own expense, SUBRECIPIENT and its subcontractors, if any, shall, at all time during the term of this CONTRACT, maintain in full force and effect such licenses or permits as may be required by the State of California or any other government entity. SUBRECIPIENT and his subcontractors, if any, shall strictly adhere to, and obey, all governmental rules and regulations now in effect or as subsequently enacted or modified, as promulgated by any local, state, or federal governmental entity.

17. Disputes – CONTRACT:

A. The PARTIES shall deal in good faith and attempt to resolve potential disputes informally. If the dispute concerning a question of fact arising under the terms of this CONTRACT is not disposed of in a reasonable period of time by the SUBRECIPIENT and the COUNTY, such matter shall be brought to the attention of the CONTRACT ADMINISTRATOR by way of the following process:

1. The SUBRECIPIENT shall submit to the agency/department assigned COUNTY CONTRACT ADMINISTRATOR a written demand for a final decision regarding the disposition of any dispute between the PARTIES arising under, related to, or involving this CONTRACT, unless the COUNTY, on its own initiative, has already rendered such a final decision.
2. The SUBRECIPIENT's written demand shall be fully supported by factual information, and, if such demand involves a cost adjustment to the CONTRACT, the SUBRECIPIENT shall include with the demand a written statement signed by a senior official indicating that the demand is made in good faith, that the supporting data are accurate and complete, and that the amount requested accurately reflects the CONTRACT adjustment for which the SUBRECIPIENT believes the COUNTY is liable.

B. Pending the final resolution of any dispute arising under, related to, or involving this CONTRACT, the SUBRECIPIENT agrees to diligently proceed with the provision of services under this CONTRACT. The SUBRECIPIENT's failure to diligently proceed shall be considered a material breach of this CONTRACT.

Any final decision of the COUNTY shall be expressly identified as such, shall be in writing, and shall be signed by the COUNTY CONTRACT ADMINISTRATOR or designee. If the COUNTY fails to render a decision within ninety (90) days after receipt of the SUBRECIPIENT's demand, it shall be deemed a final decision adverse to the SUBRECIPIENT's contentions. Nothing in this Paragraph 17 shall be construed as affecting the COUNTY's right to terminate the CONTRACT for cause as stated in Paragraph K "Termination," herein.

18. Gratuities:

The SUBRECIPIENT warrants that no gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the SUBRECIPIENT or any agent or representative of the SUBRECIPIENT to any officer or employee of the COUNTY with a view toward securing the CONTRACT or securing favorable treatment with respect to any determinations concerning the performance of the CONTRACT. For breach or violation of this warranty, the COUNTY shall have the right to terminate the CONTRACT, either in whole or in part, and any loss or damage sustained by the COUNTY in procuring on the open market any services which the SUBRECIPIENT agreed to supply shall be borne and paid for by the SUBRECIPIENT. The rights and remedies of the COUNTY provided in this Paragraph 18 shall not be exclusive and are in addition to any other rights and remedies provided by law or under the CONTRACT.

19. Termination – Orderly:

After receipt of a termination notice from the County of Orange, the SUBRECIPIENT shall submit to the COUNTY a termination claim, if applicable. Such claim shall be submitted promptly, but in no event later than sixty (60) days from the effective date of the termination, unless one or more extensions in writing are granted by the COUNTY upon written request of the SUBRECIPIENT. Upon termination COUNTY agrees to pay the SUBRECIPIENT for all services performed prior to termination which meet the requirements of the CONTRACT, provided, however, that such compensation plus previously paid compensation shall not exceed the total compensation set forth in the CONTRACT. Upon termination or other expiration of this CONTRACT, each PARTY shall promptly return to the other PARTY all papers, materials, and other properties of the other held by each for purposes of execution of the CONTRACT. In addition, each PARTY will assist the other PARTY in orderly termination of this CONTRACT and the transfer of all aspects, tangible and intangible, as may be necessary for the orderly, non-disruptive business continuation of each PARTY.

20. News/Information Release:

The SUBRECIPIENT agrees that it will not issue any news releases in connection with either the award of this CONTRACT or any subsequent amendment of or effort under this CONTRACT without first obtaining review and written approval of said news releases from the COUNTY.

21. Notices:

Any and all notices, requests, demands and other communications contemplated, called for, permitted, or required to be given hereunder shall be in writing, except through the course of the PARTIES' Project Managers routine exchange of information and cooperation during the terms of the work and services. Any written communications shall be deemed to have been duly given upon actual in-person delivery, if delivery is by direct hand, or upon delivery on the actual day of receipt or no greater than four calendar days after being mailed by US certified or registered mail, return receipt requested, postage prepaid, whichever occurs first. The date of mailing shall count as the first day. All communications shall be addressed to the appropriate PARTY at the address stated herein or such other address as the PARTIES hereto may designate by written notice from time to time in the manner aforesaid.

For COUNTY:
County of Orange
OC Community Resources
Housing and Community Development
Homeless Prevention
PROJECT MANAGER
1300 South Grand Avenue, Building "B" 3rd Flr.
Santa Ana, CA 92705-4407

County of Orange
OC Community Resources
Contract Development & Management
CONTRACT ADMINISTRATOR
1501 East St. Andrew Place, 1st Flr.
Santa Ana, CA 92705-4930

For SUBRECIPIENT:
City of Laguna Hills
SUBRECIPIENT'S Project Manager
24035 El Toro Road
Laguna Hills, CA 92653-3103

22. Ownership of Documents:

The COUNTY has permanent ownership of all directly connected and derivative materials produced under this CONTRACT by the SUBRECIPIENT. All documents, reports and other incidental or derivative work or materials furnished hereunder shall become and remains the sole property of the COUNTY and may be used by the COUNTY as it may require without additional cost to the COUNTY. None of the documents, reports and other incidental or derivative work or furnished materials shall be used by the SUBRECIPIENT without the express written consent of the COUNTY.

23. Precedence:

The CONTRACT documents consist of this CONTRACT and its attachments and exhibits. In the event of a conflict between or among the CONTRACT documents, the order of precedence shall be the provisions of the main body of this CONTRACT, i.e., those provisions set forth in the paragraphs of this CONTRACT, and then the attachments and exhibits.

24. Errors and Omissions:

All reports, files and other documents prepared and submitted by SUBRECIPIENT shall be complete and shall be carefully checked by the professional(s) identified by SUBRECIPIENT as Project Manager and key personnel attached hereto, prior to submission to the COUNTY. SUBRECIPIENT agrees that COUNTY review is discretionary and SUBRECIPIENT shall not assume that the COUNTY will discover errors and/or omissions. If the COUNTY discovers any errors or omissions prior to approving SUBRECIPIENT's reports, files and other written documents, the reports, files or documents will be returned to SUBRECIPIENT for correction. Should the COUNTY or others discover errors or omissions in the reports, files or other written documents submitted by SUBRECIPIENT after COUNTY approval thereof, COUNTY approval of SUBRECIPIENT's reports, files or documents shall not be used as a defense by SUBRECIPIENT in any action between the COUNTY and SUBRECIPIENT, and the reports, files or documents will be returned to SUBRECIPIENT for correction.

25. Non-Supplantation of Funds:

SUBRECIPIENT shall not supplant any federal, State, or COUNTY funds intended for the purposes of this CONTRACT with any funds made available under this CONTRACT. SUBRECIPIENT shall not claim reimbursement from COUNTY for, or apply sums received from COUNTY with respect to, that portion of its obligations which have been paid by another source of revenue. SUBRECIPIENT agrees that it shall not use funds received pursuant to this CONTRACT, either directly or indirectly, as a contribution or compensation for the purposes of obtaining federal, State, or COUNTY funds under any federal, State, or COUNTY program without prior written approval from COUNTY.

26. Satisfactory Work:

Services rendered hereunder are to be performed to the written satisfaction of COUNTY. COUNTY'S staff will interpret all reports and determine the quality, acceptability and progress of the services rendered.

27. Access and Records:

A. Access. COUNTY, the State of California and the United States Government and/or their representatives, shall have access, for purposes of monitoring, auditing, and examining, to CONTRACTOR's activities, books, documents and papers (including computer records and emails) and to records of CONTRACTOR's subcontractors, consultants, contracted employees, bookkeepers, accountants, employees and participants related to this CONTRACT. SUBRECIPIENT shall insert this condition in each contract between SUBRECIPIENT and a subcontractor that is pursuant to this CONTRACT shall require the subcontractor to agree to this condition. Such agencies or representatives shall have the right to make excerpts, transcripts and photocopies of such records and to schedule on site monitoring at their discretion. Monitoring activities also may include, but are not limited to, questioning employees and participants and entering any premises or onto any site in which any of the services or activities funded hereunder are conducted or in which any of the records of SUBRECIPIENT are kept. SUBRECIPIENT shall make available its books, documents, papers, financial records, etc., within three (3) days after receipt of written demand by COUNTY which shall be deemed received upon date of sending. In the event SUBRECIPIENT does not make the above referenced documents available within the County of Orange, California, CONTRACTOR agrees to pay all necessary and reasonable expenses incurred by COUNTY, or COUNTY'S designee, in conducting any audit at the location where said records and books of account are maintained.

B. Records Retention. All accounting records and evidence pertaining to all costs of CONTRACTOR and all documents related to this CONTRACT shall be kept available at CONTRACTOR'S office or place of business for the duration of this CONTRACT and thereafter, as specified in 2 CFR 200.333-337. Records which relate to: (1) complaints, claims, administrative proceedings or litigation arising out of the performance of this CONTRACT; or (2) costs and expenses of this CONTRACT to which COUNTY or any other governmental agency takes exception, shall be retained until final resolution or disposition of such appeals, litigation, claims, or exceptions.

C. Liability. CONTRACTOR shall pay to COUNTY the full amount of COUNTY'S liability to the State or federal government or any agency thereof resulting from any disallowance or other audit exceptions to the extent that such liability is attributable to CONTRACTOR'S failure to perform under this CONTRACT.

28. Signature in Counterparts:

The PARTIES agree that separate copies of the CONTRACT may be signed by each of the PARTIES, and this CONTRACT will have the same force and effect as if the original had been signed by all PARTIES.

29. Reports/Meetings:

The SUBRECIPIENT shall develop reports and any other relevant documents necessary to complete the services and requirements as set forth in this CONTRACT. The COUNTY and the SUBRECIPIENT will meet on reasonable notice to discuss the SUBRECIPIENT's performance and progress under this CONTRACT. If requested, the SUBRECIPIENT and other CONTRACT personnel shall attend all meetings. The SUBRECIPIENT shall provide such information that is requested by the COUNTY for the purpose of monitoring progress under this CONTRACT.

30. Subcontracting:

No performance of this CONTRACT or any portion thereof may be assigned or subcontracted by the SUBRECIPIENT without the express written consent of the COUNTY. Any attempt by the SUBRECIPIENT to assign or subcontract any performance of this CONTACT without the express written consent of the COUNTY shall be invalid and shall constitute a breach of this CONTRACT.

In the event that the SUBRECIPIENT is authorized by the COUNTY to subcontract, this CONTRACT shall prevail and the terms of the subcontract shall incorporate by reference and not conflict with the terms of this CONTRACT. In the manner in which the COUNTY expects to receive services, the COUNTY shall look to the SUBRECIPIENT for performance and not deal directly with any subcontractor. All matters related to this CONTRACT shall be handled by the SUBRECIPIENT with the COUNTY; the COUNTY will have no direct contact with the subcontractor in matters related to the performance of this CONTRACT. All work must meet the approval of the COUNTY.

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Program Specific Terms and Conditions

31. Debarment:

SUBRECIPIENT certifies that it is not debarred or suspended or otherwise excluded from or ineligible for participation in Federal/State assistance programs in accordance with 29 CFR Part 98.

32. Lobbying:

A. SUBRECIPIENT shall complete and immediately forward to the COUNTY the "Disclosure Form to Report Lobbying," a copy of which is attached hereto as Exhibit 4 and incorporated herein by this reference, if SUBRECIPIENT, or any person, firm or corporation acting on SUBRECIPIENT's behalf, engaged or engages in lobbying any federal office, employee, elected official or agency with respect to this CONTRACT or funds to be received by SUBRECIPIENT pursuant to this CONTRACT.

B. SUBRECIPIENT agrees that the funds provided herein shall not be used to promote, directly or indirectly, any political party, political candidate or political activity, except as permitted by law.

33. Fraud:

SUBRECIPIENT shall immediately report all suspected or known instances and facts concerning possible fraud, abuse or criminal activity under this CONTRACT. SUBRECIPIENT shall inform staff and the general public of how to report fraud, waste or abuse through appropriate postings of incident reporting notice. The County's Anti-Fraud Program can be accessed through: http://ocgov.com/gov/risk/programs/antifraud.

34. Fiscal Accountability:

A. Financial Management System: SUBRECIPIENT shall establish and maintain a sound financial management system, based upon generally accepted accounting principles. CONTRACTOR's system shall provide fiscal control and accounting procedures that will include the following:

   i. Information pertaining to tuition rates, payments, and educational assistance payments; and
   ii. Source documentation to support accounting records;
   iii. Proper charging of costs and cost allocation.

B. SUBRECIPIENT's Record: SUBRECIPIENT's records shall be sufficient to:
   i. Permit preparation of required reports; and
   ii. Permit tracking of funds to a level of expenditure adequate to establish that funds have not been used in violation of the applicable restrictions on the use of such funds; and
   iii. Permit the tracking of program income, or profits earned, and any costs incurred (such as stand-in costs) that are otherwise allowable except for;
   iv. Permit tracking and reporting of leveraging as required.

C. Costs Charged: Cost shall be charged to this CONTRACT only in accordance with the COUNTY and other requirements as required by funding source(s).

35. Performance Standards:

SUBRECIPIENT shall comply with and adhere to the performance accountability standards as described in this CONTRACT and applicable regulations and the activity levels to be utilized by COUNTY for program evaluation and monitoring included, but not limited to those listed in the Attachment E-Performance Standards attached hereto and incorporated herein by reference.

36. Budget

SUBRECIPIENT agrees that the expenditures of any and all funds under this CONTRACT will be in accordance with the Budget, a copy of which is attached hereto as Attachment C, and which by this reference is incorporated herein and made a part hereof as if fully set forth.

37. Payment Requirements:

If funding levels are significantly affected by Federal budget and funds are not allocated and available for the continuance of the function performed by SUBRECIPIENT, the CONTRACT may be terminated by the COUNTY at the end of the period for which funds are available. The COUNTY shall notify SUBRECIPIENT at the earliest possible time of any service, which will or may be affected by a shortage of funds. No penalty shall accrue to the COUNTY in the event this provision is exercised and the COUNTY shall not be obligated nor liable for any damages as a result of termination under this provision of this CONTRACT, and nothing herein shall be construed as obligating the COUNTY to expend or as involving the COUNTY in any CONTRACT or other obligation for future payment of money in excess of appropriations authorized by law.

A. CONTRACT Amount: It is expressly agreed and understood that the total amount to be paid by COUNTY under this CONTRACT shall not exceed the total COUNTY funding as set forth in Attachment B-Compensation/Payment to SUBRECIPIENT attached hereto and incorporated herein by reference.

B. COUNTY will reclaim any unused balance of funds for reallocation to other COUNTY approved projects.

C. Payment of Project Activities:
   1. Payment of Project Activities: COUNTY will reimburse SUBRECIPIENT for eligible project-related costs only. SUBRECIPIENT shall submit requests for reimbursement to COUNTY on a monthly basis beginning on August 1, 2017, and must provide adequate documentation as required by COUNTY in accordance with the OC COMMUNITY RESOURCES CONTRACT REIMBURSEMENT POLICY, as set forth in Exhibit 2, attached hereto and incorporated herein by reference. In addition, SUBRECIPIENT will provide a progress performance report ("GPR INFORMATION FORM") for the time period covered, as prescribed by COUNTY. Failure to provide any of the required documentation and reporting will cause COUNTY to withhold all or a portion of a request for reimbursement, or return the entire reimbursement package to SUBRECIPIENT, until such documentation and reporting has been received and approved by COUNTY.
   2. If SUBRECIPIENT has no request for reimbursement during any quarter during the term of this CONTRACT, a GPR Information Form, including and explanation as to why no invoices were being processed, shall be required in lieu of a request for reimbursement.
   3. To be determined: To be developed with SUBRECIPIENT during contract

negotiation. The following "Required Expenditure Threshold" criteria have been established to guide the SUBRECIPIENT in structuring and scheduling their expenditure of funds received through this CONTRACT, through term of CONTRACT. The criteria thresholds are consistent with the criteria used by OC Community Resources to determine performance including, but not limited to, determinations of future award of funds, additional funding requests and/or determinations for the recapture of funding.

*<u>*Milestone Date*</u>	<u>*Minimum Required Expenditure Threshold*</u>
January 15th	50% of Contracted Amount Expended
March 15th	70% of Contracted Amount Expended
April 15th	80% of Contracted Amount Expended

4. SUBRECIPIENT will have forty-five (45) days following the expiration of the CONTRACT to submit outstanding invoices for reimbursement of eligible costs incurred during the CONTRACT period. After the forty-five (45) day period for submitting invoices has expired, COUNTY shall reallocate the remaining balance under this CONTRACT for other program purposes and SUBRECIPIENT shall be ineligible for any further reimbursement.

D. Funds shall not be disbursed for any costs incurred prior to the certification by COUNTY and HUD of Certificate(s) of Insurance as further defined in Paragraph P "Insurance" of this CONTRACT.

E. Eligible costs related to services provided by SUBRECIPIENT must be incurred during the period beginning July 1, 2017. The Project shall be completed and all funds provided through this CONTRACT shall be expended on eligible Project activities through and including June 30, 2018.

   a. Housing Rehabilitation CONTRACTS and Public Facilities & Improvements CONTRACTS.

      i. SUBRECIPIENT may be eligible to request additional funding up to the maximum set forth in the applicable FY 2017-18 Annual Action Plan if *SUBRECIPIENT* meets or exceeds any one of the Minimum Required Expenditure Thresholds at 50%, 70% or 80% on or prior to the milestone date as set forth in Paragraph 37.C.3.

      ii. If additional funding is available for allocation to SUBRECIPIENT, SUBRECIPIENT and COUNTY shall first amend the *SUBRECIPIENT SCOPE OF SERVICES* component of this CONTRACT. Furthermore, SUBRECIPIENT shall demonstrate, to the satisfaction of COUNTY that the required Performance Expenditure and Accomplishment Thresholds set forth in Paragraph 42.C will continue to be met before such extension and additional allocation shall be granted.

      iii. CONTRACT Extension (No Cost Extension)

         1. The term of this CONTRACT and the provisions herein may be extended to cover an additional time period as specified herein.

         2. The date for PROJECT completion and expenditure of all funds may be extended by the DIRECTOR without further action by the BOARD for a period not to exceed six (6) months from June 30, 2018. SUBRECIPIENT must notify the DIRECTOR in writing 45

days prior to June 30, 2018, if they are requesting an extension. For all extensions, the deadline for submittal of invoices shall be forty-five (45) days after the new expiration date.

3. CONTRACT extension provisions are not applicable to PROGRAM ADMINISTRATION activities.

b. Housing Rehabilitation CONTRACTS and Public Services CONTRACTS may not be renewed.

38. Modification of Budget:

Upon written approval of COUNTY shall have the authority to transfer allocated program funds from one category of the overall program BUDGET to any other category of the overall BUDGET. No such transfer may be made without the express prior written approval of COUNTY. A modification of the BUDGET may include the addition of any new BUDGET category.

39. Annual Audit:

If SUBRECIPIENT expends Federal funds in a fiscal year which equal or exceed $750,000 (seven hundred fifty thousand dollars) as specified in OMB Circular A-133-Revised, 2 CFR Part 200.500- Subpart F-Audit Requirements SUBRECIPIENT shall cause an audit to be prepared by a Certified Public Accountant (CPA) who is a member in good standing with the American Institute of Certified Public Accountants (AICPA) of the California Society of CPA's. The audit must be performed annually in accordance with Generally Accepted Auditing Standards (GAAS) authorized by the AICPA and Federal laws and regulations governing the programs in which it participates.

Furthermore, COUNTY retains the authority to require SUBRECIPIENT to submit similarly prepared audit at SUBRECIPIENT's expense even in instances when SUBRECIPIENT's expenditure is less than $750,000. SUBRECIPIENT will be required to identify corrective action taken in response to any findings identified by CPA related to their funded activity or program.
SUBRECIPIENT will ensure an annual financial audit is performed in compliance with the Federal Single Audit Act and will submit two (2) copies of such audit report, including a copy of the management letter, to COUNTY within six (6) months of the end of each CONTRACT year in which SUBRECIPIENT has received federal funding (i.e., July 1 – June 30). Failure to meet this requirement may result in COUNTY denying reimbursement of funds to SUBRECIPIENT, as well as future funding qualification. SUBRECIPIENTS, which are exempt from statutory audit requirements, shall maintain records, which are available for review by COUNTY or Federal officials. SUBRECIPIENT acknowledges that any and all "Financial Statements" submitted to COUNTY pursuant to this COUNTY become Public Records and are subject to public inspection pursuant to Sec. 6250 et seq. of the California Government.

40. DUNS Number and Related Information:

DUNS Number: A unique, non-indicative 9-digit identifier issued and maintained by the Dun & Bradstreet (D&B) that verifies the existence of a business entity. The DUNS number is needed to coordinate with the System for Award Management (SAM) that combines federal procurement systems and the Catalog of Federal Domestic Assistance into one new system. https://www.SAM.gov

The DUNS Number must be provided to COUNTY prior to the execution of this CONTRACT. SUBRECIPIENT shall ensure all DUNS information is up to date and the DUNS number status is "active," prior to execution of this CONTRACT. If COUNTY cannot access the SUBRECIPIENT's DUNS information related to this federal sub award on the Federal Funding Accountability and Transparency Act Sub award Reporting System (SAM.GOV) due to errors in the SUBRECIPIENT's data entry for its DUNS number, the SUBRECIPIENT must immediately update the information as required.

41. Program Income:

A. SUBRECIPIENT shall comply with regulations, as well as all applicable State or COUNTY regulations concerning the reporting and payment procedures for program income.

B. Definition: Program income means, as provided by 24 CFR § 570.504, gross income received by the SUBRECIPIENT directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period.

C. Use. The SUBRECIPIENT shall use all income received from said funds only for the same purposes for which said funds may be expended pursuant to the terms and conditions of this CONTRACT.

D. All Program Income accrued shall be returned to COUNTY on a quarterly basis prior to SUBRECIPIENT receiving any reimbursement from grant funds provided under this CONTRACT.

E. SUBRECIPIENT shall provide information of the receipt of Program Income by SUBRECIPIENT related to Program on all GPR INFORMATION FORMS submitted with requests for reimbursement.

F. SUBRECIPIENT shall complete and submit a Year-End Program Income letter, indicating amount of Program Income and include any reimbursement remittance necessitated therein, by July 15, after the close of the CONTRACT fiscal year.

42. Performance:

A. SUBRECIPIENT shall provide the oversight, administration, and project management necessary to accomplish all contracted activities in a timely manner. SUBRECIPIENT also agrees to comply with all applicable Federal, State, and local laws and regulations governing the funds provided under this CONTRACT.

B. SUBRECIPIENT shall comply with all applicable HUD regulations, as described in Paragraph 45 "Federal Administrative and Related Requirements" of this CONTRACT, concerning administrative requirements and maintain records as to services provided and total number of persons served through the project, including but not limited to, population-served analysis (i.e., extremely-low income persons, very-low income persons, and low-income persons as defined by HUD). Such information shall be available for periodic monitoring by representatives of COUNTY or HUD and shall be submitted by SUBRECIPIENT in report form to COUNTY by dates specified by COUNTY.

C. The following "Performance Threshold" criteria shall be used to assess the level of performance of the SUBRECIPIENT, including Attachment A — Scope of Services, attached hereto and incorporated herein by reference. Furthermore, the criteria will be considered by OC Community Resources when determining future funding. In order to be considered in compliance with the performance threshold criteria, the SUBRECIPIENT must, on or before the required milestone date, submit to OC Community Resources a request for reimbursement which demonstrates that SUBRECIPIENT has expended funds and met their proposed accomplishment goals at the required levels, unless exempted in writing by the COUNTY.

Milestone Date	*Minimum Required Expenditure Threshold*
January 15^{th}	50% of Contracted Amount Expended 50% of Proposed Accomplishments Met
March 15^{th}	70% of Contracted Amount Expended 70% of Proposed Accomplishments Met
April 15^{th}	80% of Contracted Amount Expended 80% of Proposed Accomplishments Met

Failure to achieve at least the aforementioned 50% drawdown, without written exception approved by the DIRECTOR, may cause any remaining balance in this CONTRACT to be reclaimed by COUNTY, and will negatively affect future funding to SUBRECIPIENT. Failure to achieve the aforementioned 80% drawdown goal, without written exception approved by the DIRECTOR, may cause any remaining balance in this CONTRACT to be reclaimed by COUNTY, and will impact future funding to SUBRECIPIENT.

D. SUBRECIPIENT shall complete and submit a Year End GPR INFORMATION FORM by July 15, after the close of the CONTRACT fiscal year.

E. Should the activity being funded through this CONTRACT be completed, cancelled or terminated prior to the termination date set forth herein in this Paragraph 42 "Performance." Additional Terms and Conditions, SUBRECIPIENT shall complete and submit a Mid-Year GPR INFORMATION FORM at the time of the completion, cancellation or termination. Said GPR INFORMATION FORM shall consist of a cumulative reporting of project-related expenditures and accomplishments relative to the *Scope of Services,* as set forth in Attachment A, attached hereto and incorporated herein by reference. If activity funded through this CONTRACT is completed, or if funds allocated through this CONTRACT are fully expended, prior to end of CONTRACT term, SUBRECIPIENT must continue to serve its clients for the entire term of this CONTRACT.

F. SUBRECIPIENT shall complete and submit a GPR INFORMATION FORM in support of all requests for reimbursement. Said GPR INFORMATION FORM shall consist of a cumulative report of project related accomplishments as set forth in Attachment A - Scope of Services, attached hereto and incorporated herein by reference, for the subject quarter. If at any time during the term of this CONTRACT SUBRECIPIENT has no activity occur during any quarter, SUBRECIPIENT shall prepare and submit to COUNTY a Quarterly GPR INFORMATION FORM, regardless of actual activity.

G. SUBRECIPIENT acknowledges that the GPR INFORMATION FORM is a monitoring tool that will be reviewed and evaluated to determine SUBRECIPIENT's level of performance relative to this CONTRACT.

H. SUBRECIPIENT shall submit all requested data necessary to complete the Consolidated Annual Performance and Evaluation Report (CAPER), and monitor program accountability and progress in accordance with HUD requirements, in the format and at the time designated by COUNTY.

43. Performance Monitoring:

A. Performance Monitoring of SUBRECIPIENT by COUNTY, State of California and/or HUD shall consist of requested and/or required written reporting, as well as onsite monitoring by COUNTY, State of California or HUD representatives.

B. COUNTY shall periodically evaluate SUBRECIPIENT's progress in complying with the terms of this CONTRACT. SUBRECIPIENT shall cooperate fully during such monitoring. COUNTY shall report the findings of each monitoring to SUBRECIPIENT.

C. COUNTY shall monitor the performance of SUBRECIPIENT against the goals, outcomes, milestones and performance standards required herein. Substandard performance, as determined by COUNTY, will constitute non-compliance with this CONTRACT for which COUNTY may immediately terminate the CONTRACT. If action to correct such substandard performance is not taken by SUBRECIPIENT within the time period specified by COUNTY, payment(s) will be denied in accordance with the provisions contained in this Paragraph 43 of this CONTRACT.

44. Substantial Amendments:

A. If any amendment results in a change in the funding amount, that does not trigger a SUBSTANTIAL AMENDMENT, as defined, SUBRECIPIENT SCOPE OF SERVICES, threshold and milestone dates or schedule of activities to be undertaken as part of this CONTRACT, such modifications will be incorporated only by written amendment executed by Director and SUBRECIPIENT.

B. In an effort to efficiently utilize CDBG funds within timeframes required by HUD, the COUNTY will consider the reprogramming of unspent CDBG balances from completed and cancelled CDBG-funded activities to other eligible activities as a "Non-Substantial Amendment". In the event that any of these "administrative" reprogramming actions fall under the "Substantial Amendment" criteria, the proposed actions to the Citizen Participation process, requires formal action by the Board of Supervisors, and subsequent approval by HUD.

45. Federal Administrative and Related Requirements:

SUBRECIPIENT must comply with all federal requirements as it pertains for 24 CFR Parts 91 and 570. SUBRECIPIENT acknowledges that administration of its operation and services are subject to the requirements as established in 2 CFR Part 200, et al. SUBRECIPIENT shall procure all materials, property, or services in accordance with the requirements of 2 CFR § 200.318-326.

A. **Financial Management:**

1. <u>Accounting Standards:</u>

SUBRECIPIENT agrees to comply with 24 CFR 84.21-28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles:

The SUBRECIPIENT shall administer its program in conformance with 2 CFR Part 200, et al; OMB Circulars A-122, “Cost Principles for Non-Profit Organizations,” or A-21, “Cost Principles for Educational Institutions,” or A-87, “Cost Principles for State and Local Governments” (and if SUBRECIPIENT is a governmental or quasi-governmental agency, the applicable sections of 24 CFR 85, “Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments,”) as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

B. **Documentation and Record Keeping**

1. Records to be Maintained:

SUBRECIPIENT shall maintain all records required by the Federal regulations specified in 24 CFR 576.506 that are pertinent to the activities to be funded under this CONTRACT. Such records shall include, but not be limited to:

a. Records providing a full description of each activity undertaken;
b. Records demonstrating that each activity undertaken meets the one of the National Objectives of the CDBG program;
c. Records required to determine the eligibility of activities;
d. Records required to document the acquisition, improvement, use, or disposition of real property acquired or improved with CDBG assistance;
e. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;

f. Financial records as required by federal regulations 24 CFR 570.502, and 24 CFR 84.21-28;
g. Other records necessary to document compliance with Subpart K of 23 CFR.

2. **Retention:**
SUBRECIPIENT shall retain all financial records, supporting documents, statistical records, and all other records pertinent to this CONTRACT for a period of five (5) years. The retention period begins on the date of the submission of the COUNTY’s annual performance and evaluation report to HUD in which the activities assisted under the CONTRACT are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the five year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the five-year period, whichever occurs later.

3. **Client Data**
a. SUBRECIPIENT shall maintain client data demonstrating client eligibility for services provided for a period of five (5) years after the termination of

all activities funded under this CONTRACT, or after the resolution of all Federal audit finding, whichever occurs later. Such data shall be consistent and include, but not limited to, client name, address, verifiable income level (as documented by income tax returns, employee payroll records, retirement statements, etc. or other third party documentation acceptable to COUNTY, for determining eligibility), and description of service provided. Such information shall be made available to HUD representatives, COUNTY monitors, or their designees, for review upon request.

b. SUBRECIPIENT shall develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the subject program, including protection against the release of the address or location of any family violence shelter project, except with the written authorization of the person responsible for the operation of that shelter.

4. Disclosure
SUBRECIPIENT shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to COUNTY monitors or their designees for review upon request.

5. Close-Outs
SUBRECIPIENT's obligation to COUNTY shall not end until all close-out requirements are completed. Activities during this close-out period shall be completed in accordance with federal and State regulations and shall include, but are not limited to: making final payments; submitting final invoice(s), report(s), in accordance with the requirements of Paragraph 45, and documentation; disposing of program assets (including the return to COUNTY of all unused materials and equipment); remitting any program income balances and accounts receivable to COUNTY, and determining the custodianship of records. Not withstanding the foregoing, the terms of this CONTRACT shall remain in effect during any period that the SUBRECIPIENT has control over CDBG funds, including Program Income.

C. **Personnel & Participation Conditions**

1. **Civil Rights**
Compliance
SUBRECIPIENT agrees to comply with California Civil Rights Act Ordinances and Title VI of the Civil Rights Act of 1964, as amended, Title VIII of the Civil Rights Act of 1968, as amended, Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974, as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and with Executive Order 11246, as amended by Executive Orders 11375, 11478, 12107 and 12086.

2. **Nondiscrimination in Employment and Contracting**

SUBRECIPIENT agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279, including 24 CFR Part 8, 24 CFR 570.602 and Section 504 of Rehabilitation Act of 1973, Americans with Disabilities Act of 1990, Executive Order 11063. The applicable non-discrimination provisions in Section 109 of the Housing and Community Development Act (HCDA) are still applicable.

3. **Affirmative Action:**
SUBRECIPIENT agrees that it shall be committed to carry out an Affirmative Action Program that encompasses that principals provided in President's Executive Order 11246, as revised on January 4, 2002.

4. **Americans with Disabilities Act:**
SUBRECIPIENT agrees to comply with Section 504 of the Rehabilitation Act of 1973 as amended; Title VI and VII of the Civil Rights Act of 1964 as amended; Americans with Disabilities Act, 42 USC 12101; California Code of Regulations, Title 2, Title 22: California Government Code, Sections 11135, et seq; and other federal and state laws and executive orders prohibit discrimination. All programs, activities, employment opportunities, and services must be made available to all persons, including persons with disabilities.

5. **Drug-Free Workplace**:
The SUBRECIPIENT hereby certifies compliance with Government Code Section 8355 in matters relating to providing a drug-free workplace as set forth in Exhibit 3, attached hereto and incorporated herein by reference. The SUBRECIPIENT will:
   a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355(a).
   b. Establish a drug-free awareness program as required by Government Code Section 8355(b) to inform employees about all of the following:
      i. The dangers of drug abuse in the workplace;
      ii. The SUBRECIPIENT's policy of maintaining a drug free workplace;
      iii. Any available counseling, rehabilitation, and employee assistance programs; and
      iv. Penalties that may be imposed upon employees for drug abuse violations.
   c. Provide as required by Government Code Section 8355(c) that every employee who works under this CONTRACT:
      i. Will receive a copy of the company's drug-free policy statement; and
      ii. Will agree to abide by the terms of the company's statement as a condition of employment under this CONTRACT.

Failure to comply with these requirements may result in suspension of payments under the contract or termination of the contract or both, and the SUBRECIPIENT may be ineligible for award of any future COUNTY contracts if the COUNTY determines that any of the following has occurred:
      iii. The SUBRECIPIENT has made false certification, or
      iv. The SUBRECIPIENT violates the certification by failing to carry out the requirements as noted above.

6. **Anti-Lobbying:**

SUBRECIPIENT certifies that it will comply with federal law (31 U.S.C. 1352) and regulations found at 24 CFR Part 87, which provide that:

a. No Federal appropriated funds will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of congress, or an employee of a Member of Congress in connection with the awarding of any Federal CONTRACT, the making of any Federal grant, the making of any Federal loan, the entering into of any Cooperative Agreement, and the extension, continuation, renewal, amendment, or modification of any Federal CONTRACT, grant, loan, or Cooperative Agreement; and

b. SUBRECIPIENT will complete and submit Standard Form-LLL "Disclosure of Lobbying Activities," if any funds other than Federal appropriated funds have been paid, in accordance with its instructions; and

c. SUBRECIPIENT shall include subject anti-lobbying certification in award documents for all sub-SUBRECIPIENTs at all tiers (including sub-subcontracts, sub-subgrants, and CONTRACT under grants, loans, and Cooperative Agreements) and that all sub-SUBRECIPIENTs shall certify and disclose accordingly.

7. **Employment Restrictions:**

a. **Prohibited Activity:**
SUBRECIPIENT is prohibited from using funds provided herein, or personnel employed in the administration of the program, for: political activities, sectarian or religious activities, lobbying, political patronage, and nepotism activities.

b. **OSHA:**
Where employees are engaged in activities not covered under the Occupational Safety and Health Act of 1970, they shall not be required or permitted to work, be trained, or receive services in buildings or surroundings or under working conditions which are unsanitary, hazardous or dangerous to the participants' health or safety.

c. **Employee Rights**

i. **Federal Minimum Wage**
SUBRECIPIENT must follow the Fair Labor Standards Act (FLSA), as it currently exists and it may be amended, which sets basic minimum wage and overtime pay standards. These standards are enforced by The United States Department of Wage and Hour Division under Department's Wage and Hour Division. The Federal minimum wage provisions are contained in the FLSA. Many states also have minimum wage laws. In cases where an employee is subject to both state and federal minimum wage laws, the employee is entitled to the higher minimum wage.

d. **California Minimum Wage**

i. SUBRECIPIENT must follow the California enacted legislation signed by the Governor of California, raising the minimum wage for all industries (MW-2007). (AB 1835, CH230, Stats of 2006, adding sections 1182.12 and 1182.13 to the California Labor Code.) Pursuant to its authority under Labor Code section 1182.13, the Department of Industrial Relations amends and republishes Sections, 1, 2, 3, and 5 of the General Minimum Wage Order. MW-

2001, Section 4, Separability, has not been changed. Consistent with this enactment, amendments are made to the minimum wage, and the meals and lodging credits sections of all of the IWC's industry and occupation orders. This summary must be made available to employees in accordance with the IWC's wage orders. Copies of the full text of the amended wage orders may be obtained by ordering on-line at www.dir.ca.gov/WP.asp or by contacting your local Division of Labor Standards Enforcement office.

e. **Hatch Act:**
SUBRECIPIENT agrees that no funds provided, nor personnel employed under this CONTRACT, shall be in any way or to any extent engaged in the conduct of political activities in violation of the Hatch Act, 5 U.S.C. Section 1501 et seq. and Chapter 15 of Title V of the U.S.C.

f. **Religious Organization/Activities:**
In accordance with 24 CFR 570.200(j), SUBRECIPIENT shall not discriminate against faith-based organizations in administering its federal HUD activities. SUBRECIPIENT agrees that funds provided under this CONTRACT will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization or to promote religious interest, or for the benefit of a religious organization.

8. **Labor Standards**

a. SUBRECIPIENT agrees to contact COUNTY no less than fourteen (14) days prior to the Pre-Construction Meeting date to seek consultation regarding application of requirements per federal labor standards regulations or Davis-Bacon related Acts.

b. SUBRECIPIENT will comply with Davis-Bacon Act and/or State Prevailing Wage requirements, when applicable.

c. SUBRECIPIENT agrees to comply with all applicable requirements of the Secretary of Labor in accordance with the Davis-Bacon Act, the provisions of CONTRACT work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act (40 U.S.C. 276, 327-333), and all other applicable Federal, State and local laws and regulations pertaining to labor standards. SUBRECIPIENT shall maintain all applicable documentation, which demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to COUNTY for review upon request.

d. SUBRECIPIENT agrees that, except with respect to the rehabilitation or construction of residential property designed for residential use for less than eight (8) units, all SUBRECIPIENTS engaged in contracts of $2,000.00 or more for construction, renovation or repair of any building or work financed in whole or in part with assistance provided under this CONTRACT, shall comply with all applicable federal requirements including Department of Labor regulations, under 29 CFR, Parts 3, 1, 5, 7 and 1926 governing the payment of wages and ratio of apprentices and trainees to journeymen. Nothing hereunder is intended to relieve

e. SUBRECIPIENT of its obligation, if any, to require payment of the higher rate under state or local laws SUBRECIPIENT shall insert provisions meeting the requirements of this Paragraph in all such CONTRACTS.

In case where the Davis-Bacon Act applies, SUBRECIPIENT agrees to submit the Construction Bid Package for this project to COUNTY for modification, SUBRECIPIENT shall construct project in accordance with the approved Construction Bid Package.

9. **California Labor Code Compliance**

a. Prevailing Wage laws apply, SUBRECIPIENT hereby agrees to pay, or cause its subcontractors to pay, Prevailing Wage rates at all times for all construction, improvements, or modifications to be completed for COUNTY under this CONTRACT. SUBRECIPIENT herein agrees that SUBRECIPIENT shall post, or cause to be posted, a copy of the most current, applicable Prevailing Wage rates at the site where the construction, improvements, or modifications are performed.

b. Payroll Records

SUBRECIPIENT agrees that:

Certified copies of all payroll records for this project shall be required pursuant to the provisions of California Labor Code "Section 1776". The reporting format and words of certification shall be as indicated in Title 8 of the California Code of Regulations, Section 16401.

Certified copies of the payroll records of all subcontractors working on this project are required. It shall be the responsibility of the prime contractor to ensure subcontractor compliance.

Certified copies of all payroll records shall be submitted on a weekly basis to COUNTY through the duration of this CONTRACT.

SUBRECIPIENT acknowledges that failure to comply with Section 1776 may result in a forfeiture of twenty-five dollars ($25) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated, and it should be recognized that a contractor or subcontractor, or agent or representative thereof who neglects to comply is guilty of a misdemeanor pursuant to California Labor Code Section 1777.

10. **Economic Opportunities**

Compliance

SUBRECIPIENT agrees to abide by the provisions of OMB Circulars 102 and 110, as applicable, 24 CFR 570.611 with respect to conflicts of interest, and covenants that it presently has no financial interest and shall not acquire any financial interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this CONTRACT.

SUBRECIPIENT further covenants that in the performance of this CONTRACT no person having such a financial interest shall be employed or retained by SUBRECIPIENT hereunder. These conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of COUNTY or SUBRECIPIENT, or any designated public agencies which are receiving funds under the CDBG Entitlement Program.

This CONTRACT is subject to the requirements of 12 USC 1701u, the HUD regulations issued pursuant thereto at 24 CFR, 135.1 et seq., and any applicable rules and orders of HUD issued Federal financial assistance shall be conditioned upon compliance with 12 USC 1701u. Failure to fulfill these requirements shall subject SUBRECIPIENT and any sub-subrecipients, their successors and assigns, to those remedies specified herein. SUBRECIPIENT certifies and agrees that no conflict exists which would prevent compliance with requirements.

The SUBRECIPIENT agrees to abide by 24 CFR, 135.38, below and will insert the following clause in any subcontracts executed with third parties for work covered by this CONTRACT:
"The work to be performed under this CONTRACT is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing. The PARTIES to this CONTRACT agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this CONTRACT, the PARTIES to this CONTRACT certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

The SUBRECIPIENT *agree to send to each labor organization or representative of workers with which the* SUBRECIPIENT *has a collective bargaining agreement or other understanding if any, a notice advising the labor organization or workers' representative of the* SUBRECIPIENT*'s commitments under this section clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.*

The SUBRECIPIENT *agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The* SUBRECIPIENT *will not subcontract with any subcontractor where the* SUBRECIPIENT *has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.*

The SUBRECIPIENT *will certify that any vacant employment positions, including training positions, that are filled (1) after the* SUBRECIPIENT *is selected but before the CONTRACT is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the* SUBRECIPIENT*'s obligations under 24 CFR part 135.*

Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts. With respect to work performed in connection *with Section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extend feasible (1) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of CONTRACTS and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. PARTIES to this CONTRACT that are subject to the provisions of Section 3 and section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b)."*

11. **Environmental Conditions:**

SUBRECIPIENT shall comply with HUD Environmental Review under HUD regulations at 24 CFR 58 et seq., which implement the National Environmental Policy Act (NEPA); and, the California Environmental Quality Act (CEQA). No costs shall be incurred and no funds shall be disbursed prior to certification by COUNTY and/or HUD of environmental compliance.
SUBRECIPIENT shall incur no costs for any project-related activity defined in SUBRECIPENT SCOPE OF SERVICES and COUNTY shall not disburse funds prior to certification by COUNTY and/or HUD for environmental compliance.
SUBRECIPIENT shall provide requested material to COUNTY for the Environmental Review process required by applicable regulations.

a. **Air and Water:**
SUBRECIPIENT agrees to comply with the following regulations in so far as they apply to the performance of this CONTRACT:
Clean Air Act, 42 U.S.C., 1857, et seq.
Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251, et seq.
Environmental Protection Agency (EPA) regulations pursuant to 40 CFR 50 and 40 CFR 58.

b. **Flood Disaster Protection:**
SUBRECIPIENT agrees to comply with the requirements of the Flood Disaster Protection Act of 1973, including as applicable any regulations set forth in 24 CFR 55, (implementing Executive Order 11988) in regard to the sale, lease or other transfer of land acquired, cleared, or improved under the terms of this CONTRACT, as it may apply to the provisions of this CONTRACT.

c. **Lead-Based Paint:**
SUBRECIPIENT agrees that any construction or rehabilitation of residential structures with assistance provided under this CONTRACT shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR 35, particularly, 24 CFR 35.100 through 35.175. Such regulations pertain to all HUD-assisted housing and require that all owners, prospective owners, and tenants or properties constructed prior to 1978 be properly notified with the "Protect Your Family From Lead In Your Home" publication, found at http://www.epa.gov/lead that such properties may include lead-based paint.

d. **Historic Preservation:**
SUBRECIPIENT agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR 800, Protection of Historic Properties, insofar as they apply to the performance

of this CONTRACT.
In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a Federal, State, or local historic property list.

e. **Energy Efficiency Standards:**
SUBRECIPIENT agrees to comply with the California Energy Commission Assembly Bill 970, Title 24, Part I of the California Code of Regulations (AB970: Building Efficiency Energy Standards), in regard to construction and property development, when applicable.

f. **Modifications/Transfers of Real Property:**
Any proposed modification or change in use of real property acquired or improved, in whole or in part, by CDBG funds from the use planned at the time of the acquisition or improvement, including disposition, is prohibited.

i. SUBRECIPIENT shall ensure that any real property under SUBRECIPIENT's control that was acquired or improved in whole or in part with CDBG funds in excess of $25,000 is either:

i.i. Used to meet one of the national objectives contained in 24 CFR 570.208 for a period not less than five years, or for such period of time as determined to be appropriate by COUNTY, after expiration of the CONTRACT and close-out of SUBRECIPIENT's participation in the CDBG Program, or, until five years after the close-out of the grant from which the assistance to the property, whichever occurs first; or,

i.ii. Disposed of in a manner which results in COUNTY being reimbursed in an amount equal to the current fair market value of the property less any portion thereof attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Such reimbursement is not required after the period of time specified in accordance with Paragraph 45.C.6.a.i above.

g. **Property Records:**
SUBRECIPIENT shall maintain real property inventory records, which clearly identify properties purchased, improved, or sold. Properties retained shall continue to meet eligibility criteria, rental limitations, health, safety and building codes, etc., and shall conform to federal and State regulations.

h. **Equipment:**
SUBRECIPIENT shall use, manage and dispose of equipment in accordance with federal and State regulations.

i. **Subcontracts:**

i. SUBRECIPIENT shall submit all subcontract agreements to COUNTY for review and consent prior to entering into such subcontracts. For construction subcontracts, SUBRECIPIENT shall submit the Construction Bid Package to COUNTY for review and written approval by DIRECTOR or designee prior to advertising for bids and award for the construction contract. SUBRECIPIENT shall construct Project in accordance with the Construction Bid Package, which DIRECTOR approved, unless prior written approval is received from DIRECTOR for modification thereof.

ii. SUBRECIPIENT shall assume responsibility for all subcontracted services to assure CONTRACT compliance.

iii. SUBRECIPIENT shall cause all of the provisions of this CONTRACT in entirety to be included in and made a part of any subcontract executed in the performance of this CONTRACT.

iv. SUBRECIPIENT shall monitor all subcontracted services on a quarterly basis to assure CONTRACT compliance. Results of said monitoring efforts shall be summarized in written form, and supported with documented evidence of follow-up actions(s) to correct any area(s) of CONTRACT non-compliance. Documentation shall be made available for periodic monitoring by representatives of COUNTY and/or HUD.

j. **Fair Housing:**
SUBRECIPIENT shall affirmatively further fair housing in accordance with 24 CFR 576. Under section 808(e)(5) of the Fair Housing Act, HUD has a statutory duty to affirmatively further fair housing. HUD requires the same of its funded sub-recipients. The SUBRECIPIENT has a duty to affirmatively further fair housing opportunities for classes protected under the Fair Housing Act, along with all applicable State & Federal requirements.

k. **Grantor Recognition:**
SUBRECIPIENT shall insure recognition of the role of the COUNTY in providing services through this CONTRACT. All activities, facilities and items utilized pursuant to this CONTRACT shall be prominently labeled as to funding source. In addition, SUBRECIPIENT will include a reference to the support provided herein in all publications made possible with funds made available under this CONTRACT. SUBRECIPIENT will retain documentation of such recognition, which shall be available for periodic monitoring by representatives of COUNTY or HUD.

l. **Rehabilitation Act:**
SUBRECIPIENT agrees to comply with any federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. 706) which prohibits discrimination against the handicapped in any federally assisted program. COUNTY shall provide SUBRECIPIENT with any guidelines necessary for compliance with that portion of the regulations in force during the term of this CONTRACT.

46. DEFINITIONS:

For the purposes of this CONTRACT the following definitions shall apply:

A. HUD: United States Department of Housing and Urban Development.

B. OC COMMUNITY RESOURCES (OCCR): Designated as the Lead for the development and implementation of County of Orange Urban County Program's Consolidated Plan.

C. DIRECTOR: DIRECTOR of OC Community Resources, or designee.

D. PROGRAM INCOME: The gross income received by SUBRECIPIENT directly generated from the use of the subject program funds.

E. GRANTEE PERFORMANCE REPORT (GPR) INFORMATION FORM: A PROGRAM activity data document provided by COUNTY to SUBRECIPIENT used to monitor and track the performance of SUBRECIPIENT.

F. OC COMMUNITY RESOURCES CONTRACT REIMBURSEMENT POLICY: A COUNTY document setting policies regarding types of documentation required to support the costs incurred and paid (including but not limited to copies of paid invoices, certified payroll registers, bank statements, etc.)

G. PROJECT: Any site or sites, including buildings, and/or activities assisted with federal program funds.

H. OMB: Federal Office of Management and Budget.

I. CAPER: Consolidated Annual Performance and Evaluation Report. An annual published report to HUD and the public on all housing-related activities.

J. CDBG: 24 CFR Part 570 - Community Development Block Grant – the CDBG regulations set forth eligible activities and the national objectives that each activity must meet. The Catalog of Federal Domestic Assistance (CFDA) # 14.218 distributes formula grants (CDBG) to develop viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities, principally for persons of low and moderate income.

K. CONTINUUM OF CARE: An Orange County group composed of representatives of relevant organizations that serve homeless and formerly homeless persons that are organized to plan for and provide, as necessary, a system of services to address the various needs of homeless persons and persons at risk of homelessness.

L. HOMELESS MANAGEMENT INFORMATION SYSTEM (HMIS): The information system designated by the Continuum of Care to comply with HUD's data collection, management, and reporting standards and used to collect client-level data and data on the provision of housing and services to homeless individuals and families and persons at risk of homelessness. (24 CFR Part 580)

M. EQUIPMENT: Tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit.

N. SUBSTANTIAL AMENDMENT: The following criteria will be used by the COUNTY – if any one criteria applies, a substantial amendment will be required:
   i. A new activity not previously listed and described in the Consolidated Plan/Annual Action Plan;
   ii. When a proposal is made to amend the description of an existing activity in such a way that the newly described purpose, scope, or beneficiaries differ significantly from the original activity's purpose, scope, or beneficiaries; and/or
   iii. An increase in the amount of Federal Community Planning Development and/or local funds allocated to an existing activity when the following apply:
      a. An increase in funding for a public service activity in an amount greater than a 50% increase over the current funded amount; or
      b. An increase in the funding for public facility improvements/housing rehabilitation in an amount greater than a 50% increase over the current funded amount.

O. CONSTRUCTION BID PACKAGE: A package of bidding documents which includes the proposal, bidding instructions, CONTRACT documents, detailed estimated costs, and plans and specifications for a construction project, all prepared in accordance with applicable Federal regulations.

P. PROGRAM ADMINISTRATION: An activity relating to the general management, oversight and coordination of community development programs. Costs directly related to carrying out eligible activities are not included.

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General Terms and Conditions:

A. **Governing Law and Venue**:

This CONTRACT has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this CONTRACT, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange COUNTY, California, and the PARTIES hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the PARTIES specifically agree to waive any and all rights to request that an action be transferred for trial to another COUNTY.

B. **Entire CONTRACT**:

This CONTRACT, including Attachments and Exhibits which are attached hereto and incorporated herein by this reference, when accepted by the SUBRECIPIENT either in writing or by the shipment of any article or other commencement of performance hereunder, contains the entire CONTRACT between the PARTIES with respect to the matters herein, and there are no restrictions, promises, warranties or undertakings other than those set forth herein or referred to herein. No exceptions, alternatives, substitutes or revisions are valid or binding on COUNTY unless authorized by COUNTY in writing. Electronic acceptance of any additional terms, conditions or supplemental CONTRACTs by any COUNTY employee or agent, including but not limited to installers of software, shall not be valid or binding on COUNTY unless accepted in writing by CONTRACT ADMINISTRATION.

C. **Amendments**:

No alteration or variation of the terms of this CONTRACT shall be valid unless made in writing and signed by the PARTIES; no oral understanding or agreement not incorporated herein shall be binding on either of the PARTIES; and no exceptions, alternatives, substitutes or revisions are valid or binding on COUNTY unless authorized by COUNTY in writing.

D. **Taxes**:

Unless otherwise provided herein or by law, price quoted does not include California state sales or use tax.

E. **Delivery:**

Time of delivery of services is of the essence in this CONTRACT. COUNTY reserves the right to refuse any services and to cancel all or any part of the descriptions or services that do not conform to the prescribed SCOPE OF SERVICES. Delivery shall not be deemed to be complete until all services have actually been received and accepted in writing by COUNTY.

F. **Acceptance/Payment**:

Unless otherwise agreed to in writing by the COUNTY, 1) acceptance shall not be deemed complete unless in writing and until all the services have actually been received to the satisfaction of COUNTY, and 2) payment shall be made in arrears after satisfactory acceptance.

G. **Warranty**:

SUBRECIPIENT expressly warrants that the services covered by this CONTRACT are fit for the particular purpose for which they are intended. Acceptance of this order shall constitute an agreement upon SUBRECIPIENT's part to indemnify, defend and hold COUNTY and its INDEMNITEES as identified in Paragraph HH below, and as more fully described in Paragraph

HH, harmless from liability, loss, damage and expense, including reasonable counsel fees, incurred or sustained by COUNTY by reason of the failure of the services to conform to such warranties, faulty work performance, negligent or unlawful acts, and non-compliance with any applicable state or federal codes, ordinances, orders, or statutes, including the Occupational Safety and Health Act (OSHA) and the California Industrial Safety Act. Such remedies shall be in addition to any other remedies provided by law.

H. **Patent/Copyright Materials/Proprietary Infringement**:

Unless otherwise expressly provided in this CONTRACT, SUBRECIPIENT shall be solely responsible for clearing the right to use any patented or copyrighted materials in the performance of this CONTRACT. SUBRECIPIENT warrants that any software as modified through services provided hereunder will not infringe upon or violate any patent, proprietary right, or trade secret right of any third party. SUBRECIPIENT agrees that, in accordance with the more specific requirement contained in Paragraph HH below, it shall indemnify, defend and hold COUNTY and COUNTY INDEMINITEES harmless from any and all such claims and be responsible for payment of all costs, damages, penalties and expenses related to or arising from such claim(s), including, but not limited to, attorney's fees, costs and expenses.

I. **Assignment or Sub-Contracting**:

The terms, covenants, and conditions contained herein shall apply to and bind the heirs, successors, executors, administrators and assigns of the PARTIES. Furthermore, neither the performance of this CONTRACT nor any portion thereof may be assigned or sub-contracted by SUBRECIPIENT without the express written consent of COUNTY. Any attempt by SUBRECIPIENT to assign or sub-contract the performance or any portion thereof of this CONTRACT without the express written consent of COUNTY shall be invalid and shall constitute a breach of this CONTRACT.

J. **Non-Discrimination**:

In the performance of this CONTRACT, SUBRECIPIENT agrees that it will comply with the requirements of Section 1735 of the California Labor Code and not engage nor permit any sub-SUBRECIPIENTs to engage in discrimination in employment of persons because of the race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or sex of such persons. SUBRECIPIENT acknowledges that a violation of this provision shall subject SUBRECIPIENT to all the penalties imposed for a violation of Section 1720 et seq. of the California Labor Code.

K. **Termination**:

In addition to any other remedies or rights it may have by law, COUNTY has the right to terminate this CONTRACT without penalty immediately with cause or after 30 days' written notice without cause, unless otherwise specified. Cause shall be defined as any breach of CONTRACT, any misrepresentation or fraud on the part of the SUBRECIPIENT. Exercise by COUNTY of its right to terminate the CONTRACT shall relieve COUNTY of all further obligations.

L. **Consent to Breach Not Waiver**:

No term or provision of this CONTRACT shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.

M. **Remedies Not Exclusive**:

The remedies for breach set forth in this CONTRACT are cumulative as to one another and as to any other provided by law, rather than exclusive; and the expression of certain remedies in this CONTRACT does not preclude resort by either party to any other remedies provided by law.

N. **Independent Contractor**:

SUBRECIPIENT shall be considered an independent contractor and neither SUBRECIPIENT nor its employees; nor anyone working under SUBRECIPIENT shall be considered an agent or an employee of COUNTY.

Neither SUBRECIPIENT nor its employees; nor anyone working under SUBRECIPIENT shall qualify for workers' compensation or other fringe benefits of any kind through COUNTY.

O. **Performance**:

SUBRECIPIENT shall perform all work under this CONTRACT, taking necessary steps and precautions to perform the work to COUNTY's satisfaction. SUBRECIPIENT shall be responsible for the professional quality, technical assurance, timely completion and coordination of all documentation and other services furnished by the SUBRECIPIENT under this CONTRACT. SUBRECIPIENT shall perform all work diligently, carefully, and in a good and workman-like manner; shall furnish all labor, supervision, machinery, equipment, materials, and supplies necessary therefore; shall at its sole expense obtain and maintain all permits and licenses required by public authorities, including those of COUNTY required in its governmental capacity, in connection with performance of the work; and, if permitted to sub-contract, shall be fully responsible for all work performed by sub-SUBRECIPIENTs.

P. **Insurance**:

<u>Insurance Provisions</u>

Prior to the provision of services under this CONTRACT, the SUBRECIPIENT agrees to purchase all required insurance at SUBRECIPIENT's expense, including all endorsements required herein, necessary to satisfy the COUNTY that the insurance provisions of this CONTRACT have been complied with. SUBRECIPIENT agrees to keep such insurance coverage, Certificates of Insurances, and endorsements on deposit with the COUNTY during the entire term of this CONTRACT. In addition, all subcontractors performing work on behalf of SUBRECIPIENT pursuant to this CONTRACT shall obtain insurance subject to the same terms and conditions as set forth herein for SUBRECIPIENT.

SUBRECIPIENT shall ensure that all subcontractors performing work on behalf of SUBRECIPIENT pursuant to this CONTRACT shall be covered under SUBRECIPIENT 's insurance as an Additional Insured or maintain insurance subject to the same terms and conditions as set forth herein for SUBRECIPIENT. SUBRECIPIENT shall not allow subcontractors to work if subcontractors have less than the level of coverage required by COUNTY from SUBRECIPIENT under this CONTRACT. It is the obligation of SUBRECIPIENT to provide notice of the insurance requirements to every subcontractor and to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of insurance must be maintained by SUBRECIPIENT through the entirety of this CONTRACT for inspection by COUNTY representative(s) at any reasonable time.

All self-insured retentions (SIRs) and deductibles shall be clearly stated on the Certificate of Insurance. Any self-insured retention (SIR) in an amount in excess of $50,000 (Fifty Thousand Dollars) shall specifically be approved by the COUNTY's Risk Manager or designee, upon review of CONTRACTOR'S current audited financial report. If SUBRECIPIENT's SIR is approved, SUBRECIPIENT, in addition to, and without limitation of, any other indemnity provision(s) in this CONTRACT, agrees to all of the following:

1. In addition to the duty of indemnify and hold the COUNTY harmless against any and all liability, claim, demand or suite resulting from CONTRACTOR's, its agents, employee's or subcontractor's performance of this CONTRACT, SUBRECIPIENT shall defend the COUNTY at its sole cost and expense with counsel approved by Board of Supervisors against same; and
2. SUBRECIPIENT's duty to defend, as stated above, shall be absolute and irrespective of any duty to indemnify or hold harmless; and
3. The provisions of California Civil Code Section 2860 shall apply to any and all actions to which the duty to defend stated above applies, and the SUBRECIPIENT's SIR provision shall be interpreted as thought the SUBRECIPIENT was an insurer and the COUNTY was the insured.

If the SUBRECIPIENT fails to maintain insurance acceptable to the COUNTY for the full term of this CONTRACT, the COUNTY may terminate this CONTRACT.

Qualified Insurer

The policy or policies of insurance must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the **Best's Key Rating Guide/Property-Casualty/United States or ambest.com).** It is preferred, but not mandatory, that the insurer be licensed to do business in the state of California (California Admitted Carrier).

If the insurance carrier does not have an A.M. Best rating of A-/VIII, the CEO/Office of Risk Management retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.

The policy or policies of insurance maintained by the SUBRECIPIENT shall provide the minimum limits and coverage as set forth below:

Coverage	Minimum Limits
Commercial General Liability	$1,000,000 per occurrence $2,000,000 aggregate
Automobile Liability including coverage for owned, non-owned, and hired vehicles	$1,000,000 per occurrence
Workers' Compensation	Statutory
Employers' Liability Insurance	$1,000,000 per occurrence
Network Security & Privacy Liability	$1,000,000 per claims made
Technology Errors & Omissions	$1,000,000 per claims-made $1,000,000 aggregate
Sexual Misconduct Liability	$1,000,000 per occurrence

Required Coverage Forms

The Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

The Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 0012, CA 00 20, or a substitute form providing coverage at least as broad.

Required Endorsements

The Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of insurance:

1) An Additional Insured endorsement using ISO form CG 20 26 04 13 or a form at least as broad naming the ***County of Orange, its elected and appointed officials, officers, agents and employees*** as Additional Insureds or provide blanket coverage, which will state ***AS REQUIRED BY WRITTEN CONTRACT***.
2) A primary non-contributing endorsement using ISO for CG 20 01 04 13, or a forma at least as broad evidencing that the SUBRECIPIENT's insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be excess and non-contributing.

The Network Security and Privacy Liability policy shall contain the following endorsements which shall accompany the Certificate of Insurance:

1). An Additional Insured endorsement naming the ***County of Orange, its elected and appointed officials, officers, agents and employees*** as Additional Insureds for its vicarious liability.

2). A primary and non-contributing endorsement evidencing that the SUBRECIPIENT'S insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be excess and non-contributing.

The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against the ***County of Orange, its elected and appointed officials, officers, agents and employees*** or provide blanket coverage, which will state **AS REQUIRED BY WRITTEN CONTRACT.**

All insurance policies required by this CONTRACT shall waive all rights of subrogation against the County of Orange, its elected and appointed officials, officers, agents and employees when acting within the scope of their appointment or employment.

SUBRECIPIENT shall notify COUNTY in writing within thirty (30) days of any policy cancellation and ten (10) days for non-payment of premium and provide a copy of the cancellation notice to COUNTY. Failure to provide written notice of cancellation may constitute a material breach of the CONTRACT, upon which the COUNTY may suspend or terminate this CONTRACT.

If SUBRECIPIENT's Technology Errors & Omissions and/or Network Security & Privacy Liability are "Claims-Made" policy(ies), SUBRECIPIENT shall agree to maintain coverage for two (2) years following the completion of the CONTRACT.

The Commercial General Liability policy shall contain a severability of interests clause also known as a "separation of insureds" clause (standard in the ISO CG 0001 policy).

Insurance certificates should be forwarded to the agency/department addressed for the Project Manager listed in Paragraph 21, “Notices” in this CONTRACT.

COUNTY expressly retains the right to require SUBRECIPIENT to increase or decrease insurance of any of the above insurance types throughout the term of this CONTRACT. Any increase or decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately protect COUNTY.

COUNTY shall notify SUBRECIPIENT in writing of changes in the insurance requirements. If SUBRECIPIENT does not deposit copies of acceptable Certificates of Insurance and endorsements with COUNTY incorporating such changes within thirty (30) days of receipt of such notice, this CONTRACT may be in breach without further notice to SUBRECIPIENT, and COUNTY shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit SUBRECIPIENT's liability hereunder nor to fulfill the indemnification provisions and requirements of this CONTRACT, nor act in any way to reduce the policy coverage and limits available from the insurer.

Q. **Bills and Liens**:

SUBRECIPIENT shall pay promptly all indebtedness for labor, materials, and equipment used in performance of the work. SUBRECIPIENT shall not permit any lien or charge to attach to the work or the premises, but if any does so attach, SUBRECIPIENT shall promptly procure its release and, in accordance with the requirements of Paragraph HH, below, indemnify, defend, and hold COUNTY, and its COUNTY INDEMNITEES harmless and be responsible for payment of all costs, damages, penalties and expenses related to or arising from or related thereto.

R. **Changes**:

SUBRECIPIENT shall make no changes in the work or perform any additional work without the COUNTY’s specific written approval.

S. **Change of Ownership**:

SUBRECIPIENT agrees that if there is a change or transfer in ownership of SUBRECIPIENT’s business prior to completion of this CONTRACT, the new owners shall be required under terms of sale or other transfer to assume SUBRECIPIENT’s duties and obligations contained in this CONTRACT and complete them to the satisfaction of COUNTY.

T. **Force Majeure**:

SUBRECIPIENT shall not be assessed with liquidated damages or unsatisfactory performance penalties during any delay beyond the time named for the performance of this CONTRACT caused by any act of God, war, civil disorder, employment strike or other cause beyond its reasonable control, provided SUBRECIPIENT gives written notice of the cause of the delay to COUNTY within thirty-six (36) hours of the start of the delay and SUBRECIPIENT avails himself of any available remedies.

U. **Confidentiality**:

SUBRECIPIENT agrees to maintain the confidentiality of all COUNTY and COUNTY-related records and information pursuant to all statutory laws relating to privacy and confidentiality that currently exist or exist at any time during the term of this CONTRACT. All such records and information shall be considered confidential and kept confidential by SUBRECIPIENT and SUBRECIPIENT’s staff, agents and employees.

V. **Compliance with Laws**:

SUBRECIPIENT represents and warrants that services to be provided under this CONTRACT shall fully comply, at SUBRECIPIENT's expense, with all standards, laws, statutes, restrictions, ordinances, requirements, and regulations (collectively "laws"), including, but not limited to those issued by COUNTY in its governmental capacity and all other laws applicable to the services at the time services are provided to and accepted by COUNTY. SUBRECIPIENT acknowledges that COUNTY is relying on SUBRECIPIENT to ensure such compliance, and pursuant to the requirements of Paragraph HH below, SUBRECIPIENT agrees that it shall defend, indemnify and hold COUNTY and COUNTY INDEMNITEES harmless from all liability, damages, costs, and expenses arising from or related to a violation of such laws.

W. **Freight (F.O.B.):** Intentionally left blank.

X. **Pricing**: Intentionally left blank.

Y. Intentionally left blank.

Z. **Terms and Conditions**: Intentionally left blank.

AA. **Headings**:

The various headings and numbers herein, the grouping of provisions of this CONTRACT into separate clauses and Paragraphs, and the organization hereof are for the purpose of convenience only and shall not limit or otherwise affect the meaning hereof.

BB. **Severability**:

If any term, covenant, condition, or provision of this CONTRACT is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

CC. **Calendar Days**:

Any reference to the word "day" or "days" herein shall mean calendar day or calendar days, respectively, unless otherwise expressly provided.

DD. **Attorney Fees**:

In any action or proceeding to enforce or interpret any provision of this CONTRACT, or where any provision hereof is validly asserted as a defense, each party shall bear its own attorney's fees, costs and expenses.

EE. **Interpretation**:

This CONTRACT has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with in this CONTRACT. In addition, each party has been represented by experienced and knowledgeable independent legal counsel of their own choosing or has knowingly declined to seek such counsel despite being encouraged and given the opportunity to do so. Each party further acknowledges that they have not been influenced to any extent whatsoever in executing this CONTRACT by any other party hereto or by any person representing them, or both. Accordingly, any rule or law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this CONTRACT against the party that has drafted it is not applicable and is waived. The provisions of this CONTRACT shall be interpreted in a reasonable manner to affect the purpose of the PARTIES and this CONTRACT.

FF. **Authority**: Intentionally left blank.

GG. **Employee Eligibility Verification:**

The SUBRECIPIENT warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this CONTRACT meet the citizenship or alien status requirement set forth in Federal statutes and regulations. The SUBRECIPIENT shall obtain, from all employees, consultants and sub-SUBRECIPIENTs performing work hereunder, all verification and other documentation of employment eligibility status required by Federal or State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, 8 U.S.C. §1324 et seq., as they currently exist and as they may be hereafter amended. The SUBRECIPIENT shall retain all such documentation for all covered employee, consultants and sub-SUBRECIPIENTs for the period prescribed by the law. The SUBRECIPIENT shall indemnify, defend with counsel approved in writing by COUNTY, and hold harmless, the COUNTY and its COUNTY INDEMNITEES, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the SUBRECIPIENT or the COUNTY or COUNTY INDEMNITEES, or any combination of the three in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this CONTRACT.

HH. **Indemnification:**

SUBRECIPIENT agrees to indemnify, defend with counsel approved in writing by COUNTY, and hold COUNTY, its elected and appointed officials, officers, employees, agents and those special districts and agencies which COUNTY's Board of Supervisors acts as the governing Board ("COUNTY INDEMNITEES") harmless from any claims, demands or liability of any kind or nature, including but not limited to personal injury or property damage, arising from or related to the services, products or other performance provided by SUBRECIPIENT pursuant to this CONTRACT. If judgment is entered against SUBRECIPIENT and COUNTY by a court of competent jurisdiction because of the concurrent active negligence of COUNTY or COUNTY INDEMNITEES, SUBRECIPIENT and COUNTY agree that liability will be apportioned as determined by the court. Neither party shall request a jury apportionment.

II. **Audits/Inspections**:

SUBRECIPIENT agrees to permit the COUNTY's Auditor-Controller or the Auditor-Controller's authorized representative (including auditors from a private auditing firm hired by the COUNTY) access during normal working hours to all books, accounts, records, reports, files, financial records, supporting documentation, including payroll and accounts payable/receivable records, and other papers or property of SUBRECIPIENT for the purpose of auditing or inspecting any aspect of performance under this CONTRACT. The inspection and/or audit will be confined to those matters connected to the performance of the CONTRACT including, but not limited to, the costs of administering the CONTRACT. The COUNTY will provide reasonable notice of such an audit or inspection.

The COUNTY reserves the right to audit and verify the SUBRECIPIENT's records before final payment is made.

SUBRECIPIENT agrees to maintain such records for possible audit for a minimum of five years after final payment, unless a longer period of records retention is stipulated under this CONTRACT or by law. SUBRECIPIENT agrees to allow interviews of any employees or others who might reasonably have information related to such records. Further, SUBRECIPIENT agrees to include a similar right to the COUNTY to audit records and interview staff of any subcontractor related to performance of this CONTRACT.

Should the SUBRECIPIENT cease to exist as a legal entity, the SUBRECIPIENT's records pertaining to this CONTRACT shall be forwarded to the surviving entity in a merger or acquisition or, in the event of liquidation, to the COUNTY's Project Manager.

THE REMAINDER OF THIS PAGE WAS INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the PARTIES hereto certify that they have read and understand all the terms and conditions contained herein and have hereby cause this CONTRACT to be executed.

*** City of Laguna Hills**

By: ______________________________ By: ______________________________

Name: ______________________________ Name: ______________________________

Title: ______________________________ Title: ______________________________

Dated:______________________________ Dated: ______________________________

*For SUBRECIPIENTs that are corporations, signature requirements are as follows: 1) One signature by the Chairman of the Board, the President or any Vice President; and 2) One signature by the Secretary, any Assistant Secretary, the Chief Financial Officer or an Assistant Treasurer.

For SUBRECIPIENTs that are not corporations, the person who has authority to bind the SUBRECIPIENT to a CONTRACT, must sign on one of the lines above.

****

COUNTY OF ORANGE
A Political Subdivision of the State of California

By: ______________________________ Dated: ______________________________

Dylan Wright, Director
OC Community Resources

APPROVED AS TO FORM
DEPUTY COUNTY COUNSEL

IN WITNESS WHEREOF, the PARTIES hereto certify that they have read and understand all the terms and conditions contained herein and have hereby cause this CONTRACT to be executed.

***Subrecipient**

By: ______________________	By: ______________________
Name: ______________________	Name: ______________________
Title: ______________________	Title: ______________________
Dated: ______________________	Dated: ______________________

*For SUBRECIPIENTs that are corporations, signature requirements are as follows: 1) One signature by the Chairman of the Board, the President or any Vice President; and 2) One signature by the Secretary, any Assistant Secretary, the Chief Financial Officer or an Assistant Treasurer.

For SUBRECIPIENTs that are not corporations, the person who has authority to bind the SUBRECIPIENT to a CONTRACT, must sign on one of the lines above.

****

COUNTY OF ORANGE
A Political Subdivision of the State of California

By: ______________________ Dated: ______________________

Dylan Wright, Director
OC Community Resources

APPROVED AS TO FORM
DEPUTY COUNTY COUNSEL

By: Carolyn S. Frost Dated: 03/21/17

DEPUTY COUNTY COUNSEL

ATTACHMENT A

SCOPE OF SERVICES
PUBLIC FACILITIES & IMPROVEMENTS

1. **Scope of Services**

A. HUD Matrix Code / Activity:
03A Senior Centers / 570.201 (c)

B. Project Title:
Florence Sylvester Memorial Senior Center Rehabilitation

C. Program Description:
The Florence Sylvester Memorial Senior Center provides a variety of services to the elderly/frail elderly population of the community. Because of the high number of elderly/frail elderly population that utilize the Center on a daily basis and the high visibility of the Center, staff is requesting funds to bring a restroom into compliance with American with Disabilities Act (ADA) requirements, which includes the following improvements: enlarge stalls; installing high-base toilets; modifying countertops; replacing hardware, tile, flashing and plumbing; and installing hands-free components. In addition, staff is requesting funds to remove existing tile flooring throughout the Center and replace it with slip-resistant tile flooring.

D. Project Need:
The Florence Sylvester Memorial Senior Center provides a number of vital services to the elderly/frail elderly population of the community. Currently, over 400 elderly persons are served on a daily basis. This project is needed to increase accessibility to the Center for the elderly/frail elderly.

E. Low/Mod Neighborhood Preservation:

The Florence Sylvester Memorial Senior Center addresses the needs of the elderly population in the community, which are predominantly low and moderate-income persons. The Center represents a safe and accessible senior center for the community, and these improvements would allow the Center to provide continued access for the elderly/frail elderly population.

F. Program Objectives and Outcomes Chart:

Activity	Outputs
1. Construction	1 Restroom, 1 Facility

Performance Objectives	Performance Outcomes
1. Suitable Living Environment	Availability/Accessibility
2. Suitable Living Environment	Availability/Accessibility
3. Suitable Living Environment	Availability/Accessibility

CDBG National Objective: LMA 570.208 (a)(1)

Outcomes

5,045 People

1 Public Facility

COMPENSATION/PAYMENT
PUBLIC FACILITIES & IMPROVEMENTS

1. **COMPENSATION:**

This is a CONTRACT between the COUNTY and the SUBRECIPIENT for **$140,000** as set forth in Attachment A. Scope of Services attached hereto and incorporated herein by reference. The SUBRECIPIENT agrees to accept the specified compensation as set forth in this CONTRACT as full remuneration for performing all services and furnishing all staffing and materials required, for any reasonably unforeseen difficulties which may arise or be encountered in the execution of the services until acceptance, for risks connected with the services, and for performance by the SUBRECIPIENT of all its duties and obligations hereunder. The COUNTY shall have no obligation to pay any sum in excess of the total CONTRACT amount specified unless authorized by an amendment in accordance with paragraphs C and R of the COUNTY's General Terms and Conditions.

2. **FIRM DISCOUNT AND PRICING STRUCTURE:**

SUBRECIPIENT guarantees that prices quoted are equal to or less than prices quoted to any other local, State or Federal government entity for services of equal or lesser scope. SUBRECIPIENT agrees that no price increases shall be passed along to the COUNTY during the term of this CONTRACT not otherwise specified and provided for within this CONTRACT.

3. **PAYMENT TERMS:**

An invoice for cost of the services/activities shall be submitted to the address specified below upon the completion of the services/activities and approval of the COUNTY Project Manager. SUBRECIPIENT shall reference CONTRACT number on invoice. Payment will be net 30 days after receipt of an invoice in a format acceptable to the COUNTY of Orange and verified and approved by OC Community Services and subject to routine processing requirements of the COUNTY. The responsibility for providing an acceptable invoice rests with the SUBRECIPIENT.

Billing shall cover services not previously invoiced. The SUBRECIPIENT shall reimburse the COUNTY of Orange for any monies paid to the SUBRECIPIENT for services not provided or when services do not meet the CONTRACT requirements.

Payments made by the COUNTY shall not preclude the right of the COUNTY from thereafter disputing any items or services involved or billed under this CONTRACT and shall not be construed as acceptance of any part of the services.

Invoice(s) are to be sent to:

OC Community Resources

1770 North Broadway

Santa Ana, CA 92706-2642

Attention: Accounts Payable

4. **INVOICING INSTRUCTIONS:**

Further instructions regarding invoicing/reimbursement as set forth in Exhibit 2 OC Community Resources Contract Reimbursement Policy, are attached hereto and incorporated herein by reference.

The CONTRACTOR will provide an invoice on CONTRACTOR's letterhead for services rendered. Each invoice will have a number and will include the following information:

The Demand Letter/Invoice must include Delivery Order (DO) Number, Contract Number, and Service date(s) – Month of Service along with other required documentation (See Exhibit 2).

5. **OC COMMUNITY RESOURCES CONTRACT REIMBURSEMENT POLICY:**

Further instructions regarding invoicing/reimbursements as set forth in Exhibit 2 OC Community Resources Contract Reimbursement Policy, are attached hereto and incorporated herein by reference.

ATTACHMENT C

BUDGET
PUBLIC FACILITIES & IMPROVEMENTS

1. SUBRECIPIENT's Budget

A. Administration and Project Budget

Project Cost Budget Chart City of Laguna Hills – Florence Sylvester Memorial Senior Center Rehabilitation			
Project Costs/Activity	Urban County Funds	Leveraged Resources	Total
Design/Project Development	0	$6,731.07	$6,731.07
Acquisition	N/A	N/A	N/A
Construction	$140,000	0	$60,000
Total Project Cost	$140,000	$6,731.07	$146,731.07

B. Detailed Project Cost Budget Description

There are two project activities associated with this project. Design/Project Development encompasses the project implementation and administration necessary in order to successfully complete this project. This activity is actively carried out in the General Government Department and includes contract administration, project development, and all other necessary oversight. The Construction project activity includes the following: enlarging restroom stalls, installing high-base toilets; modifying countertops; replacing hardware, tile, flashing and plumbing; installing hands-free components; and replacing existing tile flooring with slip-resistant tile flooring.

ATTACHMENT D

STAFFING PLAN
PUBLIC FACILITIES & IMPROVEMENTS

1. Staffing Plan

Project Title: Florence Sylvester Memorial Senior Center Rehabilitation

Complete and Submit – Initial Report due on or before July 1.

(Include name and classification).

	Name/Staff	Classification/Title
1	Melissa Au-Yeung	Assistant to the City Manager
2	Don White	Assistant City Manager/Finance Director
3	James Haston	Management Analyst
4		
5		
6		
7		
8		
9		
10		

The substitution or addition of other key individuals in any given category or classification shall be allowed only with prior written approval of the COUNTY Project Manager.

The SUBRECIPIENT may reserve the right to involve other personnel, as their services are required. The specific individuals will be assigned based on the need and time of the service/class required. Assignment of additional key personnel shall be subject to COUNTY approval.

2. Project Administration

The program will be monitored and implemented by staff from the City of Laguna Hills from the City Manager's Office. The lead staff member implementing the project for FY 2017-18 has been responsible for the implementation of the City's past grant monies for

Contracts #14-22-0004, 613038, KC11981, KC10939, and KC09852. The experience of key administrators and other staff members throughout the City also includes experience monitoring past CDBG Housing Rehabilitation program funding. In addition, key administrators and staff members' experience includes over 37 years in Public Administration, 24 years in City Management experience, and 12 years in Community Development.

3. Project Experience

The City of Laguna Hills has been the recipient of CDBG Public Facilities and Improvement grants in FY 2009-10, FY 2010-11, FY 2011-12, FY 2012-13, FY 2014-15, FY 2015-16 and FY 2016-17 and has experience administering this type of grant. The City has also been the recipient of similar grants in the past, including CDBG Housing Rehabilitation funds. The City has worked closely with the County to ensure the funds were administered correctly. In addition, staff members have a wealth of municipal experience, including community development, rehabilitation activities and monitoring, public administration, public finance, and personnel.

ATTACHMENT E

PROJECT SCHEDULE
PUBLIC FACILITIES & IMPROVEMENTS

1. **Project Schedule**

   July 1 – CONTRACT Start Date

2. Tools to Measure Project's Effect –

   Florence Sylvester Memorial Senior Center Rehabilitation

Milestone Date	Minimum Required Expenditure/ Accomplishment Threshold	Activity Results Achieved
January 15th	50% of Contracted Amount Expended	$70,000
January 15th	50% of Proposed Accomplishments Achieved	Design and/or installation
March 15th	70% of Contracted Amount Expended	$98,000
March 15th	70% of Proposed Accomplishments Achieved	Construction and/or installation
April 15th	80% of Contracted Amount Expended	$112,000
April 15th	80% of Proposed Accomplishments Achieved	Construction and/or installation

3. There are currently measures in place to track participation in the various programs offered at the Florence Sylvester Memorial Senior Center. With these improvements, the Florence Sylvester Memorial Senior Center staff will be better equipped to continue to meet the growing demand and utilization by this fast-growing demographic group. The project's effect on the intended participants will be noticeable as continued accessibility to the Center is improved. In addition, the Center will have the flexibility to better meet the needs of the elderly population of the community.

EXHIBIT 1

County of Orange Child Support Enforcement

Certification Requirements

In order to comply with child support enforcement requirements of the County of Orange, within ten (10) days of award of CONTRACT, the successful SUBRECIPIENT must furnish to the CONTRACT Administrator, Purchasing Agent or the agency/department Deputy Purchasing Agent:

1. In the case of an individual SUBRECIPIENT, his/her name, date of birth, Social Security number, and residence address;

2. In the case of a SUBRECIPIENT doing business in a form other than as an individual, the name, date of birth, Social Security number, and residence address of each individual who owns an interest of 10 percent or more in the contracting entity; A certification that the SUBRECIPIENT has fully complied with all applicable federal and state reporting requirements regarding its employees; and

3. A certification that the SUBRECIPIENT has fully complied with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment and will continue to so comply.

The certifications will be stated as follows:

"I certify that City of Laguna Hills is in full compliance with all applicable federal and state reporting requirements regarding its employees and with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments and will continue to be in compliance throughout the term of CONTRACT # 17-23-0008-PFI with the County of Orange. I understand that failure to comply shall constitute a material breach of the CONTRACT and that failure to cure such breach within ten (10) calendar days of notice from the COUNTY shall constitute grounds for termination of the CONTRACT.

It is expressly understood that this data will be transmitted to governmental agencies charged with the establishment and enforcement of child support orders and for no other purposes and will be held confidential by those agencies.

Failure of the SUBRECIPIENT to timely submit the data and/or certifications required above or to comply with all federal and state reporting requirements for child support enforcement or to comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment shall constitute a material breach of the CONTRACT. Failure to cure such breach within ten (10) calendar days of notice from the COUNTY shall constitute grounds for termination of the CONTRACT.

The successful SUBRECIPIENT may use the forms supplied herein, to furnish required information listed above.

County of Orange Child Support Enforcement

Certification Requirements

(blank form)

A. In the case of an individual SUBRECIPIENT, his/her name, date of birth, Social Security number, and residence address:

Name: ______________________________

D.O.B: ______________________________

Social Security No: ______________________________

Residence Address: ______________________________

____

B. In the case of a SUBRECIPIENT doing business in a form other than as an individual, the name, date of birth, Social Security number, and residence address of each individual who owns an interest of ten (10) percent or more in the contracting entity:

Name: ______________________________

D.O.B: ______________________________

Social Security No: ______________________________

Residence Address: ______________________________

____

Name: ______________________________

D.O.B: ______________________________

Social Security No: ______________________________

Residence Address: ______________________________

____

Name: ______________________________

D.O.B: ______________________________

Social Security No: ______________________________

Residence Address: ______________________________

____

(Additional sheets may be used if necessary)

C. A certification that the SUBRECIPIENT has fully complied with all applicable federal and state reporting requirements regarding its employees; and

D. A certification that the SUBRECIPIENT has fully complied with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment and will continue to so comply.

"I certify that __City of Laguna Hills__ is in full compliance with all applicable federal and state reporting requirements regarding its employees and with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments and will continue to be in compliance throughout the term of CONTRACT __# 17-23-0008-PFI__ with the County of Orange. I understand that failure to comply shall constitute a material breach of the CONTRACT and that failure to cure such breach within ten (10) calendar days of notice from the COUNTY shall constitute grounds for termination of the CONTRACT.

____

Authorized Signature Print Name Title

ORANGE COUNTY
OC Community Resources
Our Community. Our Commitment.

Subject: OC Community Resources Contract Reimbursement Policy

Effective: July 1, 2010
Revised: February 28, 2017

PURPOSE:

This policy contains updated fiscal documentation requirements for contract reimbursement for OC Community Services and Housing & Community Development and Homeless Prevention. The procedures provide instructions for submitting reimbursement demand letter or invoice.

REFERENCES:

Executed Board of Supervisors approved contract
Budget included in contract or presented as an attachment
48 CFR Part 31 Contract Cost Principles and Procedures
24 CFR Parts 85, 570.502, 570.201**,** 576.21, 576.51 and 576.61: For Housing & Community Development and Homeless Prevention Contracts only.
Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)

BACKGROUND:

The executed Board of Supervisors approved contract is the authorization for all aspects of payment, including the maximum amount to be paid, the payee, and the scope of services and work. Payments are made in strict accordance with the contract terms. Allowable costs are identified in referenced Uniform Guidance and Code of Federal Regulations (CFR).

ATTACHMENTS:

Reimbursement Policy Status Form (RPS-1)

POLICY:

Contractor is responsible for the submission of accurate claims. This reimbursement policy is intended to ensure that the Contractor is reimbursed based on the code or codes that correctly describe the services provided. This information is intended to serve only as a general reference resource regarding OC Community Services' and Housing & Community Development and Homeless Prevention reimbursement policy for the services described and is not intended to address every aspect of a reimbursement situation. Accordingly, OC Community Services and Housing & Community Development and Homeless Prevention may use reasonable discretion in interpreting and applying this policy to services provided in a particular case. Other factors affecting reimbursement may supplement, modify or, in some cases, supersede this policy. These factors may include, but are not limited to: legislative mandates and County directives. OC Community Services and Housing & Community Development and Homeless Prevention may modify this reimbursement policy at any time by publishing a new version of the policy. However, the information presented in this policy is accurate and current as of the date of publication.

Cost incurred by Contractor must be substantiated and incurred during the contract period. Total of all reimbursements cannot exceed the amount of the contract**.** Cost must be allowable under applicable Code of Federal Regulations (CFR) or Uniform Guidance**.** All supporting documentation for reimbursement must be submitted with demand letter or invoice. If contract requires matching contribution, documentation substantiating contribution match must be submitted with demand letter or invoice.

At any time, based on County's business needs and/or Contractor's performance, the County may designate Contractor to submit abbreviated or comprehensive documentation, as identified in the respective sections. Upon designation, Contractor will be notified, in writing via Reimbursement Policy Status Form, of which requirements are in full force. When Contractor is required to submit comprehensive documentation, in addition to the items identified in the Abbreviated Documentation Requirements Section, Contractor must also provide the documentation identified in the Comprehensive Documentation Requirements Section.

PROCEDURES:

Abbreviated Documentation Requirements

Compile and submit:

1. Supporting documentation includes, but is not limited to:
    a. General ledger/expense transaction report
    b. Payroll register or labor distribution report
    c. Payroll allocation plan
    d. Personnel Documentation
    e. Benefit plan and calculation of benefit
    f. Employer-employee contract for non-customary benefits (if applicable)
    g. Pre-approval documentation for equipment purchases equal to or greater than $5,000
2. The following is required with the first month's invoice only:
    a. Cost allocation plan for rent, utilities, etc.
    b. Indirect rate approved by cognizant agency (if applicable)
3. Summary of leveraged resources (if applicable)
4. Demand letters must contain the following certification (if required by Contract):
   "I certify under the penalty of perjury that this claim is true and correct and that the requested payments have been made. I also certify that this claim agrees with our official payroll and financial records and that these amounts have not been, or will not be claimed from any other funding source"
5. Grantee Performance Report (if required by Contract)
6. Supporting documentation shall be on single-sided sheets
7. Please redact employees' Social Security Number from payroll reports
8. Demand letter or invoice, along with supporting documentation shall be submitted to:
   OC Community Resources Accounting
   1770 N. Broadway, 4th Floor
   Santa Ana, CA 92706

Comprehensive Documentation Requirements

In addition to abbreviated documentation, compile and submit:

9. Purchase orders, invoices, and receipts
10. Cashed checks
11. Check register
12. Consultant/sub-contractor invoices (with description of services)
13. Travel expense documentation: mileage reimbursement, hotel bill, meal reimbursement

ACTION:

Distribute this policy to all appropriate staff

INQUIRIES:

Inquiries may be directed to OCCR Accounts Payable at: OCCRAccountsPayable@occr.ocgov.com

EXHIBIT 3

Certification for a Drug-Free Workplace

U.S. Department of Housing and Urban Development

City of Laguna Hills Contract # 17-23-0008-PFI
Applicant Name

CDBG –Florence Sylvester Memorial Senior Center Rehabilitation
Program/Activity Receiving Federal Grant Funding

Acting on behalf of the above named Applicant as its Authorized Official, I make the following certifications and agreements to the Department of Housing and Urban Development (HUD) regarding the sites listed below:

I certify that the above named Applicant will or will continue to provide a drug-free workplace by:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Applicant's workplace and specifying the actions that will be taken against employees for violation of such prohibition.

b. Establishing an on-going drug-free awareness program to inform employees ---

(I) The dangers of drug abuse in the workplace;

(2) The Applicant's policy of maintaining a drug-free workplace;

(3) Any available drug counseling, rehabilitation, and employee assistance programs; and

(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph a.;

d. Notifying the employee in the statement required by paragraph a. that, as a condition of employment under the grant, the employee will ---

(I) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

e. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph d.(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph d.(2), with respect to any employee who is so convicted ---

(I) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs a. thru f.

2. Sites for Work Performance. The Applicant shall list (on separate pages) the site(s) for the performance of work done in connection with the HUD funding of the program/activity shown above: Place of Performance shall include the street address, city, county, State, and zip code. Identify each sheet with the Applicant name and address and the program/activity receiving grant funding.)

Check here O if there are workplaces on file that are not identified on the attached sheets.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.
Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties.
(18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official | Title

Signature | Date

X

form HUD-50070 (3/98)
ref. Handbooks 7417.1, 7475.13, 7485.1 & .3

EXHIBIT 4

INSTRUCTIONS FOR COMPLETION OF SF-LLL DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress. or an employee of a Member of Congress in connection with a covered Federal action. Use the SF LLL-A Continuation sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying is and has been secured to influence the outcome of a covered action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a follow up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, state and zip code of the reporting entity. Include congressional district. if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be a prime or subaward recipient.
   Identify the tier of the subawardee, e. g. the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts. subgrants and contract awards under grants.
5. If the organization filing the report, in item 4 checks "Subawardee", then enter the full name, address, city, state, and zip code of the prime Federal recipient. Include congressional district, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e. g. Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number the contract, grant. or loan award number; the application proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP DE 90 09."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the primary entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, state and zip code of the lobbying entity engaged by the reporting entity identified in item 4 to influence the covered Federal action.
    (b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. Enter the amount of compensation paid or reasonably expected to be paid by the reporting entity (item 4) to the lobbying entity (item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report enter he cumulative amount of payment made or planned to be made.
12. Check the appropriate box(es). Check all boxes that apply. If payment is made through an in kind contribution, specify the nature and value of the in kind payment.
13. Check the appropriate box(es). Check all boxes that apply. If other, specify nature.
14. Provide a specific and detailed description of the services that the lobbyist has performed, or will be expected to perform, and the date(s) of any services rendered. Include all preparatory and related activity, not just time spent in actual contact with Federal officials. Identify the Federal official(s) or employee(s) contacted and the officer(s), employee(s), or Member(s) of Congress that were contacted.
15. Check whether or not a SF LLL A Continuation Sheet(s) is attached.
16. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instructions. searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget. Paperwork Reduction Project (0348 0046) Washington D.C., 20503.

DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose activities pursuant to 31 U.S.C 1352

1. Type of Federal Actions: a. contract b. grant c. cooperative agreement d. loan e. loan guarantee f. loan insurance	2. Status of Federal Actions: a. bid/offer/application b. initial award c. post-award	3. Report Type: a. initial filing b. material change For material change only: Year:__________ Quarter:________ Date of last report: ______________

4. Name and Address of Reporting Entity Prime Subawardee Tier________________________ if known Congressional District, if known:	5. If Reporting Entity in No. 4 is a Subawardee: Enter Name and Address of Prime: Congressional District, if known:
6. Federal Department / Agency:	7. Federal Program Name/Description
8. Federal Action Number, if known:	9. Award Amount, if known: $
10a. Name and Address of Lobbying Entity (if individual, last name, first name, MI): (attach Continuation Sheets SF-LLL-A, if necessary)	10b. Individual Performing Services (including address if different from No. 10a) (last name, first name, MI):
11. Amount of Payment (check all that apply): $ Actual Planned 12. Form of Payment (check all that apply): a. cash b. in-kind: specify: nature: ________________________________ value: __________________________________	13. Type of Payment (check all that apply) a. retainer b. one-time free c. commission d. contingent fee e. deferred f. other specify: ________________ ______________________________

14. Enter Description of Services performed or to be Performed and date(s) of Service, including officer(s), employee(s), or Member(s) contacted, for Payment indicated on item 11:
15. Continuation sheet(s) SF-LLL-A attached: ☐ Yes ☐ No

16. Information requested through this form authorized by Title 31 U.S.C. Section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semiannually and will be available for public inspection. An person who fails to file the required disclosure shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.	Signature: ______________________________ ______________________________ ______________________________ Print Name: Title: Telephone No: Date:

DISCLOSURE OF LOBBYING ACTIVITIES
CONTINUATION SHEET
Approved by OMS - 0348-0046

Reporting Entity:____

____

_______________________________ Page________of_______________

BILLING CODES 3410-01 -C; 6450-01-C; 6890-01 ;6025-01-C; 7510-01-C , 35 1 0-FE-C; 8120-01 -C; 4710-24-C, 6116-01 -C,

AGREEMENT BETWEEN

THE CITY OF LAGUNA HILLS
AND
AGE WELL SENIOR SERVICES, INC.

FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
PUBLIC FACILITIES AND IMPROVEMENT FUNDS
(Program Year 2017/2018)

TITLE OF PROJECT: Public Facilities and Improvements – Florence Sylvester Memorial Senior Center (Age Well Senior Services, Inc.)

This **AGREEMENT** is made and entered into the _______ **day of _________, 2017**.

BY AND BETWEEN City of Laguna Hills, a municipal corporation organized and existing under the laws of the State of California, and hereinafter referred to as "**CITY**".

AND Age Well Senior Services, Inc., a California Non-Profit Public Benefit Corporation, hereinafter referred to as "**SUB-RECIPIENT**"

RECITALS

WHEREAS, the County of Orange (the "County") has applied for and anticipates receiving funds from the United States Department of Housing and Urban Development, hereinafter referred to as "HUD", under Title I of the Housing and Community Development Act of 1974 (Public Law 93-383, as amended) for the purpose of funding projects meeting one of the HUD national objectives; and

WHEREAS, the County of Orange and participating cities (of which the City is a member) previously entered into a Cooperation Agreement dated July 1, 2015, as amended, in which both parties agreed to cooperate in the undertaking, or assist in the undertaking, of community development and housing assistance activities; and

WHEREAS, the County of Orange adopted its 2017-2018 Annual Action Plan and application funding, including any mid-year amendments, from HUD's Community Development Block Grant Program which includes the Project described herein; and

WHEREAS, the City is covered by the County's Annual Action Plan, and

WHEREAS, the City submitted to the County of Orange an application for funding of the Project described herein, and

WHEREAS, the City has entered into a separate contract for the period July 1, 2017 through June 30, 2018, with the County of Orange (Contract No. 17-23-0008-PFI, entitled "Contract Between County of Orange and City of Laguna Hills for Public Facilities & Improvements Florence Sylvester Senior Center", a copy of which is attached as Exhibit A and is incorporated herein by this reference) to receive Community Development Block Grant (CDBG) funds under Title I of the Housing and Community Development Act of 1974 (Public Law 93-838, as amended) for the purpose of assisting Sub-recipient with the Florence Sylvester Memorial Senior Center rehabilitation project which meets one of the HUD National Objectives, and

WHEREAS, Contract No. 17-23-0008-PFI provides that funds to the City for qualified projects are conditional upon: County being funded by HUD and the release of funds to County; Certification of Insurance; and certification of environmental compliance by County and/or HUD in accordance with 24 CFR 58 et seq., and

WHEREAS, the Sub-recipient is a California nonprofit public benefit corporation that has been selected by the City to receive and administer CDBG funds, and to provide the rehabilitation project services at the Florence Sylvester Memorial Senior Center, located at 23721 Moulton Parkway, as described in Exhibit B ("Project"), in accordance with the schedule of performance included therein; and

WHEREAS, Sub-recipient represents that it is qualified and willing to administer the Project and hereby certifies that the activities carried out with funds provided under this Agreement will meet one or more of the CDBG program's National Objectives, and

WHEREAS, the Sub-recipient agrees that it will adhere to the Project performance measurements and outcomes set forth herein; and Sub-recipient understands and agrees that its failure to follow the performance measurements and meet the stated outcomes may constitute breach of contract that could result in termination of this Agreement or serve as reason for the City to recapture the CDBG funds awarded to Sub-recipient pursuant to this Agreement.

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, the City and Sub-recipient agree as follows:

I. SCOPE OF SERVICES

A. Project Description

(1) As a condition of receiving CDBG funding pursuant to this Agreement, Sub-recipient shall act as Project Manager and shall be responsible for administering the approved fiscal year 2017/2018 CDBG Project described herein in a manner satisfactory to the City and consistent with any and all applicable standards, including this Agreement,

Contract No.17-23-0008-PFI, completion milestones (provided by the County), and all applicable Federal, State, and local laws, guidelines, policies, and regulations. Sub-recipient shall use CDBG funds for rehabilitation of the Florence Sylvester Memorial Senior Center, located at 23721 Moulton Parkway, as set forth in the Scope of Work described in Exhibit B, which is attached hereto and incorporated herein by reference (the “Project”).

(2) The construction rehabilitation Project contemplated herein is a “public work”, under California Labor Code Section 1720, and the construction contractors should be paid prevailing wages in accordance with State law. In addition, the Federal Labor Standards, including Davis-Bacon prevailing wages shall apply. A current and appropriate Davis-Bacon wage decision approved by the County shall be included in the Construction Bid Package, along with HUD – 4010 form, “Federal Labor Standards Provisions”.

(3) Prior to advertising for bids, the Construction Bid Package for the work on the Project shall be submitted to the City for review and approval by the County’s Director of Housing and Community Services, or designee. A County representative shall be invited to a preconstruction conference to review Federal Labor Standards compliance procedures with the Sub-recipient and construction contractors.

(4) No costs shall be incurred prior to receipt of written certification of approval by County of the fulfillment of the requirements of Section XXI (Insurance) of this Agreement.

B. <u>Budget</u>

This Agreement is for a CDBG funding reimbursement amount not to exceed $140,000.00 (one hundred forty thousand dollars and no cents). As described further in Section III below, the Sub-recipient shall provide the funds for the Project and shall submit written proof of payment to City, whereupon after approval by City, the City shall seek reimbursement of eligible costs from the County pursuant to Contract No.17-23-0008-PFI.

C. <u>Work Schedule</u>

Reimbursable activities per this Agreement may begin on the effective date of this Agreement, and shall end on June 30, 2018. Quarterly reports shall be provided by the Sub-recipient in accordance with Section VII(B) of this Agreement. The Quarterly Report shall indicate the progress of the components of the rehabilitation Project.

II. PERFORMANCE MEASURES

A. <u>Performance Objectives</u>

Sub-recipient hereby certifies that the Project carried out with funds provided under this Agreement will meet one or more of the CDBG program’s National Objectives: 1) benefit low/moderate income persons; 2) aid in the prevention or elimination of slums or blight; or 3) meet community development needs having a particular urgency as defined in Title 24 of the Code of Federal Regulations ("24 CFR") Part 570.208. Sub-recipient agrees that the Project shall be implemented and appropriately maintained for community development purposes as defined by applicable HUD provisions to ensure maximum feasible benefit and utilization of the project by low- and moderate-income persons.

B. <u>Goals and Performance Measures</u>

In addition to the reasonable administrative services required as part of this Agreement, Sub-recipient agrees to accomplish the rehabilitation work on the Project as delineated in Exhibit B, which is attached hereto and incorporated herein by reference.

C. <u>Performance Monitoring</u>

The City will monitor the performance of the Sub-recipient against the goals and performance standards required by this Agreement, applicable Federal, State, and local laws, guidelines, policies, and regulations, and in accordance with Contract No.17-23-0008-PFI. The Sub-recipient shall cooperate by providing completed Quarterly Performance Reports as delineated in Section VII(B). Substandard performance as determined by the City, in its sole discretion, shall constitute noncompliance with this Agreement. If action to correct such substandard performance is not promptly taken by Sub-recipient within a reasonable time after being notified by the City, Agreement suspension or termination procedures may be initiated.

D. <u>Time of Performance</u>

Eligible project activities as set forth in Exhibit B shall begin on the effective date of this Agreement, and shall be completed by June 30, 2018. A final invoice for eligible project costs shall be submitted within 15 days after the Agreement expiration date. The term of this Agreement and the provisions herein may be extended by the City at the City's sole discretion for up to six months from the Agreement expiration date, upon written notification to the Sub-recipient. In the event of such extension, the deadline for submittal of a final invoice shall be 15 days after the new completion date. Every effort shall be made by Sub-recipient to expend the allocated funds in their entirety by June 30, 2018. If Sub-recipient does not expend all funds by June 30, 2018, either due to costs not incurred or costs not approved by the City, the City may allocate the funds not yet drawn to another eligible CDBG project(s) within the City of Laguna Hills.

III. DISBURSEMENT OF FUNDS

A. <u>Reimbursements</u>

Subject to availability of funds from HUD to County, County approval of Sub-recipient's Insurance, County approval of Sub-recipients Federal Labor Standards submittals, and Sub-recipient's timely completion and submission of complete Requests for

Reimbursements to City, payment shall be made by City and shall be in the form of reimbursement for eligible costs as outlined in Exhibit B for the period beginning on the effective date of this Agreement, and ending June 30, 2018. It is expressly agreed and understood by the parties that the total amount of CDBG funding eligible for reimbursement under this Agreement shall not exceed the amount stated in Section I(B) of this Agreement.

B. Reimbursement Schedule

Reimbursement for eligible costs shall be made on a quarterly basis in accordance with Exhibit A and as delineated in Exhibit B, both attached hereto and incorporated herein by this reference. The City shall not provide any payments/reimbursements in advance of actual expenditures by Sub-recipient. Funding is contingent upon the City receiving CDBG funds from the County and HUD.

C. Reimbursement Requests

On a quarterly basis and within fifteen (15) days of the end of a quarter, the Sub-recipient may invoice City for reimbursement of eligible costs as outlined in Exhibit B. Concurrently with its request for the aforementioned funds, Sub-recipient shall submit to the City the following supporting documentation: copies of paid invoices, receipts, certified payroll records, bank statements, canceled checks, attendance records, and other items adequate to document project expenditures. In addition, Sub-recipient shall also provide a Quarterly Performance Report which addresses its level of performance for each activity undertaken relative to the scope of services set forth in Section I. Prior to reimbursing, the City will verify that Sub-recipient has met all applicable regulations for the Project. The City will not authorize reimbursement if any preceding quarter's reports or invoices are incomplete, or have not been submitted.

D. Reimbursement Records

Records shall be kept by Sub-recipient in accordance with all records maintenance requirements set forth in Contract No.17-23-0008-PFI, which is attached as Exhibit A and is incorporated herein by reference.

IV. NOTICES

A. Communication

Communication and details concerning this Agreement shall be directed to the following representatives:

City

City of Laguna Hills
General Government Department
25035 El Toro Road

Laguna Hills, California 92653
Attn: James Haston, Management Analyst

Sub-recipient

Age Well Senior Services, Inc.
24300 El Toro Road, Building A
Laguna Woods, CA 92637
Attn: Marilyn Ditty, Chief Executive Officer

B. <u>Certified Mail</u>

Any notice required under this Agreement shall be sent by certified mail, postage prepaid, and shall be deemed complete on the third business day following deposit in the United States Postal Service.

V. PROGRAM REQUIREMENTS

A. <u>Compliance</u>

Sub-recipient shall adhere to the terms of the City's CDBG application, Contract 17-23-0008-PFI, and this Agreement, including any subsequent assurances and agreements made by the City to the County and HUD, pertaining to this Agreement. In addition, Sub-recipient shall comply with all applicable County requirements, in particular Section 31 of Contract No.17-23-0008-PFI. Sub-recipient shall comply with applicable Uniform Administrative Requirements as described in 24 CFR 570.502, attached as Exhibit C and incorporated herein by reference.

The Sub-recipient shall carry out all activities in compliance with all Federal laws and regulations as described in Subpart K, such as labor standards (Davis Bacon Act) and fair housing requirements of the CDBG Program Regulations.

The provisions of Subpart K of Title 24 of the Code of Federal Regulations relating to CDBG Program Regulations are attached as Exhibit D and are incorporated as a condition of this Agreement by this reference. The Sub-recipient shall comply with all applicable Federal laws related to the use of CDBG funds by the Sub-recipient and the approved Project outlined herein.

VI. EXPENSES FOR LABOR, MATERIALS AND SUPPLIES

The Sub-recipient shall furnish all labor, materials and services and bear all expenses to carry out the Project activities as outlined in this Agreement. Under this Agreement, the City's only financial obligation to the Sub-recipient is to provide the approved CDBG funds for the maximum amount specified in Section I(B) of this Agreement, as allocated by the County of Orange and the City of Laguna Hills for CDBG Program Year 2017/2018.

VII. RECORDS AND REPORTS

A. Documentation

The Sub-recipient shall maintain all records required by the Federal regulations specified in 24 CFR 570.503 (b)(2), 570.506, 570.507 and 570.508 that are pertinent to the activities to be funded under this Agreement. Such records and reports shall include, but not be limited, to:

(1) Documentation providing a full description of each activity undertaken;
(2) Documentation demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
(3) Documentation required to determine the eligibility of activities;
(4) Documentation required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
(5) Documentation of compliance with the fair housing and equal opportunity components of the CDBG program;
(6) Financial records as required by 24 CFR 570.502 and OMB Circular A-87 as detailed in Exhibit C, which is attached hereto and incorporated herein by reference;
(7) Other records necessary to document compliance with Subpart K of 24 CFR 570; and
(8) Any such other related records as the City shall require.

B. Quarterly Reports

The Sub-recipient shall submit “Quarterly Reports” on a Grantee Performance Report (GPR Form) during the program year beginning with the effective date of the agreement, and ending June 30, 2018. Quarterly Reports shall be filed with the City fifteen (15) days before: December 15, 2017, January 15, 2018, and March 15, 2018. The report must include sufficient information to assist the City in monitoring the Sub-recipient’s performance. The Sub-recipient must demonstrate satisfactory performance prior to reimbursement for expenditures. If it is determined by the City that Sub-recipient’s performance or progress on performance is unsatisfactory, the City may withhold further funding on the Project pending resolution of the unsatisfactory condition(s), or may terminate this Agreement as prescribed in 24 CFR Subparts 85.43 and 85.44 as detailed in Exhibit F, which is attached hereto and incorporated herein by reference. In addition, the City may require the Sub-recipient to reimburse the City any funds that it determines to be improperly expended based on applicable CDBG Program Regulations.

C. Accounting Records

The Sub-recipient shall maintain separate accounting records for the Federal CDBG funds provided by the City. The City, County, Federal Grantor Agency, Controller General of the United States, or any of their duly authorized representatives shall have access to all books, documents, papers and records maintained by the Sub-recipient which directly pertain to the above Project for the purpose of audit, examination, excerpts and transcriptions. Unless otherwise notified by the City, the Sub-recipient shall retain all financial records, supporting documents and statistical reports related to the Project identified under this Agreement until June 30, 2023. All records subject to an audit finding must be retained for five (5) years from the date the finding is made or until the finding has been cleared by appropriate officials and the Sub-recipient has been given official written notice.

VIII. AUDIT REQUIREMENT

A. Audit Report

Sub-recipient's records on the Project shall be maintained and available to the City for conducting an audit. If the Sub-recipient receives $25,000 or more in total Federal financial assistance, Sub-recipient shall perform, if requested to do so by the City or County, an annual audit to be performed in accordance with OMB Circular A-133; and a copy of the audit shall be forwarded to the City within 180 days after the end of the City's fiscal year (June 30, 2018).

B. Single Audit Report

If the Sub-recipient receives more than $500,000 in total federal funds in one fiscal year from the City and/or any other city or agency, the Sub-recipient is required to submit a Single Audit Report. As required by the federal Single Audit Act, the Sub-recipient shall be required to submit to the City, a comprehensive financial audit prepared by an independent, neutral third party auditor. The audit shall cover financial operation of the Sub-recipient for the period beginning July 1, 2017 and ending June 30, 2018, and is due no later than six months after expiration of this Agreement.

C. Corrective Actions

The City shall have the right to ensure that necessary corrective actions are made by the Sub-recipient for any audit findings pertinent to Sub-recipient handling of funding attributable to the CDBG Program per Federal requirements, including requiring Sub-recipient to return funds paid by City.

IX. MODIFICATIONS/TRANSFERS

The Sub-recipient shall transfer to City any CDBG funds on hand at the time of the Agreement expiration and any accounts receivable attributable to the use of CDBG funds.

X. AMENDMENTS

The City and Sub-recipient may amend this Agreement at any time provided that any such amendment makes specific reference to this Agreement, is executed in writing, is approved by the County and signed by a duly authorized representative of each organization. Such amendment shall not invalidate this Agreement, nor relieve or release the City or Sub-recipient from their respective obligations under this Agreement. Any proposed amendment to this Agreement shall be submitted to, and approved by the City prior to commencement of any activity covered by said amendment.

The City may, at its sole discretion, amend this Agreement at any time to conform with Federal, State, County, or local government guidelines, policies, and available funding amounts. If any amendment results in a change of funding amount under this Agreement, the Scope of Work, threshold or milestone dates, or schedule of activities to be undertaken as part of this Agreement, such changes will be incorporated by written amendment between the City and Sub-recipient.

XI. SECTION 3 COVERED ASSISTANCE

A. Policies and Procedures

Where the Sub-recipient receives CDBG funds for work arising in connection with housing rehabilitation, housing construction, or other public improvements, the requirements of Section 3 of the Housing and Urban Development Act of 1968 shall apply as follows:

(1) The work to be performed under this Agreement is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

(2) The parties to this Agreement agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this Agreement, the parties certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.

(3) The Sub-recipient agrees to send to each labor organization or representative of workers with which the Sub-recipient has a collective bargaining agreement or other understanding, if any, a notice of advising the labor organization or workers' representative of the Sub-recipient's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

(4) The Sub-recipient agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The Sub-recipient will not subcontract with any subcontractor where the Sub-recipient has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.

(5) The Sub-recipient will certify that any vacant employment positions, including training positions, that are filled (1) after the Sub-recipient is selected but before the Agreement is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the Sub-recipient's obligations under 24 CFR Part 135.

(6) Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD assisted contracts.

(7) With respect to work performed in connection with Section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this Agreement. Section 7(b) requires that to the greatest extend feasible (1) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises.

(8) Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b)."

B. Inclusion of Section 3 Clause

Sub-recipient shall abide by this Section 3 Clause and shall also require this Section 3 clause be inserted into any and all subcontracts executed with subcontractors for work covered by this Agreement.

XII. RELIGIOUS ACTIVITES

The Sub-recipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities or to promote religious interests. Religious entities may use CDBG funds for secular activities only in accordance with the Federal regulations specified in 24 CFR 570.200(j), attached as Exhibit E and incorporated into this Agreement.

XIII. NONDISCRIMINATION CLAUSE

The Sub-recipient shall comply with all State and Federal laws regarding nondiscrimination and the equal opportunity employment of personnel.

XIV. SUSPENSION AND TERMINATION OF AGREEMENT

In accordance with the pertinent provisions of the Code of Federal Regulations, this Agreement may be suspended or terminated if the Sub-recipient fails to comply with any term(s) of the award and/or for the City's convenience. Title 24, Code of Federal Regulations, Sections 85.43 and 85.44 are attached as Exhibit F and incorporated into this Agreement by this reference.

XV. REVERSION OF ASSETS UPON EXPIRATION OF AGREEMENT

Upon expiration of this Agreement, the Sub-recipient shall be required to use any real property under the Sub-recipient's control that was acquired or improved in whole or in part with CDBG funds in excess of $25,000 as follows:

(1) To meet one of the National Objectives in 24 CFR 570.208 until no earlier than five (5) years after expiration of this Agreement; or

(2) To be disposed of in a manner resulting in the City being reimbursed in the amount of the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition or improvement of the property. Reimbursement is not required after the period of time specified in Section XV(1).

XVI. HOLD HARMLESS AND INDEMNITY AGREEMENT

The City, its elected and appointed officers, employees, contractors (other than Sub-recipient) and agents shall not be liable for any claims, liabilities, penalties, fines, or any damage to goods, properties, or effects of any person whatsoever, nor for personal injuries or death caused by, or claimed to have been caused by, or resulting from, any intentional or negligent acts, errors or omissions of Sub-recipient or Sub-recipient's agents, employees, subcontractors, or representatives in completion of Project outlined in the Agreement.

To the fullest extent permitted by law, the Sub-recipient agrees to defend, indemnify, and hold harmless the City and its elected and appointed officers, employees, contractors and agents against any of the foregoing liabilities or claims of any kind and any cost/and expense that is incurred by the City including attorney fees and litigation expenses on account of any of the foregoing liabilities, including liabilities or claims by reason of alleged, errors, omissions, or defects in any plans and specifications for the Project.

XVII. ASSIGNMENT OF AGREEMENT

The Sub-recipient shall not assign this Agreement or any monies due hereunder without the prior written consent of the City.

XVIII. SUCCESSORS OR ASSIGNS

Subject to the provisions of Section XVII (Assignment of Agreement), all terms, conditions, and provisions hereof shall inure to and shall bind each of the parties hereto, and each of their respective heirs, executors, administrators, successors, and assigns as permitted by this Agreement.

XIX. INDEPENDENT SUB-RECIPIENT

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. Sub-recipient and its subcontractors shall at all times remain independent with respect to the services to be performed under this Agreement. The City shall be exempt from payment of any Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance. Sub-recipient and/or its subcontractors is/are independent contractors.

XX. ANTI-LOBBYING

Sub-recipient certifies the following:

(1) No Federal appropriated funds will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, then entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

(2) Sub-recipient will complete and submit the "Disclosure of Lobbying Activities" Standard Form if any funds other than Federal appropriated funds have been paid, in accordance with its instructions; and

(3) Sub-recipient shall include the above anti-lobbying certification in award documents for all subcontractors and all subcontractors shall certify and disclose accordingly.

XXI. INSURANCE

At all times during the term of this Agreement, the Sub-recipient shall maintain insurance coverage in compliance with the Insurance Requirements attached as Exhibit G and incorporated into this Agreement by this reference. The insurance requirements of this section shall be in addition to, and shall not modify Section XVI (Hold Harmless and Indemnity Agreement).

IN WITNESS WHEREOF, the City has caused this Agreement to be executed by its City Manager and attested by its Clerk; Sub-recipient has caused this Agreement to be executed by its President, Secretary, and Chief Executive Officer, all having been duly authorized by the City Council of City of Laguna Hills and the Board of Directors of Sub-recipient, respectively.

EXECUTED:

CITY OF LAGUNA HILLS

By: ____________________________
Bruce Channing, City Manager

ATTEST:

By: ____________________________
Melissa Au-Yeung, City Clerk

AGE WELL SENIOR SERVICES, INC., a California non-profit corporation

By: ________________________________

Date: ______________________________

By: ________________________________

Date: ______________________________

By: ________________________________

Date: ______________________________

EXHIBIT A

COUNTY OF ORANGE

OC COMMUNITY RESOURCES

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

PUBLIC FACILITIES AND IMPROVEMENTS

PROGRAM YEAR 2017/2018

CONTRACT # 17-23-0008-PFI

BETWEEN

COUNTY OF ORANGE

AND

CITY OF LAGUNA HILLS

FOR

PUBLIC FACILITIES & IMPROVEMENTS

FLORENCE SYLVESTER MEMORIAL SENIOR CENTER REHABILITATION

CFDA#	FAIN #	PROGRAM/SERVICE TITLE	FUNDING AGENCY
14.218	Pending	Community Development Block Grant (CDBG)	Department of Housing and Urban Development (HUD)

CONTRACT

GENERAL TERMS AND CONDITIONS

ATTACHMENTS / EXHIBITS

Exhibit 1 – County of Orange Child Support Enforcement
Exhibit 2 – OC Community Resources Contract Reimbursement Policy
Exhibit 3 – Certification for a Drug-Free Workplace
Exhibit 4 – Disclosure of Lobbying Activities

This Agreement, 17-23-0008-PFI hereinafter referred to as "CONTRACT" is made between the County of Orange, a political subdivision of the State of California and recognized Urban County under the Federal Housing and Community Development Act of 1974 (Public Law 93-383), as amended, with a place of business at 1300 South Grand Avenue, Building B, Santa Ana, CA 92705-4407; hereinafter referred to as "COUNTY," and City of Laguna Hills, DUNS # 798794947, a municipal corporation in the State of California, with a place of business at 24035 El Toro Road, Laguna Hills, CA 92653-3103, hereinafter referred to as "SUBRECIPIENT," with COUNTY and SUBRECIPIENT sometimes referred to as "PARTY", or collectively as "PARTIES."

RECITALS

WHEREAS, COUNTY has applied for and anticipates receiving funds from the United States Department of Housing and Urban Development, hereinafter referred to as "HUD", under Title I of the Housing and Community Development Act of 1974 (Public Law 93-383, as amended) for the purpose of funding programs meeting one of the HUD national objectives; and

WHEREAS, a Grant Agreement between HUD and the County of Orange has been entered; and

WHEREAS, COUNTY and Participating Cities previously entered into a Cooperation Agreement effective July 1, 2015 as amended, in which both PARTIES agreed to cooperate in the undertaking, or assist in the undertaking, of community development and housing assistance activity; and

WHEREAS, SUBRECIPIENT responded or has previously submitted an application approved under the FY 2017-18 Public Facilities & Improvements RFP for activities and was deemed eligible for funding; and

WHEREAS, the SUBRECIPIENT represented that its proposed services shall meet or exceed the requirements and specifications of the RFP; and

WHEREAS, COUNTY Board of Supervisors has authorized the OC Community Resources Director or his designee to enter into this CONTRACT with SUBRECIPIENT to carry out certain program services and activities for the Fiscal Year 2017-18;

NOW, THEREFORE, the PARTIES mutually agree as follows:

Terms and Conditions:

1. **Scope of Contract**

This CONTRACT specifies the Contractual terms and conditions by which the COUNTY will procure services from SUBRECIPIENT as further detailed in the Scope of Services, identified and incorporated herein by this reference as Attachment A.

2. **Term of Contract**

This CONTRACT shall commence on July 1, 2017 and continue through June 30, 2018 for one (1) year, unless otherwise terminated by the COUNTY.

3. **Contingency of Funds**

SUBRECIPIENT acknowledges that funding or portions of funding for this CONTRACT may be contingent upon receipt of funds from, and/or obligation of funds by, Federal, State of California and/or local funds to COUNTY; and inclusion of sufficient funding for the services hereunder in the budget approved by COUNTY's Board of Supervisors for each fiscal year covered by this CONTRACT. If such approval, funding or appropriations are not forthcoming, or are otherwise limited, COUNTY may immediately terminate or modify this CONTRACT without penalty.

4. **Maximum Obligation**

The total Maximum Obligation of COUNTY to the SUBRECIPIENT for the cost of services provided in accordance with this CONTRACT is $140,000.00, with individual Maximum Obligation budgets for each Fiscal Year as further detailed in the Budget, identified and incorporated herein by this reference as Attachment C.

5. **Changes/Amendments/Extra Work**

The SUBRECIPIENT shall make no changes to this CONTRACT without the COUNTY's written consent. In the event that there are new or unforeseen requirements, the COUNTY's CONTRACT ADMINISTRATOR has the discretion with the SUBRECIPIENT's concurrence, to make changes at any time without changing the scope or price of the CONTRACT.

If COUNTY-initiated changes or changes in laws or government regulations affect price, the SUBRECIPIENT's ability to deliver services, or the project schedule, the SUBRECIPIENT will give COUNTY written notice no later ten (10) days from the date the law or regulation went into effect or the date the change was proposed and SUBRECIPIENT was notified of the change. Such changes shall be agreed to in writing and incorporated into a CONTRACT amendment. Said amendment shall be issued by the COUNTY-assigned CONTRACT ADMINISTRATOR, shall require the mutual consent of all PARTIES, and may be subject to approval by the COUNTY Board of Supervisors. Nothing herein shall prohibit the SUBRECIPIENT from proceeding with the work as original set forth or as previously Amended in this CONTRACT.

All extra work/services are by mutual consent of all PARTIES and may be subject to the approval of the County of Orange Board of Supervisors.

6. **Breach of CONTRACT**

The failure of the SUBRECIPIENT to comply with any of the provisions, covenants or conditions of this CONTRACT shall be a material breach of this CONTRACT. In such event the COUNTY may, and in addition to any other remedies available at law, in equity, or otherwise specified in this CONTRACT:

A. Afford the SUBRECIPIENT written notice of the breach and ten calendar days or such shorter time that may be specified in this CONTRACT within which to cure the breach;

B. Discontinue payment to SUBRECIPIENT for and during the period in which SUBRECIPIENT is in breach; and

C. Offset against any monies billed by SUBRECIPIENT but yet unpaid by the COUNTY those monies disallowed pursuant to the above.

COUNTY may terminate the CONTRACT immediately, pursuant to Paragraph K "Termination" and Paragraph 19 "Termination – Orderly" herein;

7. Conditions Affecting Work:

The SUBRECIPIENT shall be responsible for taking all steps reasonably necessary, to ascertain the nature and location of the work to be performed under this CONTRACT; and to know the general conditions which can affect the work or the cost thereof. Any failure by the SUBRECIPIENT to do so will not relieve SUBRECIPIENT from responsibility for successfully performing the work without additional cost to the COUNTY. The COUNTY assumes no responsibility for any understanding or representations concerning the nature, location(s) or general conditions made by any of its officers or agents prior to the execution of this CONTRACT, unless such understanding or representations by the COUNTY are expressly stated in the CONTRACT.

8. Conflict of Interest:

A. COUNTY Personnel: The County of Orange Board of Supervisors policy prohibits its employees from engaging in activities involving a conflict of interest. The SUBRECIPIENT shall not, during the period of this CONTRACT, employ any COUNTY employee for any purpose.

B. SUBRECIPIENT's Personnel: The CONTRACTOR shall exercise reasonable care and diligence to prevent any actions or conditions that could result in a conflict with the best interests of the COUNTY. This obligation shall apply to the SUBRECIPIENT; the SUBRECIPIENT's employees, agents, and relatives; sub-tier contractors; and third parties associated with accomplishing work and services hereunder. The SUBRECIPIENT's efforts shall include, but not be limited to establishing precautions to prevent its employees or agents from making, receiving, providing or offering gifts, entertainment, payments, loans or other considerations which could be deemed to appear to influence individuals to act contrary to the best interests of the COUNTY.

9. Consulting Contract – Follow-On Work:

No person or firm or subsidiary thereof who has been awarded a consulting services contract or a contract which includes a consulting component may be awarded a CONTRACT for the provision of services, the delivery of goods or supplies, or the provision of any other related action which is required, suggested, or otherwise deemed appropriate as an end product of the consulting services contract. Therefore, any consultant that contracts with a COUNTY agency/department to develop a feasibility study or to provide formal recommendations is precluded from contracting for any work recommended in the study or included in the recommendations.

10. Project Manager, COUNTY:

The COUNTY shall appoint a Project Manager to act as liaison between the COUNTY and the SUBRECIPIENT during the term of this CONTRACT. The COUNTY's Project Manager shall coordinate the activities of the COUNTY staff assigned to work with the SUBRECIPIENT.

11. SUBRECIPIENT Project Manager and Key Personnel:

SUBRECIPIENT shall appoint a Project Manager to direct the SUBRECIPIENT's efforts in fulfilling SUBRECIPIENT's obligations under this CONTRACT. The name of the Project Manager shall be provided to the COUNTY. If there is a Project Management change the SUBRECIPIENT will notify the COUNTY in writing prior to the change being made.

The SUBRECIPIENT's Project Manager and Key Personnel shall be assigned to this CONTRACT for the duration of this CONTRACT and shall diligently pursue all work and services to meet the project timelines. SUBRECIPIENT's Key Personnel are those individuals who report directly to the SUBRECIPIENT's Project Manager.

12. SUBRECIPIENT Personnel:

The SUBRECIPIENT warrants that all persons employed to provide service under this CONTRACT have satisfactory past work records indicating their ability to accept the kind of responsibility anticipated under this CONTRACT.

13. Title to Data:

All materials, documents, data or information obtained from the COUNTY data files or any COUNTY medium furnished to the SUBRECIPIENT in the performance of this CONTRACT will at all times remain the property of the COUNTY. Such data or information may not be used or copied for direct or indirect use by the SUBRECIPIENT after completion or termination of this CONTRACT without the express written consent of the COUNTY. All materials, documents, data or information, including copies, must be returned to the COUNTY at the end of this CONTRACT.

All PARTIES to the CONTRACT acknowledge that the COUNTY shall maintain ownership and control of all data files and the related indexes and pointers to those data files.

14. County Of Orange Child Support Enforcement: In order to comply with the child support enforcement requirements of the County of Orange, within ten (10) days of award of CONTRACT, the selected SUBRECIPIENT agrees to furnish to the CONTRACT administrator, the Purchasing Agent, or the agency/department deputy purchasing agent:

A. In the case of an individual SUBRECIPIENT, his/her name, date of birth, Social Security number, and residence address;

B. In the case of a SUBRECIPIENT doing business in a form other than as an individual, the name, date of birth, Social Security number, and residence address of each individual who owns an interest of ten (10) percent or more in the contracting entity;

C. A certification that the SUBRECIPIENT has fully complied with all applicable federal and State reporting requirements regarding its employees; and

D. A certification that the SUBRECIPIENT has fully complied with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment and will continue to so comply.

Failure of the SUBRECIPIENT to timely submit the data and/or certifications required may result in the CONTRACT being awarded to another SUBRECIPIENT. In the event a CONTRACT has been issued, failure of the SUBRECIPIENT to comply with all federal, state, and local reporting requirements for child support enforcement or to comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment shall constitute a material breach of the CONTRACT. Failure to cure such breach within ten (10) calendar days of notice from the COUNTY shall constitute grounds for termination of the CONTRACT.

15. EDD Independent Contractor Reporting Requirements:

The County of Orange is required to file federal Form 1099-Misc for services received from a “service provider” to whom the COUNTY pays $600 or more or with whom the COUNTY enters into a contract for $600 or more within a single calendar year. The purpose of this reporting requirement is to increase child support collection by helping to locate parents who are delinquent in their child support obligations.

The term “service provider” is defined in California Unemployment Insurance Code Section 1088.8, subparagraph B.2 as “an individual who is not an employee of the service recipient for California purposes and who received compensation or executes a contract for services performed for that service recipient within or without the state.” The term is further defined by the California Employment Development Department to refer specifically to independent contractors. An independent contractor is defined as “an individual who is not an employee of the ... government entity for California purposes and who receives compensation or executes a contract for services performed for that ... government entity either in or outside of California.”

The reporting requirement does not apply to corporations, general partnerships, limited liability partnerships, and limited liability companies.

Additional information on this reporting requirement can be found at the California Employment Development Department web site located at www.edd.ca.gov/txicr.htm.

16. Licenses:

At its own expense, SUBRECIPIENT and its subcontractors, if any, shall, at all time during the term of this CONTRACT, maintain in full force and effect such licenses or permits as may be required by the State of California or any other government entity. SUBRECIPIENT and his subcontractors, if any, shall strictly adhere to, and obey, all governmental rules and regulations now in effect or as subsequently enacted or modified, as promulgated by any local, state, or federal governmental entity.

17. Disputes – CONTRACT:

A. The PARTIES shall deal in good faith and attempt to resolve potential disputes informally. If the dispute concerning a question of fact arising under the terms of this CONTRACT is not disposed of in a reasonable period of time by the SUBRECIPIENT and the COUNTY, such matter shall be brought to the attention of the CONTRACT ADMINISTRATOR by way of the following process:

1. The SUBRECIPIENT shall submit to the agency/department assigned COUNTY CONTRACT ADMINISTRATOR a written demand for a final decision regarding the disposition of any dispute between the PARTIES arising under, related to, or involving this CONTRACT, unless the COUNTY, on its own initiative, has already rendered such a final decision.
2. The SUBRECIPIENT's written demand shall be fully supported by factual information, and, if such demand involves a cost adjustment to the CONTRACT, the SUBRECIPIENT shall include with the demand a written statement signed by a senior official indicating that the demand is made in good faith, that the supporting data are accurate and complete, and that the amount requested accurately reflects the CONTRACT adjustment for which the SUBRECIPIENT believes the COUNTY is liable.

B. Pending the final resolution of any dispute arising under, related to, or involving this CONTRACT, the SUBRECIPIENT agrees to diligently proceed with the provision of services under this CONTRACT. The SUBRECIPIENT's failure to diligently proceed shall be considered a material breach of this CONTRACT.

Any final decision of the COUNTY shall be expressly identified as such, shall be in writing, and shall be signed by the COUNTY CONTRACT ADMINISTRATOR or designee. If the COUNTY fails to render a decision within ninety (90) days after receipt of the SUBRECIPIENT's demand, it shall be deemed a final decision adverse to the SUBRECIPIENT's contentions. Nothing in this Paragraph 17 shall be construed as affecting the COUNTY's right to terminate the CONTRACT for cause as stated in Paragraph K "Termination," herein.

18. Gratuities:

The SUBRECIPIENT warrants that no gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the SUBRECIPIENT or any agent or representative of the SUBRECIPIENT to any officer or employee of the COUNTY with a view toward securing the CONTRACT or securing favorable treatment with respect to any determinations concerning the performance of the CONTRACT. For breach or violation of this warranty, the COUNTY shall have the right to terminate the CONTRACT, either in whole or in part, and any loss or damage sustained by the COUNTY in procuring on the open market any services which the SUBRECIPIENT agreed to supply shall be borne and paid for by the SUBRECIPIENT. The rights and remedies of the COUNTY provided in this Paragraph 18 shall not be exclusive and are in addition to any other rights and remedies provided by law or under the CONTRACT.

19. Termination – Orderly:

After receipt of a termination notice from the County of Orange, the SUBRECIPIENT shall submit to the COUNTY a termination claim, if applicable. Such claim shall be submitted promptly, but in no event later than sixty (60) days from the effective date of the termination, unless one or more extensions in writing are granted by the COUNTY upon written request of the SUBRECIPIENT. Upon termination COUNTY agrees to pay the SUBRECIPIENT for all services performed prior to termination which meet the requirements of the CONTRACT, provided, however, that such compensation plus previously paid compensation shall not exceed the total compensation set forth in the CONTRACT. Upon termination or other expiration of this CONTRACT, each PARTY shall promptly return to the other PARTY all papers, materials, and other properties of the other held by each for purposes of execution of the CONTRACT. In addition, each PARTY will assist the other PARTY in orderly termination of this CONTRACT and the transfer of all aspects, tangible and intangible, as may be necessary for the orderly, non-disruptive business continuation of each PARTY.

20. News/Information Release:

The SUBRECIPIENT agrees that it will not issue any news releases in connection with either the award of this CONTRACT or any subsequent amendment of or effort under this CONTRACT without first obtaining review and written approval of said news releases from the COUNTY.

21. Notices:

Any and all notices, requests, demands and other communications contemplated, called for, permitted, or required to be given hereunder shall be in writing, except through the course of the PARTIES' Project Managers routine exchange of information and cooperation during the terms of the work and services. Any written communications shall be deemed to have been duly given upon actual in-person delivery, if delivery is by direct hand, or upon delivery on the actual day of receipt or no greater than four calendar days after being mailed by US certified or registered mail, return receipt requested, postage prepaid, whichever occurs first. The date of mailing shall count as the first day. All communications shall be addressed to the appropriate PARTY at the address stated herein or such other address as the PARTIES hereto may designate by written notice from time to time in the manner aforesaid.

For COUNTY:
County of Orange
OC Community Resources
Housing and Community Development
Homeless Prevention
PROJECT MANAGER
1300 South Grand Avenue, Building "B" 3rd Flr.
Santa Ana, CA 92705-4407

County of Orange
OC Community Resources
Contract Development & Management
CONTRACT ADMINISTRATOR
1501 East St. Andrew Place, 1st Flr.
Santa Ana, CA 92705-4930

For SUBRECIPIENT:
City of Laguna Hills
SUBRECIPIENT'S Project Manager
24035 El Toro Road
Laguna Hills, CA 92653-3103

22. Ownership of Documents:

The COUNTY has permanent ownership of all directly connected and derivative materials produced under this CONTRACT by the SUBRECIPIENT. All documents, reports and other incidental or derivative work or materials furnished hereunder shall become and remains the sole property of the COUNTY and may be used by the COUNTY as it may require without additional cost to the COUNTY. None of the documents, reports and other incidental or derivative work or furnished materials shall be used by the SUBRECIPIENT without the express written consent of the COUNTY.

23. Precedence:

The CONTRACT documents consist of this CONTRACT and its attachments and exhibits. In the event of a conflict between or among the CONTRACT documents, the order of precedence shall be the provisions of the main body of this CONTRACT, i.e., those provisions set forth in the paragraphs of this CONTRACT, and then the attachments and exhibits.

24. Errors and Omissions:

All reports, files and other documents prepared and submitted by SUBRECIPIENT shall be complete and shall be carefully checked by the professional(s) identified by SUBRECIPIENT as Project Manager and key personnel attached hereto, prior to submission to the COUNTY. SUBRECIPIENT agrees that COUNTY review is discretionary and SUBRECIPIENT shall not assume that the COUNTY will discover errors and/or omissions. If the COUNTY discovers any errors or omissions prior to approving SUBRECIPIENT's reports, files and other written documents, the reports, files or documents will be returned to SUBRECIPIENT for correction. Should the COUNTY or others discover errors or omissions in the reports, files or other written documents submitted by SUBRECIPIENT after COUNTY approval thereof, COUNTY approval of SUBRECIPIENT's reports, files or documents shall not be used as a defense by SUBRECIPIENT in any action between the COUNTY and SUBRECIPIENT, and the reports, files or documents will be returned to SUBRECIPIENT for correction.

25. Non-Supplantation of Funds:

SUBRECIPIENT shall not supplant any federal, State, or COUNTY funds intended for the purposes of this CONTRACT with any funds made available under this CONTRACT. SUBRECIPIENT shall not claim reimbursement from COUNTY for, or apply sums received from COUNTY with respect to, that portion of its obligations which have been paid by another source of revenue. SUBRECIPIENT agrees that it shall not use funds received pursuant to this CONTRACT, either directly or indirectly, as a contribution or compensation for the purposes of obtaining federal, State, or COUNTY funds under any federal, State, or COUNTY program without prior written approval from COUNTY.

26. Satisfactory Work:

Services rendered hereunder are to be performed to the written satisfaction of COUNTY. COUNTY'S staff will interpret all reports and determine the quality, acceptability and progress of the services rendered.

27. Access and Records:

A. <u>Access.</u> COUNTY, the State of California and the United States Government and/or their representatives, shall have access, for purposes of monitoring, auditing, and examining, to CONTRACTOR's activities, books, documents and papers (including computer records and emails) and to records of CONTRACTOR's subcontractors, consultants, contracted employees, bookkeepers, accountants, employees and participants related to this CONTRACT. SUBRECIPIENT shall insert this condition in each contract between SUBRECIPIENT and a subcontractor that is pursuant to this CONTRACT shall require the subcontractor to agree to this condition. Such agencies or representatives shall have the right to make excerpts, transcripts and photocopies of such records and to schedule on site monitoring at their discretion. Monitoring activities also may include, but are not limited to, questioning employees and participants and entering any premises or onto any site in which any of the services or activities funded hereunder are conducted or in which any of the records of SUBRECIPIENT are kept. SUBRECIPIENT shall make available its books, documents, papers, financial records, etc., within three (3) days after receipt of written demand by COUNTY which shall be deemed received upon date of sending. In the event SUBRECIPIENT does not make the above referenced documents available within the County of Orange, California, CONTRACTOR agrees to pay all necessary and reasonable expenses incurred by COUNTY, or COUNTY'S designee, in conducting any audit at the location where said records and books of account are maintained.

B. Records Retention. All accounting records and evidence pertaining to all costs of CONTRACTOR and all documents related to this CONTRACT shall be kept available at CONTRACTOR'S office or place of business for the duration of this CONTRACT and thereafter, as specified in 2 CFR 200.333-337. Records which relate to: (1) complaints, claims, administrative proceedings or litigation arising out of the performance of this CONTRACT; or (2) costs and expenses of this CONTRACT to which COUNTY or any other governmental agency takes exception, shall be retained until final resolution or disposition of such appeals, litigation, claims, or exceptions.

C. Liability. CONTRACTOR shall pay to COUNTY the full amount of COUNTY'S liability to the State or federal government or any agency thereof resulting from any disallowance or other audit exceptions to the extent that such liability is attributable to CONTRACTOR'S failure to perform under this CONTRACT.

28. Signature in Counterparts:

The PARTIES agree that separate copies of the CONTRACT may be signed by each of the PARTIES, and this CONTRACT will have the same force and effect as if the original had been signed by all PARTIES.

29. Reports/Meetings:

The SUBRECIPIENT shall develop reports and any other relevant documents necessary to complete the services and requirements as set forth in this CONTRACT. The COUNTY and the SUBRECIPIENT will meet on reasonable notice to discuss the SUBRECIPIENT's performance and progress under this CONTRACT. If requested, the SUBRECIPIENT and other CONTRACT personnel shall attend all meetings. The SUBRECIPIENT shall provide such information that is requested by the COUNTY for the purpose of monitoring progress under this CONTRACT.

30. Subcontracting:

No performance of this CONTRACT or any portion thereof may be assigned or subcontracted by the SUBRECIPIENT without the express written consent of the COUNTY. Any attempt by the SUBRECIPIENT to assign or subcontract any performance of this CONTACT without the express written consent of the COUNTY shall be invalid and shall constitute a breach of this CONTRACT.

In the event that the SUBRECIPIENT is authorized by the COUNTY to subcontract, this CONTRACT shall prevail and the terms of the subcontract shall incorporate by reference and not conflict with the terms of this CONTRACT. In the manner in which the COUNTY expects to receive services, the COUNTY shall look to the SUBRECIPIENT for performance and not deal directly with any subcontractor. All matters related to this CONTRACT shall be handled by the SUBRECIPIENT with the COUNTY; the COUNTY will have no direct contact with the subcontractor in matters related to the performance of this CONTRACT. All work must meet the approval of the COUNTY.

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Program Specific Terms and Conditions

31. Debarment:

SUBRECIPIENT certifies that it is not debarred or suspended or otherwise excluded from or ineligible for participation in Federal/State assistance programs in accordance with 29 CFR Part 98.

32. Lobbying:

A. SUBRECIPIENT shall complete and immediately forward to the COUNTY the "Disclosure Form to Report Lobbying," a copy of which is attached hereto as Exhibit 4 and incorporated herein by this reference, if SUBRECIPIENT, or any person, firm or corporation acting on SUBRECIPIENT's behalf, engaged or engages in lobbying any federal office, employee, elected official or agency with respect to this CONTRACT or funds to be received by SUBRECIPIENT pursuant to this CONTRACT.

B. SUBRECIPIENT agrees that the funds provided herein shall not be used to promote, directly or indirectly, any political party, political candidate or political activity, except as permitted by law.

33. Fraud:

SUBRECIPIENT shall immediately report all suspected or known instances and facts concerning possible fraud, abuse or criminal activity under this CONTRACT. SUBRECIPIENT shall inform staff and the general public of how to report fraud, waste or abuse through appropriate postings of incident reporting notice. The County's Anti-Fraud Program can be accessed through: http://ocgov.com/gov/risk/programs/antifraud.

34. Fiscal Accountability:

A. Financial Management System: SUBRECIPIENT shall establish and maintain a sound financial management system, based upon generally accepted accounting principles. CONTRACTOR's system shall provide fiscal control and accounting procedures that will include the following:

i. Information pertaining to tuition rates, payments, and educational assistance payments; and
ii. Source documentation to support accounting records;
iii. Proper charging of costs and cost allocation.

B. SUBRECIPIENT's Record: SUBRECIPIENT's records shall be sufficient to:
i. Permit preparation of required reports; and
ii. Permit tracking of funds to a level of expenditure adequate to establish that funds have not been used in violation of the applicable restrictions on the use of such funds; and
iii. Permit the tracking of program income, or profits earned, and any costs incurred (such as stand-in costs) that are otherwise allowable except for;
iv. Permit tracking and reporting of leveraging as required.

C. Costs Charged: Cost shall be charged to this CONTRACT only in accordance with the COUNTY and other requirements as required by funding source(s).

35. Performance Standards:

SUBRECIPIENT shall comply with and adhere to the performance accountability standards as described in this CONTRACT and applicable regulations and the activity levels to be utilized by COUNTY for program evaluation and monitoring included, but not limited to those listed in the Attachment E-Performance Standards attached hereto and incorporated herein by reference.

36. Budget

SUBRECIPIENT agrees that the expenditures of any and all funds under this CONTRACT will be in accordance with the Budget, a copy of which is attached hereto as Attachment C, and which by this reference is incorporated herein and made a part hereof as if fully set forth.

37. Payment Requirements:

If funding levels are significantly affected by Federal budget and funds are not allocated and available for the continuance of the function performed by SUBRECIPIENT, the CONTRACT may be terminated by the COUNTY at the end of the period for which funds are available. The COUNTY shall notify SUBRECIPIENT at the earliest possible time of any service, which will or may be affected by a shortage of funds. No penalty shall accrue to the COUNTY in the event this provision is exercised and the COUNTY shall not be obligated nor liable for any damages as a result of termination under this provision of this CONTRACT, and nothing herein shall be construed as obligating the COUNTY to expend or as involving the COUNTY in any CONTRACT or other obligation for future payment of money in excess of appropriations authorized by law.

A. CONTRACT Amount: It is expressly agreed and understood that the total amount to be paid by COUNTY under this CONTRACT shall not exceed the total COUNTY funding as set forth in Attachment B-Compensation/Payment to SUBRECIPIENT attached hereto and incorporated herein by reference.

B. COUNTY will reclaim any unused balance of funds for reallocation to other COUNTY approved projects.

C. Payment of Project Activities:
   1. Payment of Project Activities: COUNTY will reimburse SUBRECIPIENT for eligible project-related costs only. SUBRECIPIENT shall submit requests for reimbursement to COUNTY on a monthly basis beginning on August 1, 2017, and must provide adequate documentation as required by COUNTY in accordance with the OC COMMUNITY RESOURCES CONTRACT REIMBURSEMENT POLICY, as set forth in Exhibit 2, attached hereto and incorporated herein by reference. In addition, SUBRECIPIENT will provide a progress performance report ("GPR INFORMATION FORM") for the time period covered, as prescribed by COUNTY. Failure to provide any of the required documentation and reporting will cause COUNTY to withhold all or a portion of a request for reimbursement, or return the entire reimbursement package to SUBRECIPIENT, until such documentation and reporting has been received and approved by COUNTY.
   2. If SUBRECIPIENT has no request for reimbursement during any quarter during the term of this CONTRACT, a GPR Information Form, including and explanation as to why no invoices were being processed, shall be required in lieu of a request for reimbursement.
   3. To be determined: To be developed with SUBRECIPIENT during contract

negotiation. The following "Required Expenditure Threshold" criteria have been established to guide the SUBRECIPIENT in structuring and scheduling their expenditure of funds received through this CONTRACT, through term of CONTRACT. The criteria thresholds are consistent with the criteria used by OC Community Resources to determine performance including, but not limited to, determinations of future award of funds, additional funding requests and/or determinations for the recapture of funding.

*<u>Milestone Date</u>	<u>Minimum Required Expenditure Threshold</u>
January 15th	50% of Contracted Amount Expended
March 15th	70% of Contracted Amount Expended
April 15th	80% of Contracted Amount Expended

4. SUBRECIPIENT will have forty-five (45) days following the expiration of the CONTRACT to submit outstanding invoices for reimbursement of eligible costs incurred during the CONTRACT period. After the forty-five (45) day period for submitting invoices has expired, COUNTY shall reallocate the remaining balance under this CONTRACT for other program purposes and SUBRECIPIENT shall be ineligible for any further reimbursement.

D. Funds shall not be disbursed for any costs incurred prior to the certification by COUNTY and HUD of Certificate(s) of Insurance as further defined in Paragraph P "Insurance" of this CONTRACT.

E. Eligible costs related to services provided by SUBRECIPIENT must be incurred during the period beginning July 1, 2017. The Project shall be completed and all funds provided through this CONTRACT shall be expended on eligible Project activities through and including June 30, 2018.

   a. Housing Rehabilitation CONTRACTS and Public Facilities & Improvements CONTRACTS.

      i. SUBRECIPIENT may be eligible to request additional funding up to the maximum set forth in the applicable FY 2017-18 Annual Action Plan if *SUBRECIPIENT* meets or exceeds any one of the Minimum Required Expenditure Thresholds at 50%, 70% or 80% on or prior to the milestone date as set forth in Paragraph 37.C.3.

      ii. If additional funding is available for allocation to SUBRECIPIENT, SUBRECIPIENT and COUNTY shall first amend the *SUBRECIPIENT SCOPE OF SERVICES* component of this CONTRACT. Furthermore, SUBRECIPIENT shall demonstrate, to the satisfaction of COUNTY that the required Performance Expenditure and Accomplishment Thresholds set forth in Paragraph 42.C will continue to be met before such extension and additional allocation shall be granted.

      iii. CONTRACT Extension (No Cost Extension)

         1. The term of this CONTRACT and the provisions herein may be extended to cover an additional time period as specified herein.

         2. The date for PROJECT completion and expenditure of all funds may be extended by the DIRECTOR without further action by the BOARD for a period not to exceed six (6) months from June 30, 2018. SUBRECIPIENT must notify the DIRECTOR in writing 45

days prior to June 30, 2018, if they are requesting an extension. For all extensions, the deadline for submittal of invoices shall be forty-five (45) days after the new expiration date.

3. CONTRACT extension provisions are not applicable to PROGRAM ADMINISTRATION activities.

b. Housing Rehabilitation CONTRACTS and Public Services CONTRACTS may not be renewed.

38. Modification of Budget:

Upon written approval of COUNTY shall have the authority to transfer allocated program funds from one category of the overall program BUDGET to any other category of the overall BUDGET. No such transfer may be made without the express prior written approval of COUNTY. A modification of the BUDGET may include the addition of any new BUDGET category.

39. Annual Audit:

If SUBRECIPIENT expends Federal funds in a fiscal year which equal or exceed $750,000 (seven hundred fifty thousand dollars) as specified in OMB Circular A-133-Revised, 2 CFR Part 200.500- Subpart F-Audit Requirements SUBRECIPIENT shall cause an audit to be prepared by a Certified Public Accountant (CPA) who is a member in good standing with the American Institute of Certified Public Accountants (AICPA) of the California Society of CPA's. The audit must be performed annually in accordance with Generally Accepted Auditing Standards (GAAS) authorized by the AICPA and Federal laws and regulations governing the programs in which it participates.

Furthermore, COUNTY retains the authority to require SUBRECIPIENT to submit similarly prepared audit at SUBRECIPIENT's expense even in instances when SUBRECIPIENT's expenditure is less than $750,000. SUBRECIPIENT will be required to identify corrective action taken in response to any findings identified by CPA related to their funded activity or program. SUBRECIPIENT will ensure an annual financial audit is performed in compliance with the Federal Single Audit Act and will submit two (2) copies of such audit report, including a copy of the management letter, to COUNTY within six (6) months of the end of each CONTRACT year in which SUBRECIPIENT has received federal funding (i.e., July 1 – June 30). Failure to meet this requirement may result in COUNTY denying reimbursement of funds to SUBRECIPIENT, as well as future funding qualification. SUBRECIPIENTS, which are exempt from statutory audit requirements, shall maintain records, which are available for review by COUNTY or Federal officials. SUBRECIPIENT acknowledges that any and all "Financial Statements" submitted to COUNTY pursuant to this COUNTY become Public Records and are subject to public inspection pursuant to Sec. 6250 et seq. of the California Government.

40. DUNS Number and Related Information:

DUNS Number: A unique, non-indicative 9-digit identifier issued and maintained by the Dun & Bradstreet (D&B) that verifies the existence of a business entity. The DUNS number is needed to coordinate with the System for Award Management (SAM) that combines federal procurement systems and the Catalog of Federal Domestic Assistance into one new system. https://www.SAM.gov

The DUNS Number must be provided to COUNTY prior to the execution of this CONTRACT. SUBRECIPIENT shall ensure all DUNS information is up to date and the DUNS number status is "active," prior to execution of this CONTRACT. If COUNTY cannot access the SUBRECIPIENT's DUNS information related to this federal sub award on the Federal Funding Accountability and Transparency Act Sub award Reporting System (SAM.GOV) due to errors in the SUBRECIPIENT's data entry for its DUNS number, the SUBRECIPIENT must immediately update the information as required.

41. Program Income:

A. SUBRECIPIENT shall comply with regulations, as well as all applicable State or COUNTY regulations concerning the reporting and payment procedures for program income.

B. Definition: Program income means, as provided by 24 CFR § 570.504, gross income received by the SUBRECIPIENT directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period.

C. Use. The SUBRECIPIENT shall use all income received from said funds only for the same purposes for which said funds may be expended pursuant to the terms and conditions of this CONTRACT.

D. All Program Income accrued shall be returned to COUNTY on a quarterly basis prior to SUBRECIPIENT receiving any reimbursement from grant funds provided under this CONTRACT.

E. SUBRECIPIENT shall provide information of the receipt of Program Income by SUBRECIPIENT related to Program on all GPR INFORMATION FORMS submitted with requests for reimbursement.

F. SUBRECIPIENT shall complete and submit a Year-End Program Income letter, indicating amount of Program Income and include any reimbursement remittance necessitated therein, by July 15, after the close of the CONTRACT fiscal year.

42. Performance:

A. SUBRECIPIENT shall provide the oversight, administration, and project management necessary to accomplish all contracted activities in a timely manner. SUBRECIPIENT also agrees to comply with all applicable Federal, State, and local laws and regulations governing the funds provided under this CONTRACT.

B. SUBRECIPIENT shall comply with all applicable HUD regulations, as described in Paragraph 45 "Federal Administrative and Related Requirements" of this CONTRACT, concerning administrative requirements and maintain records as to services provided and total number of persons served through the project, including but not limited to, population-served analysis (i.e., extremely-low income persons, very-low income persons, and low-income persons as defined by HUD). Such information shall be available for periodic monitoring by representatives of COUNTY or HUD and shall be submitted by SUBRECIPIENT in report form to COUNTY by dates specified by COUNTY.

C. The following "Performance Threshold" criteria shall be used to assess the level of performance of the SUBRECIPIENT, including Attachment A — Scope of Services, attached hereto and incorporated herein by reference. Furthermore, the criteria will be considered by OC Community Resources when determining future funding. In order to be considered in compliance with the performance threshold criteria, the SUBRECIPIENT must, on or before the required milestone date, submit to OC Community Resources a request for reimbursement which demonstrates that SUBRECIPIENT has expended funds and met their proposed accomplishment goals at the required levels, unless exempted in writing by the COUNTY.

Milestone Date	*Minimum Required Expenditure Threshold*
January 15th	50% of Contracted Amount Expended 50% of Proposed Accomplishments Met
March 15th	70% of Contracted Amount Expended 70% of Proposed Accomplishments Met
April 15th	80% of Contracted Amount Expended 80% of Proposed Accomplishments Met

Failure to achieve at least the aforementioned 50% drawdown, without written exception approved by the DIRECTOR, may cause any remaining balance in this CONTRACT to be reclaimed by COUNTY, and will negatively affect future funding to SUBRECIPIENT. Failure to achieve the aforementioned 80% drawdown goal, without written exception approved by the DIRECTOR, may cause any remaining balance in this CONTRACT to be reclaimed by COUNTY, and will impact future funding to SUBRECIPIENT.

D. SUBRECIPIENT shall complete and submit a Year End GPR INFORMATION FORM by July 15, after the close of the CONTRACT fiscal year.

E. Should the activity being funded through this CONTRACT be completed, cancelled or terminated prior to the termination date set forth herein in this Paragraph 42 "Performance." Additional Terms and Conditions, SUBRECIPIENT shall complete and submit a Mid-Year GPR INFORMATION FORM at the time of the completion, cancellation or termination. Said GPR INFORMATION FORM shall consist of a cumulative reporting of project-related expenditures and accomplishments relative to the *Scope of Services,* as set forth in Attachment A, attached hereto and incorporated herein by reference. If activity funded through this CONTRACT is completed, or if funds allocated through this CONTRACT are fully expended, prior to end of CONTRACT term, SUBRECIPIENT must continue to serve its clients for the entire term of this CONTRACT.

F. SUBRECIPIENT shall complete and submit a GPR INFORMATION FORM in support of all requests for reimbursement. Said GPR INFORMATION FORM shall consist of a cumulative report of project related accomplishments as set forth in Attachment A - Scope of Services, attached hereto and incorporated herein by reference, for the subject quarter. If at any time during the term of this CONTRACT SUBRECIPIENT has no activity occur during any quarter, SUBRECIPIENT shall prepare and submit to COUNTY a Quarterly GPR INFORMATION FORM, regardless of actual activity.

G. SUBRECIPIENT acknowledges that the GPR INFORMATION FORM is a monitoring tool that will be reviewed and evaluated to determine SUBRECIPIENT's level of performance relative to this CONTRACT.

H. SUBRECIPIENT shall submit all requested data necessary to complete the Consolidated Annual Performance and Evaluation Report (CAPER), and monitor program accountability and progress in accordance with HUD requirements, in the format and at the time designated by COUNTY.

43. Performance Monitoring:

A. Performance Monitoring of SUBRECIPIENT by COUNTY, State of California and/or HUD shall consist of requested and/or required written reporting, as well as onsite monitoring by COUNTY, State of California or HUD representatives.

B. COUNTY shall periodically evaluate SUBRECIPIENT's progress in complying with the terms of this CONTRACT. SUBRECIPIENT shall cooperate fully during such monitoring. COUNTY shall report the findings of each monitoring to SUBRECIPIENT.

C. COUNTY shall monitor the performance of SUBRECIPIENT against the goals, outcomes, milestones and performance standards required herein. Substandard performance, as determined by COUNTY, will constitute non-compliance with this CONTRACT for which COUNTY may immediately terminate the CONTRACT. If action to correct such substandard performance is not taken by SUBRECIPIENT within the time period specified by COUNTY, payment(s) will be denied in accordance with the provisions contained in this Paragraph 43 of this CONTRACT.

44. Substantial Amendments:

A. If any amendment results in a change in the funding amount, that does not trigger a SUBSTANTIAL AMENDMENT, as defined, SUBRECIPIENT SCOPE OF SERVICES, threshold and milestone dates or schedule of activities to be undertaken as part of this CONTRACT, such modifications will be incorporated only by written amendment executed by Director and SUBRECIPIENT.

B. In an effort to efficiently utilize CDBG funds within timeframes required by HUD, the COUNTY will consider the reprogramming of unspent CDBG balances from completed and cancelled CDBG-funded activities to other eligible activities as a "Non-Substantial Amendment". In the event that any of these "administrative" reprogramming actions fall under the "Substantial Amendment" criteria, the proposed actions to the Citizen Participation process, requires formal action by the Board of Supervisors, and subsequent approval by HUD.

45. Federal Administrative and Related Requirements:

SUBRECIPIENT must comply with all federal requirements as it pertains for 24 CFR Parts 91 and 570. SUBRECIPIENT acknowledges that administration of its operation and services are subject to the requirements as established in 2 CFR Part 200, et al. SUBRECIPIENT shall procure all materials, property, or services in accordance with the requirements of 2 CFR § 200.318-326.

A. **Financial Management:**

1. <u>Accounting Standards:</u>

SUBRECIPIENT agrees to comply with 24 CFR 84.21-28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles:

The SUBRECIPIENT shall administer its program in conformance with 2 CFR Part 200, et al; OMB Circulars A-122, “Cost Principles for Non-Profit Organizations,” or A-21, “Cost Principles for Educational Institutions,” or A-87, “Cost Principles for State and Local Governments” (and if SUBRECIPIENT is a governmental or quasi-governmental agency, the applicable sections of 24 CFR 85, “Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments,”) as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

B. **Documentation and Record Keeping**

1. Records to be Maintained:

SUBRECIPIENT shall maintain all records required by the Federal regulations specified in 24 CFR 576.506 that are pertinent to the activities to be funded under this CONTRACT. Such records shall include, but not be limited to:

a. Records providing a full description of each activity undertaken;
b. Records demonstrating that each activity undertaken meets the one of the National Objectives of the CDBG program;
c. Records required to determine the eligibility of activities;
d. Records required to document the acquisition, improvement, use, or disposition of real property acquired or improved with CDBG assistance;
e. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;

f. Financial records as required by federal regulations 24 CFR 570.502, and 24 CFR 84.21-28;
g. Other records necessary to document compliance with Subpart K of 23 CFR.

2. **Retention:**
SUBRECIPIENT shall retain all financial records, supporting documents, statistical records, and all other records pertinent to this CONTRACT for a period of five (5) years. The retention period begins on the date of the submission of the COUNTY’s annual performance and evaluation report to HUD in which the activities assisted under the CONTRACT are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the five year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the five-year period, whichever occurs later.

3. **Client Data**
a. SUBRECIPIENT shall maintain client data demonstrating client eligibility for services provided for a period of five (5) years after the termination of

all activities funded under this CONTRACT, or after the resolution of all Federal audit finding, whichever occurs later. Such data shall be consistent and include, but not limited to, client name, address, verifiable income level (as documented by income tax returns, employee payroll records, retirement statements, etc. or other third party documentation acceptable to COUNTY, for determining eligibility), and description of service provided. Such information shall be made available to HUD representatives, COUNTY monitors, or their designees, for review upon request.

b. SUBRECIPIENT shall develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the subject program, including protection against the release of the address or location of any family violence shelter project, except with the written authorization of the person responsible for the operation of that shelter.

4. <u>Disclosure</u>
SUBRECIPIENT shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to COUNTY monitors or their designees for review upon request.

5. <u>Close-Outs</u>
SUBRECIPIENT's obligation to COUNTY shall not end until all close-out requirements are completed. Activities during this close-out period shall be completed in accordance with federal and State regulations and shall include, but are not limited to: making final payments; submitting final invoice(s), report(s), in accordance with the requirements of Paragraph 45, and documentation; disposing of program assets (including the return to COUNTY of all unused materials and equipment); remitting any program income balances and accounts receivable to COUNTY, and determining the custodianship of records. Not withstanding the foregoing, the terms of this CONTRACT shall remain in effect during any period that the SUBRECIPIENT has control over CDBG funds, including Program Income.

C. **<u>Personnel & Participation Conditions</u>**

1. **Civil Rights**
Compliance
SUBRECIPIENT agrees to comply with California Civil Rights Act Ordinances and Title VI of the Civil Rights Act of 1964, as amended, Title VIII of the Civil Rights Act of 1968, as amended, Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974, as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and with Executive Order 11246, as amended by Executive Orders 11375, 11478, 12107 and 12086.

2. **Nondiscrimination in Employment and Contracting**

SUBRECIPIENT agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279, including 24 CFR Part 8, 24 CFR 570.602 and Section 504 of Rehabilitation Act of 1973, Americans with Disabilities Act of 1990, Executive Order 11063. The applicable non-discrimination provisions in Section 109 of the Housing and Community Development Act (HCDA) are still applicable.

3. **Affirmative Action:**
SUBRECIPIENT agrees that it shall be committed to carry out an Affirmative Action Program that encompasses that principals provided in President's Executive Order 11246, as revised on January 4, 2002.

4. **Americans with Disabilities Act:**
SUBRECIPIENT agrees to comply with Section 504 of the Rehabilitation Act of 1973 as amended; Title VI and VII of the Civil Rights Act of 1964 as amended; Americans with Disabilities Act, 42 USC 12101; California Code of Regulations, Title 2, Title 22: California Government Code, Sections 11135, et seq; and other federal and state laws and executive orders prohibit discrimination. All programs, activities, employment opportunities, and services must be made available to all persons, including persons with disabilities.

5. **Drug-Free Workplace**:
The SUBRECIPIENT hereby certifies compliance with Government Code Section 8355 in matters relating to providing a drug-free workplace as set forth in Exhibit 3, attached hereto and incorporated herein by reference. The SUBRECIPIENT will:
    a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355(a).
    b. Establish a drug-free awareness program as required by Government Code Section 8355(b) to inform employees about all of the following:
        i. The dangers of drug abuse in the workplace;
        ii. The SUBRECIPIENT's policy of maintaining a drug free workplace;
        iii. Any available counseling, rehabilitation, and employee assistance programs; and
        iv. Penalties that may be imposed upon employees for drug abuse violations.
    c. Provide as required by Government Code Section 8355(c) that every employee who works under this CONTRACT:
        i. Will receive a copy of the company's drug-free policy statement; and
        ii. Will agree to abide by the terms of the company's statement as a condition of employment under this CONTRACT.

Failure to comply with these requirements may result in suspension of payments under the contract or termination of the contract or both, and the SUBRECIPIENT may be ineligible for award of any future COUNTY contracts if the COUNTY determines that any of the following has occurred:
        iii. The SUBRECIPIENT has made false certification, or
        iv. The SUBRECIPIENT violates the certification by failing to carry out the requirements as noted above.

6. **Anti-Lobbying:**

SUBRECIPIENT certifies that it will comply with federal law (31 U.S.C. 1352) and regulations found at 24 CFR Part 87, which provide that:

a. No Federal appropriated funds will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of congress, or an employee of a Member of Congress in connection with the awarding of any Federal CONTRACT, the making of any Federal grant, the making of any Federal loan, the entering into of any Cooperative Agreement, and the extension, continuation, renewal, amendment, or modification of any Federal CONTRACT, grant, loan, or Cooperative Agreement; and

b. SUBRECIPIENT will complete and submit Standard Form-LLL "Disclosure of Lobbying Activities," if any funds other than Federal appropriated funds have been paid, in accordance with its instructions; and

c. SUBRECIPIENT shall include subject anti-lobbying certification in award documents for all sub-SUBRECIPIENTs at all tiers (including sub-subcontracts, sub-subgrants, and CONTRACT under grants, loans, and Cooperative Agreements) and that all sub-SUBRECIPIENTs shall certify and disclose accordingly.

7. **Employment Restrictions:**

a. **Prohibited Activity:**
SUBRECIPIENT is prohibited from using funds provided herein, or personnel employed in the administration of the program, for: political activities, sectarian or religious activities, lobbying, political patronage, and nepotism activities.

b. **OSHA:**
Where employees are engaged in activities not covered under the Occupational Safety and Health Act of 1970, they shall not be required or permitted to work, be trained, or receive services in buildings or surroundings or under working conditions which are unsanitary, hazardous or dangerous to the participants' health or safety.

c. **Employee Rights**

i. **Federal Minimum Wage**
SUBRECIPIENT must follow the Fair Labor Standards Act (FLSA), as it currently exists and it may be amended, which sets basic minimum wage and overtime pay standards. These standards are enforced by The United States Department of Wage and Hour Division under Department's Wage and Hour Division. The Federal minimum wage provisions are contained in the FLSA. Many states also have minimum wage laws. In cases where an employee is subject to both state and federal minimum wage laws, the employee is entitled to the higher minimum wage.

d. **California Minimum Wage**

i. SUBRECIPIENT must follow the California enacted legislation signed by the Governor of California, raising the minimum wage for all industries (MW-2007). (AB 1835, CH230, Stats of 2006, adding sections 1182.12 and 1182.13 to the California Labor Code.) Pursuant to its authority under Labor Code section 1182.13, the Department of Industrial Relations amends and republishes Sections, 1, 2, 3, and 5 of the General Minimum Wage Order. MW-

2001, Section 4, Separability, has not been changed. Consistent with this enactment, amendments are made to the minimum wage, and the meals and lodging credits sections of all of the IWC's industry and occupation orders. This summary must be made available to employees in accordance with the IWC's wage orders. Copies of the full text of the amended wage orders may be obtained by ordering on-line at www.dir.ca.gov/WP.asp or by contacting your local Division of Labor Standards Enforcement office.

e. **Hatch Act:**
SUBRECIPIENT agrees that no funds provided, nor personnel employed under this CONTRACT, shall be in any way or to any extent engaged in the conduct of political activities in violation of the Hatch Act, 5 U.S.C. Section 1501 et seq. and Chapter 15 of Title V of the U.S.C.

f. **Religious Organization/Activities:**
In accordance with 24 CFR 570.200(j), SUBRECIPIENT shall not discriminate against faith-based organizations in administering its federal HUD activities. SUBRECIPIENT agrees that funds provided under this CONTRACT will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization or to promote religious interest, or for the benefit of a religious organization.

8. **Labor Standards**

a. SUBRECIPIENT agrees to contact COUNTY no less than fourteen (14) days prior to the Pre-Construction Meeting date to seek consultation regarding application of requirements per federal labor standards regulations or Davis-Bacon related Acts.

b. SUBRECIPIENT will comply with Davis-Bacon Act and/or State Prevailing Wage requirements, when applicable.

c. SUBRECIPIENT agrees to comply with all applicable requirements of the Secretary of Labor in accordance with the Davis-Bacon Act, the provisions of CONTRACT work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act (40 U.S.C. 276, 327-333), and all other applicable Federal, State and local laws and regulations pertaining to labor standards. SUBRECIPIENT shall maintain all applicable documentation, which demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to COUNTY for review upon request.

d. SUBRECIPIENT agrees that, except with respect to the rehabilitation or construction of residential property designed for residential use for less than eight (8) units, all SUBRECIPIENTS engaged in contracts of $2,000.00 or more for construction, renovation or repair of any building or work financed in whole or in part with assistance provided under this CONTRACT, shall comply with all applicable federal requirements including Department of Labor regulations, under 29 CFR, Parts 3, 1, 5, 7 and 1926 governing the payment of wages and ratio of apprentices and trainees to journeymen. Nothing hereunder is intended to relieve

e. SUBRECIPIENT of its obligation, if any, to require payment of the higher rate under state or local laws SUBRECIPIENT shall insert provisions meeting the requirements of this Paragraph in all such CONTRACTS.

In case where the Davis-Bacon Act applies, SUBRECIPIENT agrees to submit the Construction Bid Package for this project to COUNTY for modification, SUBRECIPIENT shall construct project in accordance with the approved Construction Bid Package.

9. **California Labor Code Compliance**

a. Prevailing Wage laws apply, SUBRECIPIENT hereby agrees to pay, or cause its subcontractors to pay, Prevailing Wage rates at all times for all construction, improvements, or modifications to be completed for COUNTY under this CONTRACT. SUBRECIPIENT herein agrees that SUBRECIPIENT shall post, or cause to be posted, a copy of the most current, applicable Prevailing Wage rates at the site where the construction, improvements, or modifications are performed.

b. Payroll Records

SUBRECIPIENT agrees that:

Certified copies of all payroll records for this project shall be required pursuant to the provisions of California Labor Code “Section 1776”. The reporting format and words of certification shall be as indicated in Title 8 of the California Code of Regulations, Section 16401.

Certified copies of the payroll records of all subcontractors working on this project are required. It shall be the responsibility of the prime contractor to ensure subcontractor compliance.

Certified copies of all payroll records shall be submitted on a weekly basis to COUNTY through the duration of this CONTRACT.

SUBRECIPIENT acknowledges that failure to comply with Section 1776 may result in a forfeiture of twenty-five dollars ($25) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated, and it should be recognized that a contractor or subcontractor, or agent or representative thereof who neglects to comply is guilty of a misdemeanor pursuant to California Labor Code Section 1777.

10. **Economic Opportunities**

Compliance

SUBRECIPIENT agrees to abide by the provisions of OMB Circulars 102 and 110, as applicable, 24 CFR 570.611 with respect to conflicts of interest, and covenants that it presently has no financial interest and shall not acquire any financial interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this CONTRACT.

SUBRECIPIENT further covenants that in the performance of this CONTRACT no person having such a financial interest shall be employed or retained by SUBRECIPIENT hereunder. These conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of COUNTY or SUBRECIPIENT, or any designated public agencies which are receiving funds under the CDBG Entitlement Program.

This CONTRACT is subject to the requirements of 12 USC 1701u, the HUD regulations issued pursuant thereto at 24 CFR, 135.1 et seq., and any applicable rules and orders of HUD issued Federal financial assistance shall be conditioned upon compliance with 12 USC 1701u. Failure to fulfill these requirements shall subject SUBRECIPIENT and any sub-subrecipients, their successors and assigns, to those remedies specified herein. SUBRECIPIENT certifies and agrees that no conflict exists which would prevent compliance with requirements.

The SUBRECIPIENT agrees to abide by 24 CFR, 135.38, below and will insert the following clause in any subcontracts executed with third parties for work covered by this CONTRACT:
"The work to be performed under this CONTRACT is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing. The PARTIES to this CONTRACT agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this CONTRACT, the PARTIES to this CONTRACT certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

The SUBRECIPIENT *agree to send to each labor organization or representative of workers with which the* SUBRECIPIENT *has a collective bargaining agreement or other understanding if any, a notice advising the labor organization or workers' representative of the* SUBRECIPIENT*'s commitments under this section clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.*

The SUBRECIPIENT *agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The* SUBRECIPIENT *will not subcontract with any subcontractor where the* SUBRECIPIENT *has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.*

The SUBRECIPIENT *will certify that any vacant employment positions, including training positions, that are filled (1) after the* SUBRECIPIENT *is selected but before the CONTRACT is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the* SUBRECIPIENT*'s obligations under 24 CFR part 135.*

Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts. With respect to work performed in connection *with Section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extend feasible (1) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of CONTRACTS and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. PARTIES to this CONTRACT that are subject to the provisions of Section 3 and section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b)."*

11. **Environmental Conditions:**

SUBRECIPIENT shall comply with HUD Environmental Review under HUD regulations at 24 CFR 58 et seq., which implement the National Environmental Policy Act (NEPA); and, the California Environmental Quality Act (CEQA). No costs shall be incurred and no funds shall be disbursed prior to certification by COUNTY and/or HUD of environmental compliance.
SUBRECIPIENT shall incur no costs for any project-related activity defined in SUBRECIPENT SCOPE OF SERVICES and COUNTY shall not disburse funds prior to certification by COUNTY and/or HUD for environmental compliance.
SUBRECIPIENT shall provide requested material to COUNTY for the Environmental Review process required by applicable regulations.

a. **Air and Water:**
SUBRECIPIENT agrees to comply with the following regulations in so far as they apply to the performance of this CONTRACT:
Clean Air Act, 42 U.S.C., 1857, et seq.
Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251, et seq.
Environmental Protection Agency (EPA) regulations pursuant to 40 CFR 50 and 40 CFR 58.

b. **Flood Disaster Protection:**
SUBRECIPIENT agrees to comply with the requirements of the Flood Disaster Protection Act of 1973, including as applicable any regulations set forth in 24 CFR 55, (implementing Executive Order 11988) in regard to the sale, lease or other transfer of land acquired, cleared, or improved under the terms of this CONTRACT, as it may apply to the provisions of this CONTRACT.

c. **Lead-Based Paint:**
SUBRECIPIENT agrees that any construction or rehabilitation of residential structures with assistance provided under this CONTRACT shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR 35, particularly, 24 CFR 35.100 through 35.175. Such regulations pertain to all HUD-assisted housing and require that all owners, prospective owners, and tenants or properties constructed prior to 1978 be properly notified with the "Protect Your Family From Lead In Your Home" publication, found at http://www.epa.gov/lead that such properties may include lead-based paint.

d. **Historic Preservation:**
SUBRECIPIENT agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR 800, Protection of Historic Properties, insofar as they apply to the performance

of this CONTRACT.
In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a Federal, State, or local historic property list.

e. **Energy Efficiency Standards:**
SUBRECIPIENT agrees to comply with the California Energy Commission Assembly Bill 970, Title 24, Part I of the California Code of Regulations (AB970: Building Efficiency Energy Standards), in regard to construction and property development, when applicable.

f. **Modifications/Transfers of Real Property:**
Any proposed modification or change in use of real property acquired or improved, in whole or in part, by CDBG funds from the use planned at the time of the acquisition or improvement, including disposition, is prohibited.

i. SUBRECIPIENT shall ensure that any real property under SUBRECIPIENT's control that was acquired or improved in whole or in part with CDBG funds in excess of $25,000 is either:

i.i. Used to meet one of the national objectives contained in 24 CFR 570.208 for a period not less than five years, or for such period of time as determined to be appropriate by COUNTY, after expiration of the CONTRACT and close-out of SUBRECIPIENT's participation in the CDBG Program, or, until five years after the close-out of the grant from which the assistance to the property, whichever occurs first; or,

i.ii. Disposed of in a manner which results in COUNTY being reimbursed in an amount equal to the current fair market value of the property less any portion thereof attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Such reimbursement is not required after the period of time specified in accordance with Paragraph 45.C.6.a.i above.

g. **Property Records:**
SUBRECIPIENT shall maintain real property inventory records, which clearly identify properties purchased, improved, or sold. Properties retained shall continue to meet eligibility criteria, rental limitations, health, safety and building codes, etc., and shall conform to federal and State regulations.

h. **Equipment:**
SUBRECIPIENT shall use, manage and dispose of equipment in accordance with federal and State regulations.

i. **Subcontracts:**

i. SUBRECIPIENT shall submit all subcontract agreements to COUNTY for review and consent prior to entering into such subcontracts. For construction subcontracts, SUBRECIPIENT shall submit the Construction Bid Package to COUNTY for review and written approval by DIRECTOR or designee prior to advertising for bids and award for the construction contract. SUBRECIPIENT shall construct Project in accordance with the Construction Bid Package, which DIRECTOR approved, unless prior written approval is received from DIRECTOR for modification thereof.

ii. SUBRECIPIENT shall assume responsibility for all subcontracted services to assure CONTRACT compliance.

iii. SUBRECIPIENT shall cause all of the provisions of this CONTRACT in entirety to be included in and made a part of any subcontract executed in the performance of this CONTRACT.

iv. SUBRECIPIENT shall monitor all subcontracted services on a quarterly basis to assure CONTRACT compliance. Results of said monitoring efforts shall be summarized in written form, and supported with documented evidence of follow-up actions(s) to correct any area(s) of CONTRACT non-compliance. Documentation shall be made available for periodic monitoring by representatives of COUNTY and/or HUD.

j. **Fair Housing:**
SUBRECIPIENT shall affirmatively further fair housing in accordance with 24 CFR 576. Under section 808(e)(5) of the Fair Housing Act, HUD has a statutory duty to affirmatively further fair housing. HUD requires the same of its funded sub-recipients. The SUBRECIPIENT has a duty to affirmatively further fair housing opportunities for classes protected under the Fair Housing Act, along with all applicable State & Federal requirements.

k. **Grantor Recognition:**
SUBRECIPIENT shall insure recognition of the role of the COUNTY in providing services through this CONTRACT. All activities, facilities and items utilized pursuant to this CONTRACT shall be prominently labeled as to funding source. In addition, SUBRECIPIENT will include a reference to the support provided herein in all publications made possible with funds made available under this CONTRACT. SUBRECIPIENT will retain documentation of such recognition, which shall be available for periodic monitoring by representatives of COUNTY or HUD.

l. **Rehabilitation Act:**
SUBRECIPIENT agrees to comply with any federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. 706) which prohibits discrimination against the handicapped in any federally assisted program. COUNTY shall provide SUBRECIPIENT with any guidelines necessary for compliance with that portion of the regulations in force during the term of this CONTRACT.

46. DEFINITIONS:

For the purposes of this CONTRACT the following definitions shall apply:

A. HUD: United States Department of Housing and Urban Development.

B. OC COMMUNITY RESOURCES (OCCR): Designated as the Lead for the development and implementation of County of Orange Urban County Program's Consolidated Plan.

C. DIRECTOR: DIRECTOR of OC Community Resources, or designee.

D. PROGRAM INCOME: The gross income received by SUBRECIPIENT directly generated from the use of the subject program funds.

E. GRANTEE PERFORMANCE REPORT (GPR) INFORMATION FORM: A PROGRAM activity data document provided by COUNTY to SUBRECIPIENT used to monitor and track the performance of SUBRECIPIENT.

F. OC COMMUNITY RESOURCES CONTRACT REIMBURSEMENT POLICY: A COUNTY document setting policies regarding types of documentation required to support the costs incurred and paid (including but not limited to copies of paid invoices, certified payroll registers, bank statements, etc.)

G. PROJECT: Any site or sites, including buildings, and/or activities assisted with federal program funds.

H. OMB: Federal Office of Management and Budget.

I. CAPER: Consolidated Annual Performance and Evaluation Report. An annual published report to HUD and the public on all housing-related activities.

J. CDBG: 24 CFR Part 570 - Community Development Block Grant – the CDBG regulations set forth eligible activities and the national objectives that each activity must meet. The Catalog of Federal Domestic Assistance (CFDA) # 14.218 distributes formula grants (CDBG) to develop viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities, principally for persons of low and moderate income.

K. CONTINUUM OF CARE: An Orange County group composed of representatives of relevant organizations that serve homeless and formerly homeless persons that are organized to plan for and provide, as necessary, a system of services to address the various needs of homeless persons and persons at risk of homelessness.

L. HOMELESS MANAGEMENT INFORMATION SYSTEM (HMIS): The information system designated by the Continuum of Care to comply with HUD's data collection, management, and reporting standards and used to collect client-level data and data on the provision of housing and services to homeless individuals and families and persons at risk of homelessness. (24 CFR Part 580)

M. EQUIPMENT: Tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit.

N. SUBSTANTIAL AMENDMENT: The following criteria will be used by the COUNTY – if any one criteria applies, a substantial amendment will be required:

   i. A new activity not previously listed and described in the Consolidated Plan/Annual Action Plan;
   ii. When a proposal is made to amend the description of an existing activity in such a way that the newly described purpose, scope, or beneficiaries differ significantly from the original activity's purpose, scope, or beneficiaries; and/or
   iii. An increase in the amount of Federal Community Planning Development and/or local funds allocated to an existing activity when the following apply:
      a. An increase in funding for a public service activity in an amount greater than a 50% increase over the current funded amount; or
      b. An increase in the funding for public facility improvements/housing rehabilitation in an amount greater than a 50% increase over the current funded amount.

O. CONSTRUCTION BID PACKAGE: A package of bidding documents which includes the proposal, bidding instructions, CONTRACT documents, detailed estimated costs, and plans and specifications for a construction project, all prepared in accordance with applicable Federal regulations.

P. PROGRAM ADMINISTRATION: An activity relating to the general management, oversight and coordination of community development programs. Costs directly related to carrying out eligible activities are not included.

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General Terms and Conditions:

A. **Governing Law and Venue**:

This CONTRACT has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this CONTRACT, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange COUNTY, California, and the PARTIES hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the PARTIES specifically agree to waive any and all rights to request that an action be transferred for trial to another COUNTY.

B. **Entire CONTRACT**:

This CONTRACT, including Attachments and Exhibits which are attached hereto and incorporated herein by this reference, when accepted by the SUBRECIPIENT either in writing or by the shipment of any article or other commencement of performance hereunder, contains the entire CONTRACT between the PARTIES with respect to the matters herein, and there are no restrictions, promises, warranties or undertakings other than those set forth herein or referred to herein. No exceptions, alternatives, substitutes or revisions are valid or binding on COUNTY unless authorized by COUNTY in writing. Electronic acceptance of any additional terms, conditions or supplemental CONTRACTs by any COUNTY employee or agent, including but not limited to installers of software, shall not be valid or binding on COUNTY unless accepted in writing by CONTRACT ADMINISTRATION.

C. **Amendments**:

No alteration or variation of the terms of this CONTRACT shall be valid unless made in writing and signed by the PARTIES; no oral understanding or agreement not incorporated herein shall be binding on either of the PARTIES; and no exceptions, alternatives, substitutes or revisions are valid or binding on COUNTY unless authorized by COUNTY in writing.

D. **Taxes**:

Unless otherwise provided herein or by law, price quoted does not include California state sales or use tax.

E. **Delivery:**

Time of delivery of services is of the essence in this CONTRACT. COUNTY reserves the right to refuse any services and to cancel all or any part of the descriptions or services that do not conform to the prescribed SCOPE OF SERVICES. Delivery shall not be deemed to be complete until all services have actually been received and accepted in writing by COUNTY.

F. **Acceptance/Payment**:

Unless otherwise agreed to in writing by the COUNTY, 1) acceptance shall not be deemed complete unless in writing and until all the services have actually been received to the satisfaction of COUNTY, and 2) payment shall be made in arrears after satisfactory acceptance.

G. **Warranty**:

SUBRECIPIENT expressly warrants that the services covered by this CONTRACT are fit for the particular purpose for which they are intended. Acceptance of this order shall constitute an agreement upon SUBRECIPIENT's part to indemnify, defend and hold COUNTY and its INDEMNITEES as identified in Paragraph HH below, and as more fully described in Paragraph

HH, harmless from liability, loss, damage and expense, including reasonable counsel fees, incurred or sustained by COUNTY by reason of the failure of the services to conform to such warranties, faulty work performance, negligent or unlawful acts, and non-compliance with any applicable state or federal codes, ordinances, orders, or statutes, including the Occupational Safety and Health Act (OSHA) and the California Industrial Safety Act. Such remedies shall be in addition to any other remedies provided by law.

H. **Patent/Copyright Materials/Proprietary Infringement**:

Unless otherwise expressly provided in this CONTRACT, SUBRECIPIENT shall be solely responsible for clearing the right to use any patented or copyrighted materials in the performance of this CONTRACT. SUBRECIPIENT warrants that any software as modified through services provided hereunder will not infringe upon or violate any patent, proprietary right, or trade secret right of any third party. SUBRECIPIENT agrees that, in accordance with the more specific requirement contained in Paragraph HH below, it shall indemnify, defend and hold COUNTY and COUNTY INDEMINITEES harmless from any and all such claims and be responsible for payment of all costs, damages, penalties and expenses related to or arising from such claim(s), including, but not limited to, attorney's fees, costs and expenses.

I. **Assignment or Sub-Contracting**:

The terms, covenants, and conditions contained herein shall apply to and bind the heirs, successors, executors, administrators and assigns of the PARTIES. Furthermore, neither the performance of this CONTRACT nor any portion thereof may be assigned or sub-contracted by SUBRECIPIENT without the express written consent of COUNTY. Any attempt by SUBRECIPIENT to assign or sub-contract the performance or any portion thereof of this CONTRACT without the express written consent of COUNTY shall be invalid and shall constitute a breach of this CONTRACT.

J. **Non-Discrimination**:

In the performance of this CONTRACT, SUBRECIPIENT agrees that it will comply with the requirements of Section 1735 of the California Labor Code and not engage nor permit any sub-SUBRECIPIENTs to engage in discrimination in employment of persons because of the race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or sex of such persons. SUBRECIPIENT acknowledges that a violation of this provision shall subject SUBRECIPIENT to all the penalties imposed for a violation of Section 1720 et seq. of the California Labor Code.

K. **Termination**:

In addition to any other remedies or rights it may have by law, COUNTY has the right to terminate this CONTRACT without penalty immediately with cause or after 30 days' written notice without cause, unless otherwise specified. Cause shall be defined as any breach of CONTRACT, any misrepresentation or fraud on the part of the SUBRECIPIENT. Exercise by COUNTY of its right to terminate the CONTRACT shall relieve COUNTY of all further obligations.

L. **Consent to Breach Not Waiver**:

No term or provision of this CONTRACT shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.

M. **Remedies Not Exclusive**:

The remedies for breach set forth in this CONTRACT are cumulative as to one another and as to any other provided by law, rather than exclusive; and the expression of certain remedies in this CONTRACT does not preclude resort by either party to any other remedies provided by law.

N. **Independent Contractor**:

SUBRECIPIENT shall be considered an independent contractor and neither SUBRECIPIENT nor its employees; nor anyone working under SUBRECIPIENT shall be considered an agent or an employee of COUNTY.

Neither SUBRECIPIENT nor its employees; nor anyone working under SUBRECIPIENT shall qualify for workers' compensation or other fringe benefits of any kind through COUNTY.

O. **Performance**:

SUBRECIPIENT shall perform all work under this CONTRACT, taking necessary steps and precautions to perform the work to COUNTY's satisfaction. SUBRECIPIENT shall be responsible for the professional quality, technical assurance, timely completion and coordination of all documentation and other services furnished by the SUBRECIPIENT under this CONTRACT. SUBRECIPIENT shall perform all work diligently, carefully, and in a good and workman-like manner; shall furnish all labor, supervision, machinery, equipment, materials, and supplies necessary therefore; shall at its sole expense obtain and maintain all permits and licenses required by public authorities, including those of COUNTY required in its governmental capacity, in connection with performance of the work; and, if permitted to sub-contract, shall be fully responsible for all work performed by sub-SUBRECIPIENTs.

P. **Insurance**:

<u>Insurance Provisions</u>

Prior to the provision of services under this CONTRACT, the SUBRECIPIENT agrees to purchase all required insurance at SUBRECIPIENT's expense, including all endorsements required herein, necessary to satisfy the COUNTY that the insurance provisions of this CONTRACT have been complied with. SUBRECIPIENT agrees to keep such insurance coverage, Certificates of Insurances, and endorsements on deposit with the COUNTY during the entire term of this CONTRACT. In addition, all subcontractors performing work on behalf of SUBRECIPIENT pursuant to this CONTRACT shall obtain insurance subject to the same terms and conditions as set forth herein for SUBRECIPIENT.

SUBRECIPIENT shall ensure that all subcontractors performing work on behalf of SUBRECIPIENT pursuant to this CONTRACT shall be covered under SUBRECIPIENT 's insurance as an Additional Insured or maintain insurance subject to the same terms and conditions as set forth herein for SUBRECIPIENT. SUBRECIPIENT shall not allow subcontractors to work if subcontractors have less than the level of coverage required by COUNTY from SUBRECIPIENT under this CONTRACT. It is the obligation of SUBRECIPIENT to provide notice of the insurance requirements to every subcontractor and to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of insurance must be maintained by SUBRECIPIENT through the entirety of this CONTRACT for inspection by COUNTY representative(s) at any reasonable time.

All self-insured retentions (SIRs) and deductibles shall be clearly stated on the Certificate of Insurance. Any self-insured retention (SIR) in an amount in excess of $50,000 (Fifty Thousand Dollars) shall specifically be approved by the COUNTY's Risk Manager or designee, upon review of CONTRACTOR'S current audited financial report. If SUBRECIPIENT's SIR is approved, SUBRECIPIENT, in addition to, and without limitation of, any other indemnity provision(s) in this CONTRACT, agrees to all of the following:

1. In addition to the duty of indemnify and hold the COUNTY harmless against any and all liability, claim, demand or suite resulting from CONTRACTOR's, its agents, employee's or subcontractor's performance of this CONTRACT, SUBRECIPIENT shall defend the COUNTY at its sole cost and expense with counsel approved by Board of Supervisors against same; and
2. SUBRECIPIENT's duty to defend, as stated above, shall be absolute and irrespective of any duty to indemnify or hold harmless; and
3. The provisions of California Civil Code Section 2860 shall apply to any and all actions to which the duty to defend stated above applies, and the SUBRECIPIENT's SIR provision shall be interpreted as thought the SUBRECIPIENT was an insurer and the COUNTY was the insured.

If the SUBRECIPIENT fails to maintain insurance acceptable to the COUNTY for the full term of this CONTRACT, the COUNTY may terminate this CONTRACT.

Qualified Insurer

The policy or policies of insurance must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the **Best's Key Rating Guide/Property-Casualty/United States or ambest.com).** It is preferred, but not mandatory, that the insurer be licensed to do business in the state of California (California Admitted Carrier).

If the insurance carrier does not have an A.M. Best rating of A-/VIII, the CEO/Office of Risk Management retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.

The policy or policies of insurance maintained by the SUBRECIPIENT shall provide the minimum limits and coverage as set forth below:

Coverage	**Minimum Limits**
Commercial General Liability	$1,000,000 per occurrence $2,000,000 aggregate
Automobile Liability including coverage for owned, non-owned, and hired vehicles	$1,000,000 per occurrence
Workers' Compensation	Statutory
Employers' Liability Insurance	$1,000,000 per occurrence
Network Security & Privacy Liability	$1,000,000 per claims made
Technology Errors & Omissions	$1,000,000 per claims-made $1,000,000 aggregate
Sexual Misconduct Liability	$1,000,000 per occurrence

Required Coverage Forms

The Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

The Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 0012, CA 00 20, or a substitute form providing coverage at least as broad.

Required Endorsements

The Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of insurance:

1) An Additional Insured endorsement using ISO form CG 20 26 04 13 or a form at least as broad naming the ***County of Orange, its elected and appointed officials, officers, agents and employees*** as Additional Insureds or provide blanket coverage, which will state ***AS REQUIRED BY WRITTEN CONTRACT***.
2) A primary non-contributing endorsement using ISO for CG 20 01 04 13, or a forma at least as broad evidencing that the SUBRECIPIENT's insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be excess and non-contributing.

The Network Security and Privacy Liability policy shall contain the following endorsements which shall accompany the Certificate of Insurance:

1). An Additional Insured endorsement naming the ***County of Orange, its elected and appointed officials, officers, agents and employees*** as Additional Insureds for its vicarious liability.

2). A primary and non-contributing endorsement evidencing that the SUBRECIPIENT'S insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be excess and non-contributing.

The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against the ***County of Orange, its elected and appointed officials, officers, agents and employees*** or provide blanket coverage, which will state **AS REQUIRED BY WRITTEN CONTRACT.**

All insurance policies required by this CONTRACT shall waive all rights of subrogation against the County of Orange, its elected and appointed officials, officers, agents and employees when acting within the scope of their appointment or employment.

SUBRECIPIENT shall notify COUNTY in writing within thirty (30) days of any policy cancellation and ten (10) days for non-payment of premium and provide a copy of the cancellation notice to COUNTY. Failure to provide written notice of cancellation may constitute a material breach of the CONTRACT, upon which the COUNTY may suspend or terminate this CONTRACT.

If SUBRECIPIENT's Technology Errors & Omissions and/or Network Security & Privacy Liability are "Claims-Made" policy(ies), SUBRECIPIENT shall agree to maintain coverage for two (2) years following the completion of the CONTRACT.

The Commercial General Liability policy shall contain a severability of interests clause also known as a "separation of insureds" clause (standard in the ISO CG 0001 policy).

Insurance certificates should be forwarded to the agency/department addressed for the Project Manager listed in Paragraph 21, “Notices” in this CONTRACT.

COUNTY expressly retains the right to require SUBRECIPIENT to increase or decrease insurance of any of the above insurance types throughout the term of this CONTRACT. Any increase or decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately protect COUNTY.

COUNTY shall notify SUBRECIPIENT in writing of changes in the insurance requirements. If SUBRECIPIENT does not deposit copies of acceptable Certificates of Insurance and endorsements with COUNTY incorporating such changes within thirty (30) days of receipt of such notice, this CONTRACT may be in breach without further notice to SUBRECIPIENT, and COUNTY shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit SUBRECIPIENT's liability hereunder nor to fulfill the indemnification provisions and requirements of this CONTRACT, nor act in any way to reduce the policy coverage and limits available from the insurer.

Q. **Bills and Liens**:

SUBRECIPIENT shall pay promptly all indebtedness for labor, materials, and equipment used in performance of the work. SUBRECIPIENT shall not permit any lien or charge to attach to the work or the premises, but if any does so attach, SUBRECIPIENT shall promptly procure its release and, in accordance with the requirements of Paragraph HH, below, indemnify, defend, and hold COUNTY, and its COUNTY INDEMNITEES harmless and be responsible for payment of all costs, damages, penalties and expenses related to or arising from or related thereto.

R. **Changes**:

SUBRECIPIENT shall make no changes in the work or perform any additional work without the COUNTY’s specific written approval.

S. **Change of Ownership**:

SUBRECIPIENT agrees that if there is a change or transfer in ownership of SUBRECIPIENT’s business prior to completion of this CONTRACT, the new owners shall be required under terms of sale or other transfer to assume SUBRECIPIENT’s duties and obligations contained in this CONTRACT and complete them to the satisfaction of COUNTY.

T. **Force Majeure**:

SUBRECIPIENT shall not be assessed with liquidated damages or unsatisfactory performance penalties during any delay beyond the time named for the performance of this CONTRACT caused by any act of God, war, civil disorder, employment strike or other cause beyond its reasonable control, provided SUBRECIPIENT gives written notice of the cause of the delay to COUNTY within thirty-six (36) hours of the start of the delay and SUBRECIPIENT avails himself of any available remedies.

U. **Confidentiality**:

SUBRECIPIENT agrees to maintain the confidentiality of all COUNTY and COUNTY-related records and information pursuant to all statutory laws relating to privacy and confidentiality that currently exist or exist at any time during the term of this CONTRACT. All such records and information shall be considered confidential and kept confidential by SUBRECIPIENT and SUBRECIPIENT’s staff, agents and employees.

V. **Compliance with Laws**:

SUBRECIPIENT represents and warrants that services to be provided under this CONTRACT shall fully comply, at SUBRECIPIENT's expense, with all standards, laws, statutes, restrictions, ordinances, requirements, and regulations (collectively "laws"), including, but not limited to those issued by COUNTY in its governmental capacity and all other laws applicable to the services at the time services are provided to and accepted by COUNTY. SUBRECIPIENT acknowledges that COUNTY is relying on SUBRECIPIENT to ensure such compliance, and pursuant to the requirements of Paragraph HH below, SUBRECIPIENT agrees that it shall defend, indemnify and hold COUNTY and COUNTY INDEMNITEES harmless from all liability, damages, costs, and expenses arising from or related to a violation of such laws.

W. **Freight (F.O.B.):** Intentionally left blank.

X. **Pricing**: Intentionally left blank.

Y. Intentionally left blank.

Z. **Terms and Conditions**: Intentionally left blank.

AA. **Headings**:

The various headings and numbers herein, the grouping of provisions of this CONTRACT into separate clauses and Paragraphs, and the organization hereof are for the purpose of convenience only and shall not limit or otherwise affect the meaning hereof.

BB. **Severability**:

If any term, covenant, condition, or provision of this CONTRACT is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

CC. **Calendar Days**:

Any reference to the word "day" or "days" herein shall mean calendar day or calendar days, respectively, unless otherwise expressly provided.

DD. **Attorney Fees**:

In any action or proceeding to enforce or interpret any provision of this CONTRACT, or where any provision hereof is validly asserted as a defense, each party shall bear its own attorney's fees, costs and expenses.

EE. **Interpretation**:

This CONTRACT has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with in this CONTRACT. In addition, each party has been represented by experienced and knowledgeable independent legal counsel of their own choosing or has knowingly declined to seek such counsel despite being encouraged and given the opportunity to do so. Each party further acknowledges that they have not been influenced to any extent whatsoever in executing this CONTRACT by any other party hereto or by any person representing them, or both. Accordingly, any rule or law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this CONTRACT against the party that has drafted it is not applicable and is waived. The provisions of this CONTRACT shall be interpreted in a reasonable manner to affect the purpose of the PARTIES and this CONTRACT.

FF. **Authority**: Intentionally left blank.

GG. **Employee Eligibility Verification:**

The SUBRECIPIENT warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this CONTRACT meet the citizenship or alien status requirement set forth in Federal statutes and regulations. The SUBRECIPIENT shall obtain, from all employees, consultants and sub-SUBRECIPIENTs performing work hereunder, all verification and other documentation of employment eligibility status required by Federal or State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, 8 U.S.C. §1324 et seq., as they currently exist and as they may be hereafter amended. The SUBRECIPIENT shall retain all such documentation for all covered employee, consultants and sub-SUBRECIPIENTs for the period prescribed by the law. The SUBRECIPIENT shall indemnify, defend with counsel approved in writing by COUNTY, and hold harmless, the COUNTY and its COUNTY INDEMNITEES, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the SUBRECIPIENT or the COUNTY or COUNTY INDEMNITEES, or any combination of the three in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this CONTRACT.

HH. **Indemnification:**

SUBRECIPIENT agrees to indemnify, defend with counsel approved in writing by COUNTY, and hold COUNTY, its elected and appointed officials, officers, employees, agents and those special districts and agencies which COUNTY's Board of Supervisors acts as the governing Board ("COUNTY INDEMNITEES") harmless from any claims, demands or liability of any kind or nature, including but not limited to personal injury or property damage, arising from or related to the services, products or other performance provided by SUBRECIPIENT pursuant to this CONTRACT. If judgment is entered against SUBRECIPIENT and COUNTY by a court of competent jurisdiction because of the concurrent active negligence of COUNTY or COUNTY INDEMNITEES, SUBRECIPIENT and COUNTY agree that liability will be apportioned as determined by the court. Neither party shall request a jury apportionment.

II. **Audits/Inspections**:

SUBRECIPIENT agrees to permit the COUNTY's Auditor-Controller or the Auditor-Controller's authorized representative (including auditors from a private auditing firm hired by the COUNTY) access during normal working hours to all books, accounts, records, reports, files, financial records, supporting documentation, including payroll and accounts payable/receivable records, and other papers or property of SUBRECIPIENT for the purpose of auditing or inspecting any aspect of performance under this CONTRACT. The inspection and/or audit will be confined to those matters connected to the performance of the CONTRACT including, but not limited to, the costs of administering the CONTRACT. The COUNTY will provide reasonable notice of such an audit or inspection.

The COUNTY reserves the right to audit and verify the SUBRECIPIENT's records before final payment is made.

SUBRECIPIENT agrees to maintain such records for possible audit for a minimum of five years after final payment, unless a longer period of records retention is stipulated under this CONTRACT or by law. SUBRECIPIENT agrees to allow interviews of any employees or others who might reasonably have information related to such records. Further, SUBRECIPIENT agrees to include a similar right to the COUNTY to audit records and interview staff of any subcontractor related to performance of this CONTRACT.

Should the SUBRECIPIENT cease to exist as a legal entity, the SUBRECIPIENT's records pertaining to this CONTRACT shall be forwarded to the surviving entity in a merger or acquisition or, in the event of liquidation, to the COUNTY's Project Manager.

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IN WITNESS WHEREOF, the PARTIES hereto certify that they have read and understand all the terms and conditions contained herein and have hereby cause this CONTRACT to be executed.

*** City of Laguna Hills**

By: ______________________________	By: ______________________________
Name: ______________________________	Name: ______________________________
Title: ______________________________	Title: ______________________________
Dated:______________________________	Dated: ______________________________

*For SUBRECIPIENTs that are corporations, signature requirements are as follows: 1) One signature by the Chairman of the Board, the President or any Vice President; and 2) One signature by the Secretary, any Assistant Secretary, the Chief Financial Officer or an Assistant Treasurer.

For SUBRECIPIENTs that are not corporations, the person who has authority to bind the SUBRECIPIENT to a CONTRACT, must sign on one of the lines above.

****

COUNTY OF ORANGE
A Political Subdivision of the State of California

By: ______________________________ Dated: ______________________________

Dylan Wright, Director
OC Community Resources

APPROVED AS TO FORM
DEPUTY COUNTY COUNSEL

IN WITNESS WHEREOF, the PARTIES hereto certify that they have read and understand all the terms and conditions contained herein and have hereby cause this CONTRACT to be executed.

***Subrecipient**

By: ______________________ By: ______________________

Name: ______________________ Name: ______________________

Title: ______________________ Title: ______________________

Dated: ______________________ Dated: ______________________

*For SUBRECIPIENTs that are corporations, signature requirements are as follows: 1) One signature by the Chairman of the Board, the President or any Vice President; and 2) One signature by the Secretary, any Assistant Secretary, the Chief Financial Officer or an Assistant Treasurer.

For SUBRECIPIENTs that are not corporations, the person who has authority to bind the SUBRECIPIENT to a CONTRACT, must sign on one of the lines above.

****

COUNTY OF ORANGE
A Political Subdivision of the State of California

By: ______________________ Dated: ______________________

Dylan Wright, Director
OC Community Resources

APPROVED AS TO FORM
DEPUTY COUNTY COUNSEL

By: Carolyn S. Frost Dated: 03/21/17

DEPUTY COUNTY COUNSEL

ATTACHMENT A

SCOPE OF SERVICES
PUBLIC FACILITIES & IMPROVEMENTS

1. **Scope of Services**

A. HUD Matrix Code / Activity:
03A Senior Centers / 570.201 (c)

B. Project Title:
Florence Sylvester Memorial Senior Center Rehabilitation

C. Program Description:
The Florence Sylvester Memorial Senior Center provides a variety of services to the elderly/frail elderly population of the community. Because of the high number of elderly/frail elderly population that utilize the Center on a daily basis and the high visibility of the Center, staff is requesting funds to bring a restroom into compliance with American with Disabilities Act (ADA) requirements, which includes the following improvements: enlarge stalls; installing high-base toilets; modifying countertops; replacing hardware, tile, flashing and plumbing; and installing hands-free components. In addition, staff is requesting funds to remove existing tile flooring throughout the Center and replace it with slip-resistant tile flooring.

D. Project Need:
The Florence Sylvester Memorial Senior Center provides a number of vital services to the elderly/frail elderly population of the community. Currently, over 400 elderly persons are served on a daily basis. This project is needed to increase accessibility to the Center for the elderly/frail elderly.

E. Low/Mod Neighborhood Preservation:

The Florence Sylvester Memorial Senior Center addresses the needs of the elderly population in the community, which are predominantly low and moderate-income persons. The Center represents a safe and accessible senior center for the community, and these improvements would allow the Center to provide continued access for the elderly/frail elderly population.

F. Program Objectives and Outcomes Chart:

Activity	Outputs
1. Construction	1 Restroom, 1 Facility

Performance Objectives	Performance Outcomes
1. Suitable Living Environment	Availability/Accessibility
2. Suitable Living Environment	Availability/Accessibility
3. Suitable Living Environment	Availability/Accessibility

CDBG National Objective: LMA 570.208 (a)(1)

Outcomes

5,045 People

1 Public Facility

COMPENSATION/PAYMENT
PUBLIC FACILITIES & IMPROVEMENTS

1. **COMPENSATION:**

This is a CONTRACT between the COUNTY and the SUBRECIPIENT for **$140,000** as set forth in Attachment A. Scope of Services attached hereto and incorporated herein by reference. The SUBRECIPIENT agrees to accept the specified compensation as set forth in this CONTRACT as full remuneration for performing all services and furnishing all staffing and materials required, for any reasonably unforeseen difficulties which may arise or be encountered in the execution of the services until acceptance, for risks connected with the services, and for performance by the SUBRECIPIENT of all its duties and obligations hereunder. The COUNTY shall have no obligation to pay any sum in excess of the total CONTRACT amount specified unless authorized by an amendment in accordance with paragraphs C and R of the COUNTY's General Terms and Conditions.

2. **FIRM DISCOUNT AND PRICING STRUCTURE:**

SUBRECIPIENT guarantees that prices quoted are equal to or less than prices quoted to any other local, State or Federal government entity for services of equal or lesser scope. SUBRECIPIENT agrees that no price increases shall be passed along to the COUNTY during the term of this CONTRACT not otherwise specified and provided for within this CONTRACT.

3. **PAYMENT TERMS:**

An invoice for cost of the services/activities shall be submitted to the address specified below upon the completion of the services/activities and approval of the COUNTY Project Manager. SUBRECIPIENT shall reference CONTRACT number on invoice. Payment will be net 30 days after receipt of an invoice in a format acceptable to the COUNTY of Orange and verified and approved by OC Community Services and subject to routine processing requirements of the COUNTY. The responsibility for providing an acceptable invoice rests with the SUBRECIPIENT.

Billing shall cover services not previously invoiced. The SUBRECIPIENT shall reimburse the COUNTY of Orange for any monies paid to the SUBRECIPIENT for services not provided or when services do not meet the CONTRACT requirements.

Payments made by the COUNTY shall not preclude the right of the COUNTY from thereafter disputing any items or services involved or billed under this CONTRACT and shall not be construed as acceptance of any part of the services.

Invoice(s) are to be sent to:

OC Community Resources

1770 North Broadway

Santa Ana, CA 92706-2642

Attention: Accounts Payable

4. **INVOICING INSTRUCTIONS:**

Further instructions regarding invoicing/reimbursement as set forth in Exhibit 2 OC Community Resources Contract Reimbursement Policy, are attached hereto and incorporated herein by reference.

The CONTRACTOR will provide an invoice on CONTRACTOR's letterhead for services rendered. Each invoice will have a number and will include the following information:

The Demand Letter/Invoice must include Delivery Order (DO) Number, Contract Number, and Service date(s) – Month of Service along with other required documentation (See Exhibit 2).

5. **OC COMMUNITY RESOURCES CONTRACT REIMBURSEMENT POLICY:**

Further instructions regarding invoicing/reimbursements as set forth in Exhibit 2 OC Community Resources Contract Reimbursement Policy, are attached hereto and incorporated herein by reference.

ATTACHMENT C

BUDGET
PUBLIC FACILITIES & IMPROVEMENTS

1. SUBRECIPIENT's Budget

A. Administration and Project Budget

Project Cost Budget Chart City of Laguna Hills – Florence Sylvester Memorial Senior Center Rehabilitation			
Project Costs/Activity	Urban County Funds	Leveraged Resources	Total
Design/Project Development	0	$6,731.07	$6,731.07
Acquisition	N/A	N/A	N/A
Construction	$140,000	0	$60,000
Total Project Cost	$140,000	$6,731.07	$146,731.07

B. Detailed Project Cost Budget Description

There are two project activities associated with this project. Design/Project Development encompasses the project implementation and administration necessary in order to successfully complete this project. This activity is actively carried out in the General Government Department and includes contract administration, project development, and all other necessary oversight. The Construction project activity includes the following: enlarging restroom stalls, installing high-base toilets; modifying countertops; replacing hardware, tile, flashing and plumbing; installing hands-free components; and replacing existing tile flooring with slip-resistant tile flooring.

ATTACHMENT D

STAFFING PLAN
PUBLIC FACILITIES & IMPROVEMENTS

1. Staffing Plan

Project Title: Florence Sylvester Memorial Senior Center Rehabilitation

Complete and Submit – Initial Report due on or before July 1.
(Include name and classification).

	Name/Staff	Classification/Title
1	Melissa Au-Yeung	Assistant to the City Manager
2	Don White	Assistant City Manager/Finance Director
3	James Haston	Management Analyst
4		
5		
6		
7		
8		
9		
10		

The substitution or addition of other key individuals in any given category or classification shall be allowed only with prior written approval of the COUNTY Project Manager.

The SUBRECIPIENT may reserve the right to involve other personnel, as their services are required. The specific individuals will be assigned based on the need and time of the service/class required. Assignment of additional key personnel shall be subject to COUNTY approval.

2. Project Administration

The program will be monitored and implemented by staff from the City of Laguna Hills from the City Manager's Office. The lead staff member implementing the project for FY 2017-18 has been responsible for the implementation of the City's past grant monies for

Contracts #14-22-0004, 613038, KC11981, KC10939, and KC09852. The experience of key administrators and other staff members throughout the City also includes experience monitoring past CDBG Housing Rehabilitation program funding. In addition, key administrators and staff members' experience includes over 37 years in Public Administration, 24 years in City Management experience, and 12 years in Community Development.

3. Project Experience

The City of Laguna Hills has been the recipient of CDBG Public Facilities and Improvement grants in FY 2009-10, FY 2010-11, FY 2011-12, FY 2012-13, FY 2014-15, FY 2015-16 and FY 2016-17 and has experience administering this type of grant. The City has also been the recipient of similar grants in the past, including CDBG Housing Rehabilitation funds. The City has worked closely with the County to ensure the funds were administered correctly. In addition, staff members have a wealth of municipal experience, including community development, rehabilitation activities and monitoring, public administration, public finance, and personnel.

ATTACHMENT E

PROJECT SCHEDULE
PUBLIC FACILITIES & IMPROVEMENTS

1. **Project Schedule**

   July 1 – CONTRACT Start Date

2. Tools to Measure Project's Effect –

   Florence Sylvester Memorial Senior Center Rehabilitation

Milestone Date	Minimum Required Expenditure/ Accomplishment Threshold	Activity Results Achieved
January 15th	50% of Contracted Amount Expended	$70,000
January 15th	50% of Proposed Accomplishments Achieved	Design and/or installation
March 15th	70% of Contracted Amount Expended	$98,000
March 15th	70% of Proposed Accomplishments Achieved	Construction and/or installation
April 15th	80% of Contracted Amount Expended	$112,000
April 15th	80% of Proposed Accomplishments Achieved	Construction and/or installation

3. There are currently measures in place to track participation in the various programs offered at the Florence Sylvester Memorial Senior Center. With these improvements, the Florence Sylvester Memorial Senior Center staff will be better equipped to continue to meet the growing demand and utilization by this fast-growing demographic group. The project's effect on the intended participants will be noticeable as continued accessibility to the Center is improved. In addition, the Center will have the flexibility to better meet the needs of the elderly population of the community.

EXHIBIT 1

County of Orange Child Support Enforcement

Certification Requirements

In order to comply with child support enforcement requirements of the County of Orange, within ten (10) days of award of CONTRACT, the successful SUBRECIPIENT must furnish to the CONTRACT Administrator, Purchasing Agent or the agency/department Deputy Purchasing Agent:

1. In the case of an individual SUBRECIPIENT, his/her name, date of birth, Social Security number, and residence address;

2. In the case of a SUBRECIPIENT doing business in a form other than as an individual, the name, date of birth, Social Security number, and residence address of each individual who owns an interest of 10 percent or more in the contracting entity; A certification that the SUBRECIPIENT has fully complied with all applicable federal and state reporting requirements regarding its employees; and

3. A certification that the SUBRECIPIENT has fully complied with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment and will continue to so comply.

<u>The certifications will be stated as follows:</u>

"I certify that <u>City of Laguna Hills</u> is in full compliance with all applicable federal and state reporting requirements regarding its employees and with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments and will continue to be in compliance throughout the term of CONTRACT <u># 17-23-0008-PFI</u> with the County of Orange. I understand that failure to comply shall constitute a material breach of the CONTRACT and that failure to cure such breach within ten (10) calendar days of notice from the COUNTY shall constitute grounds for termination of the CONTRACT.

It is expressly understood that this data will be transmitted to governmental agencies charged with the establishment and enforcement of child support orders and for no other purposes and will be held confidential by those agencies.

Failure of the SUBRECIPIENT to timely submit the data and/or certifications required above or to comply with all federal and state reporting requirements for child support enforcement or to comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment shall constitute a material breach of the CONTRACT. Failure to cure such breach within ten (10) calendar days of notice from the COUNTY shall constitute grounds for termination of the CONTRACT.

The successful SUBRECIPIENT may use the forms supplied herein, to furnish required information listed above.

County of Orange Child Support Enforcement

Certification Requirements

(blank form)

A. In the case of an individual SUBRECIPIENT, his/her name, date of birth, Social Security number, and residence address:

Name: ______________________________

D.O.B: ______________________________

Social Security No: ______________________

Residence Address: ______________________

____

B. In the case of a SUBRECIPIENT doing business in a form other than as an individual, the name, date of birth, Social Security number, and residence address of each individual who owns an interest of ten (10) percent or more in the contracting entity:

Name: ______________________________

D.O.B: ______________________________

Social Security No: ______________________

Residence Address: ______________________

____

Name: ______________________________

D.O.B: ______________________________

Social Security No: ______________________

Residence Address: ______________________

____

Name: ______________________________

D.O.B: ______________________________

Social Security No: ______________________

Residence Address: ______________________

____

(Additional sheets may be used if necessary)

C. A certification that the SUBRECIPIENT has fully complied with all applicable federal and state reporting requirements regarding its employees; and

D. A certification that the SUBRECIPIENT has fully complied with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment and will continue to so comply.

"I certify that _City of Laguna Hills_ is in full compliance with all applicable federal and state reporting requirements regarding its employees and with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments and will continue to be in compliance throughout the term of CONTRACT _# 17-23-0008-PFI_ with the County of Orange. I understand that failure to comply shall constitute a material breach of the CONTRACT and that failure to cure such breach within ten (10) calendar days of notice from the COUNTY shall constitute grounds for termination of the CONTRACT.

Authorized Signature	Print Name	Title

ORANGE COUNTY
OC Community Resources
Our Community. Our Commitment.

Subject: OC Community Resources
Contract Reimbursement Policy

Effective: July 1, 2010
Revised: February 28, 2017

PURPOSE:
This policy contains updated fiscal documentation requirements for contract reimbursement for OC Community Services and Housing & Community Development and Homeless Prevention. The procedures provide instructions for submitting reimbursement demand letter or invoice.

REFERENCES:
Executed Board of Supervisors approved contract
Budget included in contract or presented as an attachment
48 CFR Part 31 Contract Cost Principles and Procedures
24 CFR Parts 85, 570.502, 570.201, 576.21, 576.51 and 576.61: For Housing & Community Development and Homeless Prevention Contracts only.
Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)

BACKGROUND:
The executed Board of Supervisors approved contract is the authorization for all aspects of payment, including the maximum amount to be paid, the payee, and the scope of services and work. Payments are made in strict accordance with the contract terms. Allowable costs are identified in referenced Uniform Guidance and Code of Federal Regulations (CFR).

ATTACHMENTS:
Reimbursement Policy Status Form (RPS-1)

POLICY:
Contractor is responsible for the submission of accurate claims. This reimbursement policy is intended to ensure that the Contractor is reimbursed based on the code or codes that correctly describe the services provided. This information is intended to serve only as a general reference resource regarding OC Community Services' and Housing & Community Development and Homeless Prevention reimbursement policy for the services described and is not intended to address every aspect of a reimbursement situation. Accordingly, OC Community Services and Housing & Community Development and Homeless Prevention may use reasonable discretion in interpreting and applying this policy to services provided in a particular case. Other factors affecting reimbursement may supplement, modify or, in some cases, supersede this policy. These factors may include, but are not limited to: legislative mandates and County directives. OC Community Services and Housing & Community Development and Homeless Prevention may modify this reimbursement policy at any time by publishing a new version of the policy. However, the information presented in this policy is accurate and current as of the date of publication.

Cost incurred by Contractor must be substantiated and incurred during the contract period. Total of all reimbursements cannot exceed the amount of the contract. Cost must be allowable under applicable Code of Federal Regulations (CFR) or Uniform Guidance. All supporting documentation for reimbursement must be submitted with demand letter or invoice. If contract requires matching contribution, documentation substantiating contribution match must be submitted with demand letter or invoice.

At any time, based on County's business needs and/or Contractor's performance, the County may designate Contractor to submit abbreviated or comprehensive documentation, as identified in the respective sections. Upon designation, Contractor will be notified, in writing via Reimbursement Policy Status Form, of which requirements are in full force. When Contractor is required to submit comprehensive documentation, in addition to the items identified in the Abbreviated Documentation Requirements Section, Contractor must also provide the documentation identified in the Comprehensive Documentation Requirements Section.

PROCEDURES:

Abbreviated Documentation Requirements

Compile and submit:

1. Supporting documentation includes, but is not limited to:
    a. General ledger/expense transaction report
    b. Payroll register or labor distribution report
    c. Payroll allocation plan
    d. Personnel Documentation
    e. Benefit plan and calculation of benefit
    f. Employer-employee contract for non-customary benefits (if applicable)
    g. Pre-approval documentation for equipment purchases equal to or greater than $5,000
2. The following is required with the first month's invoice only:
    a. Cost allocation plan for rent, utilities, etc.
    b. Indirect rate approved by cognizant agency (if applicable)
3. Summary of leveraged resources (if applicable)
4. Demand letters must contain the following certification (if required by Contract):
   "I certify under the penalty of perjury that this claim is true and correct and that the requested payments have been made. I also certify that this claim agrees with our official payroll and financial records and that these amounts have not been, or will not be claimed from any other funding source"
5. Grantee Performance Report (if required by Contract)
6. Supporting documentation shall be on single-sided sheets
7. Please redact employees' Social Security Number from payroll reports
8. Demand letter or invoice, along with supporting documentation shall be submitted to:
   OC Community Resources Accounting
   1770 N. Broadway, 4th Floor
   Santa Ana, CA 92706

Comprehensive Documentation Requirements

In addition to abbreviated documentation, compile and submit:

9. Purchase orders, invoices, and receipts
10. Cashed checks
11. Check register
12. Consultant/sub-contractor invoices (with description of services)
13. Travel expense documentation: mileage reimbursement, hotel bill, meal reimbursement

ACTION:

Distribute this policy to all appropriate staff

INQUIRIES:

Inquiries may be directed to OCCR Accounts Payable at:
OCCRAccountsPayable@occr.ocgov.com

EXHIBIT 3

Certification for a Drug-Free Workplace

U.S. Department of Housing and Urban Development

City of Laguna Hills Contract # 17-23-0008-PFI
Applicant Name

CDBG –Florence Sylvester Memorial Senior Center Rehabilitation
Program/Activity Receiving Federal Grant Funding

Acting on behalf of the above named Applicant as its Authorized Official, I make the following certifications and agreements to the Department of Housing and Urban Development (HUD) regarding the sites listed below:

I certify that the above named Applicant will or will continue to provide a drug-free workplace by:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Applicant's workplace and specifying the actions that will be taken against employees for violation of such prohibition.

b. Establishing an on-going drug-free awareness program to inform employees ---

(I) The dangers of drug abuse in the workplace;

(2) The Applicant's policy of maintaining a drug-free workplace;

(3) Any available drug counseling, rehabilitation, and employee assistance programs; and

(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph a.;

d. Notifying the employee in the statement required by paragraph a. that, as a condition of employment under the grant, the employee will ---

(I) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

e. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph d.(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph d.(2), with respect to any employee who is so convicted ---

(I) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs a. thru f.

2. Sites for Work Performance. The Applicant shall list (on separate pages) the site(s) for the performance of work done in connection with the HUD funding of the program/activity shown above: Place of Performance shall include the street address, city, county, State, and zip code. Identify each sheet with the Applicant name and address and the program/activity receiving grant funding.)

Check here O if there are workplaces on file that are not identified on the attached sheets.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.
Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties.
(18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official | Title

Signature | Date

X

form HUD-50070 (3/98)
ref. Handbooks 7417.1, 7475.13, 7485.1 & .3

EXHIBIT 4

INSTRUCTIONS FOR COMPLETION OF SF-LLL DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress. or an employee of a Member of Congress in connection with a covered Federal action. Use the SF LLL-A Continuation sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying is and has been secured to influence the outcome of a covered action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a follow up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, state and zip code of the reporting entity. Include congressional district. if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be a prime or subaward recipient.
   Identify the tier of the subawardee, e. g. the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts. subgrants and contract awards under grants.
5. If the organization filing the report, in item 4 checks "Subawardee", then enter the full name, address, city, state, and zip code of the prime Federal recipient. Include congressional district, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e. g. Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number the contract, grant. or loan award number; the application proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP DE 90 09."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the primary entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, state and zip code of the lobbying entity engaged by the reporting entity identified in item 4 to influence the covered Federal action.
    (b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. Enter the amount of compensation paid or reasonably expected to be paid by the reporting entity (item 4) to the lobbying entity (item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report enter he cumulative amount of payment made or planned to be made.
12. Check the appropriate box(es). Check all boxes that apply. If payment is made through an in kind contribution, specify the nature and value of the in kind payment.
13. Check the appropriate box(es). Check all boxes that apply. If other, specify nature.
14. Provide a specific and detailed description of the services that the lobbyist has performed, or will be expected to perform, and the date(s) of any services rendered. Include all preparatory and related activity, not just time spent in actual contact with Federal officials. Identify the Federal official(s) or employee(s) contacted and the officer(s), employee(s), or Member(s) of Congress that were contacted.
15. Check whether or not a SF LLL A Continuation Sheet(s) is attached.
16. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instructions. searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget. Paperwork Reduction Project (0348 0046) Washington D.C., 20503.

DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose activities pursuant to 31 U.S.C 1352

1. Type of Federal Actions: a. contract b. grant c. cooperative agreement d. loan e. loan guarantee f. loan insurance	2. Status of Federal Actions: a. bid/offer/application b. initial award c. post-award	3. Report Type: a. initial filing b. material change For material change only: Year:____________Quarter:__________ Date of last report: _________________

4. Name and Address of Reporting Entity Prime Subawardee Tier_____________________________ if known Congressional District, if known:	5. If Reporting Entity in No. 4 is a Subawardee: Enter Name and Address of Prime: Congressional District, if known:
6. Federal Department / Agency:	7. Federal Program Name/Description
8. Federal Action Number, if known:	9. Award Amount, if known: $
10a. Name and Address of Lobbying Entity (if individual, last name, first name, MI): (attach Continuation Sheets SF-LLL-A, if necessary)	10b. Individual Performing Services (including address if different from No. 10a) (last name, first name, MI):
11. Amount of Payment (check all that apply): $ Actual Planned 12. Form of Payment (check all that apply): a. cash b. in-kind: specify: nature: ____ value: ____	13. Type of Payment (check all that apply) a. retainer b. one-time free c. commission d. contingent fee e. deferred f. other specify: ____________________ ____

14. Enter Description of Services performed or to be Performed and date(s) of Service, including officer(s), employee(s), or Member(s) contacted, for Payment indicated on item 11:

15. Continuation sheet(s) SF-LLL-A attached: ☐ Yes ☐ No

16. Information requested through this form authorized by Title 31 U.S.C. Section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semiannually and will be available for public inspection. An person who fails to file the required disclosure shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.	Signature: ____ ____ ____ Print Name: Title: Telephone No: Date:

DISCLOSURE OF LOBBYING ACTIVITIES
CONTINUATION SHEET
Approved by OMS - 0348-0046

Reporting Entity:____

____

__________________________________ Page________of________________

BILLING CODES 3410-01 -C; 6450-01-C; 6890-01 ;6025-01-C; 7510-01-C , 35 1 0-FE-C; 8120-01 -C; 4710-24-C, 6116-01 -C,

EXHIBIT B

SCOPE OF WORK

COMMUNITY DEVELOPMENT BLOCK GRANT
PROGRAM YEAR 2017/2018
SCOPE OF WORK

Description of Activities

The construction project will focus on the rehabilitation of the Florence Sylvester Memorial Senior Center (Center). Eligible costs for reimbursement include removing existing tile flooring throughout the Center and replacing it with slip-resistant tile flooring; and remodeling the men's restroom to comply with Americans with Disabilities Act (ADA) requirements, which includes enlarging the restroom stalls, installing high-base toilets, modifying countertops, replacing hardware, tile, flashing, and plumbing, and installing hands-free components.

The project shall be performed in conformance with this Scope of Work, the Agreement Between the City of Laguna Hills and Age Well Senior Services, Inc., for Community Development Block Grant (CDBG) Public Facilities and Improvement Funds (Program Year 2017/2018) (hereinafter, "Agreement"), Contract No. 17-23-0008-PFI (entitled "Contract Between County of Orange and City of Laguna Hills for Public Facilities & Improvements Florence Sylvester Senior Center"), and required County approvals therein. The Sub-recipient shall provide the oversight, administration and project management necessary to accomplish contracted activities in accordance with this Agreement, the County approved scope of Work, completion milestones (provided by County), State and Federal laws, applicable regulations, and authorities having jurisdiction.

Prior to the start of work:

(1) The construction project contemplated is a "public work", under California Labor Code Section 1720, and the Sub-recipient is required to adhere to prevailing wages requirements in accordance with State law. In addition, the Federal Labor Standards including Davis-Bacon prevailing wages shall apply. A current and appropriate Davis-Bacon wage decision approved by the County shall be included in the Construction Bid Package, along with HUD – 4010 form, "Federal Labor Standards Provisions".

(2) Prior to advertising for bids, the construction bid package for the rehabilitation work shall be submitted to the City for review and written approval by the County. A County representative shall be invited to a preconstruction conference to review Federal Labor Standards compliance procedures with the Sub-recipient and construction subcontractors.

(3) No costs shall be incurred prior to receipt of written certification of approval by County of the fulfillment of the requirements of Section XXI (Insurance) of the Agreement.

Project Budget

REHABILITATION PROJECT COST BUDGET	
Project Component	**CDBG Funds**
Remodel the men's restroom to comply with Americans with Disabilities (ADA) requirements and other improvements to the restroom.	$ 60,000
Remove existing tile flooring and replace with slip-resistant tile flooring	$ 80,000

Milestones

MILESTONE DATE	MINIMUM REQUIRED EXPENDITURE THRESHOLD
January 15, 2018	50% of Contracted Amount Expended
March 15, 2018	70% of Contracted Amount Expended
April 15, 2018	80% of Contracted Amount Expended

Failure to achieve at least the 50% drawdown milestone, without a written exemption from the City, may cause any remaining balance in this Agreement to be reclaimed by the City, and will negatively affect future funding to Sub-recipient. Failure to achieve the 80% drawdown goal, without written exemption approved by the City, may cause any remaining balance in this Agreement to be reclaimed by the City.

Sub-recipient shall be required to complete and submit a Year End Grantee Performance Report Form by July 5, 2018.

Payment of Project Activities

On a quarterly basis and within fifteen (15) days of the end of a quarter, the Sub-recipient may invoice City for reimbursement of eligible costs. Concurrently with its request for the aforementioned funds, Sub-recipient shall submit to the City the following supporting documentation: Copies of paid invoices, receipts, certified payroll records, bank statements, canceled checks, attendance records, and other items adequate to document project expenditures. Sub-recipient shall also provide a Quarterly Performance Report, on a Grantee Performance Report Form, which addresses its level of performance for each activity undertaken relative to this Scope of Work. The City will not authorize reimbursement if any preceding quarter's reports or invoices are incomplete, or have not been submitted. In addition, if no request for reimbursement is submitted during any quarter during the term of the Agreement, a Grantee Performance Report Form shall be required from the Sub-recipient explain why no invoices were processed.

EXHIBIT C

24 Code of Federal Regulations Section 570.502

TITLE 24–HOUSING AND URBAN DEVELOPMENT
SUBTITLE B–REGULATIONS RELATING TO HOUSING & URBAN DEVELOPMENT
CHAPTER V–OFFICE OF ASSISTANCE SECRETARY FOR COMMUNITY PLANNING & DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PART 570–COMMUNITY DEVELOPMENT BLOCK GRANTS

Subpart J–Grant Administration

Code of Federal Regulations

Title 24 - Housing and Urban Development

Volume: 3
Date: 2011-04-01
Original Date: 2010-04-01
Title: Section 570.502 - Applicability of uniform administrative requirements.
Context: Title 24 - Housing and Urban Development. Subtitle B - Regulations Relating to Housing and Urban Development (Continued). CHAPTER V - OFFICE OF ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT. SUBCHAPTER C - COMMUNITY FACILITIES. PART 570 - COMMUNITY DEVELOPMENT BLOCK GRANTS. Subpart J - Grant Administration.

§ 570.502 Applicability of uniform administrative requirements.

(a) Recipients and subrecipients that are governmental entities (including public agencies) shall comply with the requirements and standards of OMB Circular No. A-87, "Cost Principles for State, Local, and Indian Tribal Governments"; OMB Circular A-128, "Audits of State and Local Governments" (implemented at 24 CFR part 44); and with the following sections of 24 CFR part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments" or the related CDBG provision, as specified in this paragraph:

(1) Section 85.3, "Definitions";

(2) Section 85.6, "Exceptions";

(3) Section 85.12, "Special grant or subgrant conditions for 'high-risk' grantees";

(4) Section 85.20, "Standards for financial management systems," except paragraph (a);

(5) Section 85.21, "Payment," except as modified by § 570.513;

(6) Section 85.22, "Allowable costs";

(7) Section 85.26, "Non-federal audits";

(8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;

(9) Section 85.33, "Supplies";

(10) Section 85.34, "Copyrights";

(11) Section 85.35, "Subawards to debarred and suspended parties";

(12) Section 85.36, "Procurement," except paragraph (a);

(13) Section 85.37, "Subgrants";

(14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) through (d) and paragraph (f);

(15) Section 85.41, "Financial reporting," except paragraphs (a), (b), and (e);

(16) Section 85.42, "Retention and access requirements for records," except that the period shall be four years;

(17) Section 85.43, "Enforcement";

(18) Section 85.44, "Termination for convenience";

(19) Section 85.51 "Later disallowances and adjustments" and

(20) Section 85.52, "Collection of amounts due."

(b) Subrecipients, except subrecipients that are governmental entities, shall comply with the requirements and standards of OMB Circular No. A-122, "Cost Principles for Non-profit Organizations," or OMB Circular

No. A-21, “Cost Principles for Educational Institutions,” as applicable, and OMB Circular A-133, “Audits of Institutions of Higher Education and Other Nonprofit Institutions” (as set forth in 24 CFR part 45). Audits shall be conducted annually. Such subrecipients shall also comply with the following provisions of the Uniform Administrative requirements of OMB Circular A-110 (implemented at 24 CFR part 84, “Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals and Other Non-Profit Organizations”) or the related CDBG provision, as specified in this paragraph:

(1) Subpart A—“General”;

(2) Subpart B—“Pre-Award Requirements,” except for § 84.12, “Forms for Applying for Federal Assistance”;

(3) Subpart C—“Post-Award Requirements,” except for:

(i) Section 84.22, “Payment Requirements.” Grantees shall follow the standards of §§ 85.20(b)(7) and 85.21 in making payments to subrecipients;

(ii) Section 84.23, “Cost Sharing and Matching”;

(iii) Section 84.24, “Program Income.” In lieu of § 84.24, CDBG subrecipients shall follow § 570.504;

(iv) Section 84.25, “Revision of Budget and Program Plans”;

(v) Section 84.32, “Real Property.” In lieu of § 84.32, CDBG subrecipients shall follow § 570.505;

(vi) Section 84.34(g), “Equipment.” In lieu of the disposition provisions of § 84.34(g), the following applies:

(A) In all cases in which equipment is sold, the proceeds shall be program income (prorated to reflect the extent to which CDBG funds were used to acquire the equipment); and

(B) Equipment not needed by the subrecipient for CDBG activities shall be transferred to the recipient for the CDBG program or shall be retained after compensating the recipient;

(vii) Section 84.51 (b), (c), (d), (e), (f), (g), and (h), “Monitoring and Reporting Program Performance”;

(viii) Section 84.52, “Financial Reporting”;

(ix) Section 84.53(b), “Retention and access requirements for records.” Section 84.53(b) applies with the following exceptions:

(A) The retention period referenced in § 84.53(b) pertaining to individual CDBG activities shall be four years; and

(B) The retention period starts from the date of submission of the annual performance and evaluation report, as prescribed in 24 CFR 91.520, in which the specific activity is reported on for the final time rather than from the date of submission of the final expenditure report for the award;

(x) Section 84.61, “Termination.” In lieu of the provisions of § 84.61, CDBG subrecipients shall comply with § 570.503(b)(7); and

(4) Subpart D—“After-the-Award Requirements,” except for § 84.71, “Closeout Procedures.”

[53 FR 8058, Mar. 11, 1988, as amended at 60 FR 1916, Jan. 5, 1995; 60 FR 56915, Nov. 9, 1995]

EXHIBIT D

24 Code of Federal Regulations Subpart K

TITLE 24–HOUSING AND URBAN DEVELOPMENT
SUBTITLE B–REGULATIONS RELATING TO HOUSING & URBAN DEVELOPMENT
CHAPTER V–OFFICE OF ASSISTANCE SECRETARY FOR COMMUNITY PLANNING & DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PART 570–COMMUNITY DEVELOPMENT BLOCK GRANTS

Subpart K–Other Program Requirements

Code of Federal Regulations

Title 24 - Housing and Urban Development

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Context: Title 24 - Housing and Urban Development. Subtitle B - Regulations Relating to Housing and Urban Development (Continued). CHAPTER V - OFFICE OF ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT. SUBCHAPTER C - COMMUNITY FACILITIES. PART 570 - COMMUNITY DEVELOPMENT BLOCK GRANTS.

Subpart K—Other Program Requirements

Source: 53 FR 34456, Sept. 6, 1988, unless otherwise noted.

§ 570.600 General.

(a) This subpart K enumerates laws that the Secretary will treat as applicable to grants made under section 106 of the Act, other than grants to states made pursuant to section 106(d) of the Act, for purposes of the Secretary's determinations under section 104(e)(1) of the Act, including statutes expressly made applicable by the Act and certain other statutes and Executive Orders for which the Secretary has enforcement responsibility. This subpart K applies to grants made under the Insular Areas Program in § 570.405 and § 570.440 with the exception of § 570.612. The absence of mention herein of any other statute for which the Secretary does not have direct enforcement responsibility is not intended to be taken as an indication that, in the Secretary's opinion, such statute or Executive Order is not applicable to activities assisted under the Act. For laws that the Secretary will treat as applicable to grants made to states under section 106(d) of the Act for purposes of the determination required to be made by the Secretary pursuant to section 104(e)(2) of the Act, see § 570.487.

(b) This subpart also sets forth certain additional program requirements which the Secretary has determined to be applicable to grants provided under the Act as a matter of administrative discretion.

(c) In addition to grants made pursuant to section 106(b) and 106(d)(2)(B) of the Act (subparts D and F, respectively), the requirements of this subpart K are applicable to grants made pursuant to sections 107 and 119 of the Act (subparts E and G, respectively), and to loans guaranteed pursuant to subpart M.

[53 FR 34456, Sept. 6, 1988, as amended at 61 FR 11477, Mar. 20, 1996; 72 FR 12536, Mar. 15, 2007]

§ 570.601 Public Law 88-352 and Public Law 90-284; affirmatively furthering fair housing; Executive Order 11063.

(a) The following requirements apply according to sections 104(b) and 107 of the Act:

(1) Public Law 88-352, which is title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d *et seq.*), and implementing regulations in 24 CFR part 1.

(2) Public Law 90-284, which is the Fair Housing Act (42 U.S.C. 3601-3620). In accordance with the Fair Housing Act, the Secretary requires that grantees administer all programs and activities related to housing and community development in a manner to affirmatively further the policies of the Fair Housing Act. Furthermore, in accordance with section 104(b)(2) of the Act, for each community receiving a grant under subpart D of this part, the certification that the grantee will affirmatively further fair housing shall specifically require the grantee to assume the responsibility of fair housing planning by conducting an analysis to identify impediments to fair housing choice within its jurisdiction, taking appropriate actions to overcome the effects of any impediments identified through that analysis, and maintaining records reflecting the analysis and actions in this regard.

(b) Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1959-1963 Comp., p. 652; 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing), and implementing regulations in 24 CFR part 107, also apply.

[61 FR 11477, Mar. 20, 1996]

§ 570.602 Section 109 of the Act.

Section 109 of the Act requires that no person in the United States shall on the grounds of race, color, national origin, religion, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance made available pursuant to the Act. Section 109 also directs that the prohibitions against discrimination on the basis of age under the Age Discrimination Act and the prohibitions against discrimination on the basis of disability under Section 504 shall apply to programs or activities receiving Federal financial assistance under Title I programs. The policies and procedures necessary to ensure enforcement of section 109 are codified in 24 CFR part 6.

[64 FR 3802, Jan. 25, 1999]

§ 570.603 Labor standards.

(a) Section 110(a) of the Act contains labor standards that apply to nonvolunteer labor financed in whole or in part with assistance received under the Act. In accordance with section 110(a) of the Act, the Contract Work Hours and Safety Standards Act (40 U.S.C. 327 *et seq.*) also applies. However, these requirements apply to the rehabilitation of residential property only if such property contains not less than 8 units.

(b) The regulations in 24 CFR part 70 apply to the use of volunteers.

[61 FR 11477, Mar. 20, 1996]

§ 570.604 Environmental standards.

For purposes of section 104(g) of the Act, the regulations in 24 CFR part 58 specify the other provisions of law which further the purposes of the National Environmental Policy Act of 1969, and the procedures by which grantees must fulfill their environmental responsibilities. In certain cases, grantees assume these environmental review, decisionmaking, and action responsibilities by execution of grant agreements with the Secretary.

[61 FR 11477, Mar. 20, 1996]

§ 570.605 National Flood Insurance Program.

Notwithstanding the date of HUD approval of the recipient's application (or, in the case of grants made under subpart D of this part or HUD-administered small cities recipients in Hawaii, the date of submission of the grantee's consolidated plan, in accordance with 24 CFR part 91), section 202(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4106) and the regulations in 44 CFR parts 59 through 79 apply to funds provided under this part 570.

[61 FR 11477, Mar. 20, 1996]

§ 570.606 Displacement, relocation, acquisition, and replacement of housing.

(a) *General policy for minimizing displacement.* Consistent with the other goals and objectives of this part, grantees (or States or state recipients, as applicable) shall assure that they have taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations, and farms) as a result of activities assisted under this part.

(b) *Relocation assistance for displaced persons at URA levels.* (1) A displaced person shall be provided with relocation assistance at the levels described in, and in accordance with the requirements of 49 CFR part 24, which contains the government-wide regulations implementing the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4601-4655).

(2) *Displaced person.* (i) For purposes of paragraph (b) of this section, the term “*displaced person*” means any person (family, individual, business, nonprofit organization, or farm) that moves from real property, or moves his or her personal property from real property, permanently and involuntarily, as a direct result of rehabilitation, demolition, or acquisition for an activity assisted under this part. A permanent, involuntary move for an assisted activity includes a permanent move from real property that is made:

(A) After notice by the grantee (or the state recipient, if applicable) to move permanently from the property, if the move occurs after the initial official submission to HUD (or the State, as applicable) for grant, loan, or loan guarantee funds under this part that are later provided or granted.

(B) After notice by the property owner to move permanently from the property, if the move occurs after the date of the submission of a request for financial assistance by the property owner (or person in control of the site) that is later approved for the requested activity.

(C) Before the date described in paragraph (b)(2)(i)(A) or (B) of this section, if either HUD or the grantee (or State, as applicable) determines that the displacement directly resulted from acquisition, rehabilitation, or demolition for the requested activity.

(D) After the "initiation of negotiations" if the person is the tenant-occupant of a dwelling unit and any one of the following three situations occurs:

(*1*) The tenant has not been provided with a reasonable opportunity to lease and occupy a suitable decent, safe, and sanitary dwelling in the same building/complex upon the completion of the project, including a monthly rent that does not exceed the greater of the tenant's monthly rent and estimated average utility costs before the initiation of negotiations or 30 percent of the household's average monthly gross income; or

(*2*) The tenant is required to relocate temporarily for the activity but the tenant is not offered payment for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including the cost of moving to and from the temporary location and any increased housing costs, or other conditions of the temporary relocation are not reasonable; and the tenant does not return to the building/complex; or

(*3*) The tenant is required to move to another unit in the building/complex, but is not offered reimbursement for all reasonable out-of-pocket expenses incurred in connection with the move.

(ii) Notwithstanding the provisions of paragraph (b)(2)(i) of this section, the term " *displaced person* -" does not include:

(A) A person who is evicted for cause based upon serious or repeated violations of material terms of the lease or occupancy agreement. To exclude a person on this basis, the grantee (or State or state recipient, as applicable) must determine that the eviction was not undertaken for the purpose of evading the obligation to provide relocation assistance under this section;

(B) A person who moves into the property after the date of the notice described in paragraph (b)(2)(i)(A) or (B) of this section, but who received a written notice of the expected displacement before occupancy.

(C) A person who is not displaced as described in 49 CFR 24.2(g)(2).

(D) A person who the grantee (or State, as applicable) determines is not displaced as a direct result of the acquisition, rehabilitation, or demolition for an assisted activity. To exclude a person on this basis, HUD must concur in that determination.

(iii) A grantee (or State or state recipient, as applicable) may, at any time, request HUD to determine whether a person is a displaced person under this section.

(3) *Initiation of negotiations.* For purposes of determining the type of replacement housing assistance to be provided under paragraph (b) of this section, if the displacement is the direct result of privately undertaken rehabilitation, demolition, or acquisition of real property, the term " *initiation of negotiations* " means the execution of the grant or loan agreement between the grantee (or State or state recipient, as applicable) and the person owning or controlling the real property.

(c) *Residential antidisplacement and relocation assistance plan.* The grantee shall comply with the requirements of 24 CFR part 42, subpart B.

(d) *Optional relocation assistance.* Under section 105(a)(11) of the Act, the grantee may provide (or the State may permit the state recipient to provide, as applicable) relocation payments and other relocation assistance to persons displaced by activities that are not subject to paragraph (b) or (c) of this section. The grantee may also provide (or the State may also permit the state recipient to provide, as applicable) relocation assistance to persons receiving assistance under paragraphs (b) or (c) of this section at levels in excess of those required by these paragraphs. Unless such assistance is provided under State or local law, the grantee (or state recipient, as applicable) shall provide such assistance only upon the basis of a written determination that the assistance is appropriate (see, e.g., 24 CFR 570.201(i), as applicable). The grantee (or state recipient, as applicable) must adopt a written policy available to the public that describes the relocation assistance that the grantee (or state recipient, as applicable) has elected to provide and that provides for equal relocation assistance within each class of displaced persons.

(e) *Acquisition of real property.* The acquisition of real property for an assisted activity is subject to 49 CFR part 24, subpart B.

(f) *Appeals.* If a person disagrees with the determination of the grantee (or the state recipient, as applicable) concerning the person's eligibility for, or the amount of, a relocation payment under this section, the person may file a written appeal of that determination with the grantee (or state recipient, as applicable). The appeal procedures to be followed are described in 49 CFR 24.10. In addition, a low- or moderate-income household that has been displaced from a dwelling may file a written request for review of the grantee's decision to the HUD Field Office. For purposes of the State CDBG program, a low- or moderate-income household may file a written request for review of the state recipient's decision with the State.

(g) *Responsibility of grantee or State.* (1) The grantee (or State, if applicable) is responsible for ensuring compliance with the requirements of this section, notwithstanding any third party's contractual obligation to the grantee to comply with the provisions of this section. For purposes of the State CDBG program, the State shall require state recipients to certify that they will comply with the requirements of this section.

(2) The cost of assistance required under this section may be paid from local public funds, funds provided under this part, or funds available from other sources.

(3) The grantee (or State and state recipient, as applicable) must maintain records in sufficient detail to demonstrate compliance with the provisions of this section.

(Approved by the Office of Management and Budget under OMB control number 2506-0102)

[61 FR 11477, Mar. 20, 1996, as amended at 61 FR 51760, Oct. 3, 1996]

§ 570.607 Employment and contracting opportunities.

To the extent that they are otherwise applicable, grantees shall comply with:

(a) Executive Order 11246, as amended by Executive Orders 11375, 11478, *12086,* and 12107 (3 CFR 1964-1965 Comp. p. 339; 3 CFR, 1966-1970 Comp., p. 684; 3 CFR, 1966-1970., p. 803; 3 CFR, 1978 Comp., p. 230; 3 CFR, 1978 Comp., p. 264 (Equal Employment Opportunity), and Executive Order 13279 (Equal Protection of the Laws for Faith-Based and Community Organizations), 67 FR 77141, 3 CFR, 2002 Comp., p. 258; and the implementing regulations at 41 CFR chapter 60; and

(b) Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135.

[68 FR 56405, Sept. 30, 2003]

§ 570.608 Lead-based paint.

The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at part 35, subparts A, B, J, K, and R of this part apply to activities under this program.

[64 FR 50226, Sept. 15, 1999]

§ 570.609 Use of debarred, suspended or ineligible contractors or subrecipients.

The requirements set forth in 24 CFR part 5 apply to this program.

[61 FR 5209, Feb. 9, 1996]

§ 570.610 Uniform administrative requirements and cost principles.

The recipient, its agencies or instrumentalities, and subrecipients shall comply with the policies, guidelines, and requirements of 24 CFR part 85 and OMB Circulars A-87, A-110 (implemented at 24 CFR part 84), A-122, A-133 (implemented at 24 CFR part 45), and A-128 [2] (implemented at 24 CFR part 44), as applicable, as they relate to the acceptance and use of Federal funds under this part. The applicable sections of 24 CFR parts 84 and 85 are set forth at § 570.502.

Footnote(s):

[2] See footnote 1 at § 570.200(a)(5).

[60 FR 56916, Nov. 9, 1995]

§ 570.611 Conflict of interest.

(a) *Applicability.* (1) In the procurement of supplies, equipment, construction, and services by recipients and by subrecipients, the conflict of interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively, shall apply.

(2) In all cases not governed by 24 CFR 85.36 and 84.42, the provisions of this section shall apply. Such cases include the acquisition and disposition of real property and the provision of assistance by the recipient or by its subrecipients to individuals, businesses, and other private entities under eligible activities that authorize such assistance (e.g., rehabilitation, preservation, and other improvements of private properties or facilities pursuant to § 570.202; or grants, loans, and other assistance to businesses, individuals, and other private entities pursuant to § 570.203, 570.204, 570.455, or 570.703(i)).

(b) *Conflicts prohibited.* The general rule is that no persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part, or who are in a position to participate in a decisionmaking process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter. For the UDAG program, the above restrictions shall apply to all activities that are a part of the UDAG project, and shall cover any such financial interest or benefit during, or at any time after, such person's tenure.

(c) *Persons covered.* The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the recipient, or of any designated public agencies, or of subrecipients that are receiving funds under this part.

(d) *Exceptions.* Upon the written request of the recipient, HUD may grant an exception to the provisions of paragraph (b) of this section on a case-by-case basis when it has satisfactorily met the threshold requirements of (d)(1) of this section, taking into account the cumulative effects of paragraph (d)(2) of this section.

(1) *Threshold requirements.* HUD will consider an exception only after the recipient has provided the following documentation:

(i) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

(ii) An opinion of the recipient's attorney that the interest for which the exception is sought would not violate State or local law.

(2) *Factors to be considered for exceptions.* In determining whether to grant a requested exception after the recipient has satisfactorily met the requirements of paragraph (d)(1) of this section, HUD shall conclude that such an exception will serve to further the purposes of the Act and the effective and efficient administration of the recipient's program or project, taking into account the cumulative effect of the following factors, as applicable:

(i) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project that would otherwise not be available;

(ii) Whether an opportunity was provided for open competitive bidding or negotiation;

(iii) Whether the person affected is a member of a group or class of low- or moderate-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

(iv) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decisionmaking process with respect to the specific assisted activity in question;

(v) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (b) of this section;

(vi) Whether undue hardship will result either to the recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

(vii) Any other relevant considerations.

[60 FR 56916, Nov. 9, 1995]

§ 570.612 Executive Order 12372.

(a) *General.* Executive Order 12372, Intergovernmental Review of Federal Programs, and the Department's implementing regulations at 24 CFR part 52, allow each State to establish its own process for review and comment on proposed Federal financial assistance programs.

(b) *Applicability.* Executive Order 12372 applies to the CDBG Entitlement program and the UDAG program. The Executive Order applies to all activities proposed to be assisted under UDAG, but it applies to the Entitlement program only where a grantee proposes to use funds for the planning or construction (reconstruction or installation) of water or sewer facilities. Such facilities include storm sewers as well as all sanitary sewers, but do not include water and sewer lines connecting a structure to the lines in the public right-of-way or easement. It is the responsibility of the grantee to initiate the Executive Order review process if it proposes to use its CDBG or UDAG funds for activities subject to review.

§ 570.613 Eligibility restrictions for certain resident aliens.

(a) *Restriction.* Certain newly legalized aliens, as described in 24 CFR part 49, are not eligible to apply for benefits under covered activities funded by the programs listed in paragraph (e) of this section. “Benefits” under this section means financial assistance, public services, jobs and access to new or rehabilitated housing and other facilities made available under covered activities funded by programs listed in paragraph (e) of this section. “Benefits” do not include relocation services and payments to which displacees are entitled by law.

(b) *Covered activities.* “Covered activities” under this section means activities meeting the requirements of § 570.208(a) that either:

(1) Have income eligibility requirements limiting the benefits exclusively to low and moderate income persons; or

(2) Are targeted geographically or otherwise to primarily benefit low and moderate income persons (excluding activities serving the public at large, such as sewers, roads, sidewalks, and parks), and that provide benefits to persons on the basis of an application.

(c) *Limitation on coverage.* The restrictions under this section apply only to applicants for new benefits not being received by covered resident aliens as of the effective date of this section.

(d) *Compliance.* Compliance can be accomplished by obtaining certification as provided in 24 CFR 49.20.

(e) *Programs affected.* (1) The Community Development Block Grant program for small cities, administered under subpart F of part 570 of this title until closeout of the recipient's grant.

(2) The Community Development Block Grant program for entitlement grants, administered under subpart D of part 570 of this title.

(3) The Community Development Block Grant program for States, administered under subpart I of part 570 of this title until closeout of the unit of general local government's grant by the State.

(4) The Urban Development Action Grants program, administered under subpart G of part 570 of this title until closeout of the recipient's grant.

[55 FR 18494, May 2, 1990]

§ 570.614 Architectural Barriers Act and the Americans with Disabilities Act.

(a) The Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157) requires certain Federal and Federally funded buildings and other facilities to be designed, constructed, or altered in accordance with standards that insure accessibility to, and use by, physically handicapped people. A building or facility designed, constructed, or altered with funds allocated or reallocated under this part after December 11, 1995, and that meets the definition of “residential structure” as defined in 24 CFR 40.2 or the definition of “building” as defined in 41 CFR 101-19.602(a) is subject to the requirements of the Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157) and shall comply with the Uniform Federal Accessibility Standards (appendix A to 24 CFR part 40 for residential structures, and appendix A to 41 CFR part 101-19, subpart 101-19.6, for general type buildings).

(b) The Americans with Disabilities Act (42 U.S.C. 12131; 47 U.S.C. 155, 201, 218 and 225) (ADA) provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, State and local government services, and telecommunications. It further provides that discrimination includes a failure to design and construct facilities for first occupancy no later than January 26, 1993, that are readily accessible to and usable by individuals with disabilities. Further, the ADA requires the removal of architectural barriers and communication barriers that are structural in nature in existing facilities, where such removal is readily achievable—that is, easily accomplishable and able to be carried out without much difficulty or expense.

[60 FR 56917, Nov. 9, 1995]

EXHIBIT E

24 Code of Federal Regulations Section 570.200

TITLE 24–HOUSING AND URBAN DEVELOPMENT
SUBTITLE B–REGULATIONS RELATING TO HOUSING & URBAN DEVELOPMENT
CHAPTER V–OFFICE OF ASSISTANCE SECRETARY FOR COMMUNITY PLANNING & DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PART 570-COMMUNITY DEVELOPMENT BLOCK GRANTS

Subpart C-Eligible Activities

Code of Federal Regulations

Title 24 - Housing and Urban Development

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§ 570.200 General policies.

(a) *Determination of eligibility.* An activity may be assisted in whole or in part with CDBG funds only if all of the following requirements are met:

(1) *Compliance with section 105 of the Act.* Each activity must meet the eligibility requirements of section 105 of the Act as further defined in this subpart.

(2) *Compliance with national objectives.* Grant recipients under the Entitlement and HUD-administered Small Cities programs and recipients of insular area funds under section 106 of the Act must certify that their projected use of funds has been developed so as to give maximum feasible priority to activities which will carry out one of the national objectives of benefit to low- and moderate-income families or aid in the prevention or elimination of slums or blight. The projected use of funds may also include activities that the recipient certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs. Consistent with the foregoing, each recipient under the Entitlement or HUD-administered Small Cities programs, and each recipient of insular area funds under section 106 of the Act must ensure and maintain evidence that each of its activities assisted with CDBG funds meets one of the three national objectives as contained in its certification. Criteria for determining whether an activity addresses one or more of these objectives are found in § 570.208.

(3) *Compliance with the primary objective.* The primary objective of the Act is described in section 101(c) of the Act. Consistent with this objective, entitlement recipients, non-entitlement CDBG grantees in Hawaii, and recipients of insular area funds under section 106 of the Act must ensure that, over a period of time specified in their certification not to exceed three years, not less than 70 percent of the aggregate of CDBG fund expenditures shall be for activities meeting the criteria under § 570.208(a) or under § 570.208(d)(5) or (6) for benefiting low- and moderate-income persons. For grants under section 107 of the Act, insular area recipients must meet this requirement for each separate grant. See § 570.420(d)(3) for additional discussion of the primary objective requirement for insular areas funded under section 106 of the Act. The requirements for the HUD-administered Small Cities program in New York are at § 570.420(d)(2). In determining the percentage of funds expended for such activities:

(i) Cost of administration and planning eligible under § 570.205 and § 570.206 will be assumed to benefit low and moderate income persons in the same proportion as the remainder of the CDBG funds and, accordingly shall be excluded from the calculation;

(ii) Funds deducted by HUD for repayment of urban renewal temporary loans pursuant to § 570.802(b) shall be excluded;

(iii) Funds expended for the repayment of loans guaranteed under the provisions of subpart M shall also be excluded;

(iv) Funds expended for the acquisition, new construction or rehabilitation of property for housing that qualifies under § 570.208(a)(3) shall be counted for this purpose but shall be limited to an amount determined by multiplying the total cost (including CDBG and non-CDBG costs) of the acquisition, construction or rehabilitation by the percent of units in such housing to be occupied by low and moderate income persons.

(v) Funds expended for any other activities qualifying under § 570.208(a) shall be counted for this purpose in their entirety.

(4) *Compliance with environmental review procedures.* The environmental review procedures set forth at 24 CFR part 58 must be completed for each activity (or project as defined in 24 CFR part 58), as applicable.

(5) *Cost principles.* Costs incurred, whether charged on a direct or an indirect basis, must be in conformance with OMB Circulars A-87, "Cost Principles for State, Local and Indian Tribal Governments"; A-122, "Cost Principles for Non-profit Organizations"; or A-21, "Cost Principles for Educational Institutions," as applicable. [1] All items of cost listed in Attachment B of these Circulars that require prior Federal agency approval are allowable without prior approval of HUD to the extent they comply with the general policies and principles stated in Attachment A of such circulars and are otherwise eligible under this subpart C, except for the following:

Footnote(s):

[1] These circulars are available from the American Communities Center by calling the following toll-free numbers: (800) 998-9999 or (800) 483-2209 (TDD).

(i) Depreciation methods for fixed assets shall not be changed without HUD's specific approval or, if charged through a cost allocation plan, the Federal cognizant agency.

(ii) Fines and penalties (including punitive damages) are unallowable costs to the CDBG program.

(iii) Pre-award costs are limited to those authorized under paragraph (h) of this section.

(b) *Special policies governing facilities.* The following special policies apply to:

(1) *Facilities containing both eligible and ineligible uses.* A public facility otherwise eligible for assistance under the CDBG program may be provided with CDBG funds even if it is part of a multiple use building containing ineligible uses, if:

(i) The facility which is otherwise eligible and proposed for assistance will occupy a designated and discrete area within the larger facility; and

(ii) The recipient can determine the costs attributable to the facility proposed for assistance as separate and distinct from the overall costs of the multiple-use building and/or facility.

Allowable costs are limited to those attributable to the eligible portion of the building or facility.

(2) *Fees for use of facilities.* Reasonable fees may be charged for the use of the facilities assisted with CDBG funds, but charges such as excessive membership fees, which will have the effect of precluding low and moderate income persons from using the facilities, are not permitted.

(c) *Special assessments under the CDBG program.* The following policies relate to special assessments under the CDBG program:

(1) *Definition of special assessment.* The term "special assessment" means the recovery of the capital costs of a public improvement, such as streets, water or sewer lines, curbs, and gutters, through a fee or charge levied or filed as a lien against a parcel of real estate as a direct result of benefit derived from the installation of a public improvement, or a one-time charge made as a condition of access to a public improvement. This term does not relate to taxes, or the establishment of the value of real estate for the purpose of levying real estate, property, or ad valorem taxes, and does not include periodic charges based on the use of a public improvement, such as water or sewer user charges, even if such charges include the recovery of all or some portion of the capital costs of the public improvement.

(2) *Special assessments to recover capital costs.* Where CDBG funds are used to pay all or part of the cost of a public improvement, special assessments may be imposed as follows:

(i) Special assessments to recover the CDBG funds may be made only against properties owned and occupied by persons not of low and moderate income. Such assessments constitute program income.

(ii) Special assessments to recover the non-CDBG portion may be made provided that CDBG funds are used to pay the special assessment in behalf of all properties owned and occupied by low and moderate income persons; except that CDBG funds need not be used to pay the special assessments in behalf of properties owned and occupied by moderate income persons if the grant recipient certifies that it does not have sufficient CDBG funds to pay the assessments in behalf of all of the low and moderate income owner-occupant persons. Funds collected through such special assessments are not program income.

(3) *Public improvements not initially assisted with CDBG funds.* The payment of special assessments with CDBG funds constitutes CDBG assistance to the public improvement. Therefore, CDBG funds may be used to pay special assessments provided:

(i) The installation of the public improvements was carried out in compliance with requirements applicable to activities assisted under this part including environmental, citizen participation and Davis-Bacon requirements;

(ii) The installation of the public improvement meets a criterion for national objectives in § 570.208(a)(1), (b), or (c); and

(iii) The requirements of § 570.200(c)(2)(ii) are met.

(d) *Consultant activities.* Consulting services are eligible for assistance under this part for professional assistance in program planning, development of community development objectives, and other general professional guidance relating to program execution. The use of consultants is governed by the following:

(1) *Employer-employee type of relationship.* No person providing consultant services in an employer-employee type of relationship shall receive more than a reasonable rate of compensation for personal services paid with CDBG funds. In no event, however, shall such compensation exceed the equivalent of the daily rate paid for Level IV of the Executive Schedule. Such services shall be evidenced by written agreements between the parties which detail the responsibilities, standards, and compensation.

(2) *Independent contractor relationship.* Consultant services provided under an independent contractor relationship are governed by the procurement requirements in 24 CFR 85.36, and are not subject to the compensation limitation of Level IV of the Executive Schedule.

(e) *Recipient determinations required as a condition of eligibility.* In several instances under this subpart, the eligibility of an activity depends on a special local determination. Recipients shall maintain documentation of all such determinations. A written determination is required for any activity carried out under the authority of §§ 570.201(f), 570.201(i)(2), 570.201(p), 570.201(q), 570.202(b)(3), 570.206(f), 570.209, 570.210, and 570.309.

(f) *Means of carrying out eligible activities.* (1) Activities eligible under this subpart, other than those authorized under § 570.204(a), may be undertaken, subject to local law:

(i) By the recipient through:

(A) Its employees, or

(B) Procurement contracts governed by the requirements of 24 CFR 85.36; or

(ii) Through loans or grants under agreements with subrecipients, as defined at § 570.500(c); or

(iii) By one or more public agencies, including existing local public agencies, that are designated by the chief executive officer of the recipient.

(2) Activities made eligible under § 570.204(a) may only be undertaken by entities specified in that section.

(g) *Limitation on planning and administrative costs.* No more than 20 percent of the sum of any grant, plus program income, shall be expended for planning and program administrative costs, as defined in §§ 570.205 and 507.206, respectively. Recipients of entitlement grants under subpart D of this part shall conform with this requirement by limiting the amount of CDBG funds obligated for planning plus administration during each program year to an amount no greater than 20 percent of the sum of its entitlement grant made for that program year (if any) plus the program income received by the recipient and its subrecipients (if any) during that program year.

(h) *Reimbursement for pre-award costs.* The effective date of the grant agreement is the program year start date or the date that the consolidated plan is received by HUD, whichever is later. For a Section 108 loan guarantee, the effective date of the grant agreement is the date of HUD execution of the grant agreement amendment for the particular loan guarantee commitment.

(1) Prior to the effective date of the grant agreement, a recipient may incur costs or may authorize a subrecipient to incur costs, and then after the effective date of the grant agreement pay for those costs using its CDBG funds, provided that:

(i) The activity for which the costs are being incurred is included, prior to the costs being incurred, in a consolidated plan action plan, an amended consolidated plan action plan, or an application under subpart M of this part, except that a new entitlement grantee preparing to receive its first allocation of CDBG funds may incur costs necessary to develop its consolidated plan and undertake other administrative actions necessary to receive its first grant, prior to the costs being included in its consolidated plan;

(ii) Citizens are advised of the extent to which these pre-award costs will affect future grants;

(iii) The costs and activities funded are in compliance with the requirements of this part and with the Environmental Review Procedures stated in 24 CFR part 58;

(iv) The activity for which payment is being made complies with the statutory and regulatory provisions in effect at the time the costs are paid for with CDBG funds;

(v) CDBG payment will be made during a time no longer than the next two program years following the effective date of the grant agreement or amendment in which the activity is first included; and

(vi) The total amount of pre-award costs to be paid during any program year pursuant to this provision is no more than the greater of 25 percent of the amount of the grant made for that year or $300,000.

(2) Upon the written request of the recipient, HUD may authorize payment of pre-award costs for activities that do not meet the criteria at paragraph (h)(1)(v) or (h)(1)(vi) of this section, if HUD determines, in writing, that there is good cause for granting an exception upon consideration of the following factors, as applicable:

(i) Whether granting the authority would result in a significant contribution to the goals and purposes of the CDBG program;

(ii) Whether failure to grant the authority would result in undue hardship to the recipient or beneficiaries of the activity;

(iii) Whether granting the authority would not result in a violation of a statutory provision or any other regulatory provision;

(iv) Whether circumstances are clearly beyond the recipient's control; or

(v) Any other relevant considerations.

(i) *Urban Development Action Grant.* Grant assistance may be provided with Urban Development Action Grant funds, subject to the provisions of subpart G, for:

(1) Activities eligible for assistance under this subpart; and

(2) Notwithstanding the provisions of § 570.207, such other activities as the Secretary may determine to be consistent with the purposes of the Urban Development Action Grant program.

(j) *Faith-based activities.* (1) Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to participate in the CDBG program. Neither the Federal government nor a State or local government receiving funds under CDBG programs shall discriminate against an organization on the basis of the organization's religious character or affiliation.

(2) Organizations that are directly funded under the CDBG program may not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as part of the programs or services funded under this part. If an organization conducts such activities, the activities must be offered separately, in time or location, from the programs or services funded under this part, and participation must be voluntary for the beneficiaries of the HUD-funded programs or services.

(3) A religious organization that participates in the CDBG program will retain its independence from Federal, State, and local governments, and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that it does not use direct CDBG funds to support any inherently religious activities, such as worship, religious instruction, or proselytization. Among other things, faith-based organizations may use space in their facilities to provide CDBG-funded services, without removing religious art, icons, scriptures, or other religious symbols. In addition, a CDBG-funded religious organization retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.

(4) An organization that participates in the CDBG program shall not, in providing program assistance, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or religious belief.

(5) CDBG funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for inherently religious activities. CDBG funds may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under this part. Where a structure is used for both eligible and inherently religious activities, CDBG funds may not exceed the cost of those portions of the acquisition, construction, or rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to CDBG funds in this part. Sanctuaries, chapels, or other rooms that a CDBG-funded religious congregation uses as its principal place of worship, however, are ineligible for CDBG-funded improvements. Disposition of real

property after the term of the grant, or any change in use of the property during the term of the grant, is subject to government-wide regulations governing real property disposition (*see* 24 CFR parts 84 and 85).

(6) If a State or local government voluntarily contributes its own funds to supplement federally funded activities, the State or local government has the option to segregate the Federal funds or commingle them. However, if the funds are commingled, this section applies to all of the commingled funds.

[53 FR 34439, Sept. 6, 1988, as amended at 54 FR 47031, Nov. 8, 1989; 57 FR 27119, June 17, 1992; 60 FR 1943, Jan. 5, 1995; 60 FR 17445, Apr. 6, 1995; 60 FR 56910, Nov. 9, 1995; 61 FR 11476, Mar. 20, 1996; 61 FR 18674, Apr. 29, 1996; 65 FR 70215, Nov. 21, 2000; 68 FR 56404, Sept. 30, 2003; 69 FR 32778, June 10, 2004; 70 FR 76369, Dec. 23, 2005; 72 FR 46370, Aug. 17, 2007]

EXHIBIT F

24 Code of Federal Regulations Section 85.43 and 85.44

TITLE 24–HOUSING AND URBAN DEVELOPMENT
SUBTITLE A–OFFICE OF THE SECRETARY, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PART 85–ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE, LOCAL, AND FEDERALLY RECOGNIZED INDIAN TRIBAL GOVERNMENTS

Reports, Records, Retention, and Enforcement

Code of Federal Regulations

Title 24 - Housing and Urban Development

Volume: 1
Date: 2011-04-01
Original Date: 2011-04-01
Title: Section 85.43 - Enforcement.
Context: Title 24 - Housing and Urban Development. Subtitle A - Office of the Secretary, Department of Housing and Urban Development. PART 85 - ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE, LOCAL AND FEDERALLY RECOGNIZED INDIAN TRIBAL GOVERNMENTS. Subpart C - Post-Award Requirements. - Reports, Records, Retention, and Enforcement.

§ 85.43 Enforcement.

(a) *Remedies for noncompliance.* If a grantee or subgrantee materially fails to comply with any term of an award, whether stated in a Federal statute or regulation, an assurance, in a State plan or application, a notice of award, or elsewhere, the awarding agency may take one or more of the following actions, as appropriate in the circumstances:

(1) Temporarily withhold cash payments pending correction of the deficiency by the grantee or subgrantee or more severe enforcement action by the awarding agency,

(2) Disallow (that is, deny both use of funds and matching credit for) all or part of the cost of the activity or action not in compliance,

(3) Wholly or partly suspend or terminate the current award for the grantee's or subgrantee's program,

(4) Withhold further awards for the program, or

(5) Take other remedies that may be legally available.

(b) *Hearings, appeals.* In taking an enforcement action, the awarding agency will provide the grantee or subgrantee an opportunity for such hearing, appeal, or other administrative proceeding to which the grantee or subgrantee is entitled under any statute or regulation applicable to the action involved.

(c) *Effects of suspension and termination.* Costs of grantee or subgrantee resulting from obligations incurred by the grantee or subgrantee during a suspension or after termination of an award are not allowable unless the awarding agency expressly authorizes them in the notice of suspension or termination or subsequently. Other grantee or subgrantee costs during suspension or after termination which are necessary and not reasonably avoidable are allowable if:

(1) The costs result from obligations which were properly incurred by the grantee or subgrantee before the effective date of suspension or termination, are not in anticipation of it, and, in the case of a termination, are noncancellable, and,

(2) The costs would be allowable if the award were not suspended or expired normally at the end of the funding period in which the termination takes effect.

(d) *Relationship to debarment and suspension.* The enforcement remedies identified in this section, including suspension and termination, do not preclude a grantee or subgrantee from being subject to 2 CFR part 2424 (see § 85.35).

[53 FR 8068, 8087, Mar. 11, 1988, as amended at 72 FR 73493, Dec. 27, 2007]

Code of Federal Regulations

Title 24 - Housing and Urban Development

Volume: 1
Date: 2011-04-01
Original Date: 2011-04-01
Title: Section 85.44 - Termination for convenience.
Context: Title 24 - Housing and Urban Development. Subtitle A - Office of the Secretary, Department of Housing and Urban Development. PART 85 - ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE, LOCAL AND FEDERALLY RECOGNIZED INDIAN TRIBAL GOVERNMENTS. Subpart C - Post-Award Requirements. - Reports, Records, Retention, and Enforcement.

§ 85.44 Termination for convenience.

Except as provided in § 85.43 awards may be terminated in whole or in part only as follows:

(a) By the awarding agency with the consent of the grantee or subgrantee in which case the two parties shall agree upon the termination conditions, including the effective date and in the case of partial termination, the portion to be terminated, or

(b) By the grantee or subgrantee upon written notification to the awarding agency, setting forth the reasons for such termination, the effective date, and in the case of partial termination, the portion to be terminated. However, if, in the case of a partial termination, the awarding agency determines that the remaining portion of the award will not accomplish the purposes for which the award was made, the awarding agency may terminate the award in its entirety under either § 85.43 or paragraph (a) of this section.

EXHIBIT G

INSURANCE REQUIREMENTS

INSURANCE REQUIREMENTS

Sub-recipient shall procure and maintain insurance for the duration for this Agreement against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the work hereunder by Sub-recipient, its agents, representatives, subcontractors, or employees. If Sub-recipient fails to maintain insurance acceptable to the City for the full term of this Agreement, the City may terminate this Agreement. Prior to the commencement of work under this Agreement, Sub-recipient will file with the City (who shall forward to County) an original Certificate of Insurance and all required endorsements evidencing that coverage required by this Agreement and necessary to satisfy the insurance provisions of Contract No. 17-23-0008-PFI have been complied with and are in effect. Such insurance and the certificates will be kept on deposit with the City and County during the entire term of this Agreement.

In addition, all construction subcontractors performing work on behalf of Sub-recipient pursuant to this Agreement shall be covered under Sub-recipient's insurance or shall obtain insurance subject to the same terms and conditions as set forth herein. Sub-recipient shall require that any subcontractor working for Sub-recipient have the insurance required by this section and not allow subcontractors to work if the subcontractors have less than the level of coverage required by the City under this Agreement. Sub-recipient shall provide notice of the insurance requirements to every subcontractor and must receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of insurance must be maintained by Sub-recipient or subcontractor through the entirety of this Agreement for inspection by City and County representatives at any reasonable time

A. Minimum Limits of Insurance

The policy or policies of insurance maintained by Sub-recipient shall provide the minimum limits and coverage as set forth herein below:

Coverage	Minimum Limits
Commercial General Liability	$1,000,000 per occurrence $2,000,000 aggregate
Automobile Liability including all owned, non-owned, and hired	$1,000,000 per occurrence
Workers' Compensation	Statutory
Sexual Misconduct	$1,000,000 per occurrence
Employer's Liability	$1,000,000 per occurrence
Professional Liability	$1,000,000 per claims made or per occurrence

The City and County are to be added as an additional insured except for Workers' Compensation/Employers' Liability. (Endorsement must be attached to Certificate of Insurance).

B. Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared and approved by the City. Any deductible or self-insured retention (SIR) amount in excess of $25,000 ($5,000 for automobile liability) shall specifically be approved by the County's Executive Office/Office of Risk Management. Sub-recipient shall be responsible for reimbursement of any deductible to the insurer.

C. Acceptability of Insurers

The policy or policies of insurance must be issued by an insurer licensed to do business in the State of California (California Admitted Carrier). Insurance is to be placed with insurers with a minimum insurance company rating as determined by the most current edition of the *Best's Key Rating Guide/Property-Casualty/United States* or ambest.com of A- (Secure Best's Rating) and VIII (Finance Size Category). If the carrier is a non- admitted carrier in the State of California, the City and County retain the right to approve or reject carrier after a review of the company's performance and financial ratings.

D. Changes to Insurance

1. Insurance policy or policies shall not be changed, canceled, limited in scope of coverage or non-renewed until 30-days written notice had been given to the City and County of Orange/OC Community Services (Endorsement must be attached to Certificate of Insurance).

2. Any of the above insurance types may be increased or waived due to current insurance marketplace conditions, at the sole discretion of the City and County. In addition, the City and County retain the right to require additional insurance coverage as may be deemed appropriate to adequately protect the City and County. The requirements shall be reasonable and shall be designed to assure protection from and against the kind and extent of risks, which exist at the time a change in insurance is required.

3. The City shall notify Sub-recipient in writing of changes required in the insurance requirements. If Sub-recipient does not deposit copies of acceptable Certificates of Insurance and endorsements with the City within thirty (30) days of receipt of such notice, this Agreement may be in default without further notice to Sub-recipient, and City shall be entitled to all legal remedies.

E. Other Requirements

Each insurance policy required by this Agreement shall be endorsed to contain the following provisions:

> All rights of subrogation are hereby waived against City and County, their respective elective and appointed officials, officers and employees when acting within the scope of their employment or appointment, and County and their Board or Commissions, which are governed by County Board of Supervisors. (Endorsement must be attached to Certificate of Insurance).

F. Verification of Coverage

Sub-recipient shall furnish the City with original certificates and amendatory endorsements affecting coverage. Said policies and endorsements shall conform to the requirements herein stated. All certificates and endorsements are to be received and approved by the City before work commences. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. The endorsements are to be on the standard industry forms, as listed below. The City reserves the right to require Sub-recipient's insurers to provide complete, certified copies of all required insurances policies at any time.

Required ACORD Form	Certificate of Liability Form 25-S(7/97)
Notice of Policy Termination	Cancellation Section of ACORD Form 25S(7/97) Words "endeavor to" deleted from standard wording.

Required Coverage Forms

Commercial General Liability	ISO Form CG 00 01; OR Or a substitute form providing coverage at least as broad
Business Automobile Liability	ISO Form CA 00 01, CA 00 05, CA 00 12, CA 00 02; Or a substitute form providing coverage at least as broad

Insurance information shall be submitted to:

City of Laguna Hills
General Government
Attn: James Haston, Management Analyst
24035 El Toro Rd
Laguna Hills, CA 92653

For submittal also to:

County of Orange
OC Community Services
Attn: Contract Administration and Compliance
1770 North Broadway
Santa Ana, CA 92706-2642

G. Sub-Recipient Liability

The procuring of such required policy or policies of insurance shall not be construed to limit Sub-recipient's liability hereunder or to fulfill the indemnification provisions and requirements of this Agreement.

City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: **November 28, 2017**

TO: **Chair and Agency Members**

FROM: **Cindy Sands**
Admin. Assistant to City Manager

ISSUE: **Approval of Minutes for November 14, 2017, Regular Meeting**

RECOMMENDATION: That the Planning Agency approve the Minutes for the November 14, 2017, Regular Meeting.

ATTACHMENTS:

- PA Minutes 111417

(3) Authorize the City Manager to execute the proposed Parking Citation Processing Agency Services Agreement with Data Ticket, Inc.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Barbara D. Kogerman, Council Member
SECONDER:	Don Sedgwick, Mayor
AYES:	Don Sedgwick, Mayor; Melody Carruth, Mayor Pro Tempore; Dore J. Gilbert, M.D., Council Member; Janine Heft, Council Member; Barbara D. Kogerman, Council Member

4. PLANNING AGENCY

Mayor Sedgwick recessed the City Council meeting and, acting in the capacity of Chair, called the Regular Meeting of the Planning Agency of the City of Laguna Hills, California, to order at 7:25 p.m.

4.1 ROLL CALL OF PLANNING AGENCY MEMBERS

Attendee Name	Title	Status	Arrived
Don Sedgwick	Chair	Present	
Melody Carruth	Vice Chair	Present	
Dore J. Gilbert, M.D.	Agency Member	Present	
Janine Heft	Agency Member	Present	
Barbara D. Kogerman	Agency Member	Present	

4.2 PUBLIC COMMENTS

There were no Public Comments.

4.3 APPROVAL OF MINUTES

4.3.1 Approval of Minutes for August 22, 2017, Regular Meeting

Recommendation: That the Planning Agency approve the Minutes for the August 22, 2017, Regular Meeting.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Melody Carruth, Vice Chair
SECONDER:	Janine Heft, Agency Member
AYES:	Don Sedgwick, Chair; Melody Carruth, Vice Chair; Dore J. Gilbert, M.D., Agency Member; Janine Heft, Agency Member, Barbara D. Kogerman, Agency Member

4.3.2 Approval of Minutes for October 10, 2017, Regular Meeting

Recommendation: That the Planning Agency approve the Minutes for the October 10, 2017, Regular Meeting.

RESULT:	**APPROVED [4-0]**
MOVER:	Barbara D. Kogerman, Agency Member
SECONDER:	Melody Carruth, Vice Chair
AYES:	Don Sedgwick, Chair; Melody Carruth, Vice Chair; Dore J. Gilbert, M.D., Agency Member; Janine Heft, Agency Member
ABSTAIN:	Barbara D. Kogerman, Agency Member

4.4 ADMINISTRATIVE REPORTS

There were no Administrative Reports.

4.5 PLANNING AGENCY PUBLIC HEARINGS

There were no Planning Agency Public Hearings.

PLANNING AGENCY ADJOURNMENT

Mayor Sedgwick reconvened the City Council Meeting at 7:26 p.m. All Council Members were present.

5. CITY COUNCIL PUBLIC HEARINGS

There were no City Council Public Hearings

6. ADMINISTRATIVE REPORTS

6.1 City Manager

The City Manager gave no Administrative Reports.

7. MATTERS AGENDIZED AND PRESENTED BY CITY COUNCIL MEMBERS

There were no matters agendized and presented by City Council Members.

City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: November 28, 2017

TO: Mayor and Council Members

FROM: Melissa Au-Yeung
Assistant to the City Manager/City Clerk

ISSUE: Acceptance of Letter of Resignation Filed by City Manager

RECOMMENDATION: That the City Council accept the Letter of Resignation filed by City Manager Bruce E. Channing, receive and file the report, and provide direction as necessary.

SUMMARY:

After 26 years as City Manager for the City of Laguna Hills, Mr. Bruce E. Channing has announced his retirement and submitted his letter of resignation dated November 21, 2017. Mr. Channing's last day of employment with the City of Laguna Hills will be February 2, 2018, as stated in his letter of resignation. City Manager's Channing's Employment Agreement specifies that he should provide a minimum of forty-five (45) days' notice to the City Council prior to his resignation.

It is in order for the City Council to accept Mr. Channing's letter of resignation, receive and file the report, and provide direction to staff as necessary.

ATTACHMENTS:

- Bruce E. Channing - Letter of Resignation

CITY OF LAGUNA HILLS

City Manager

November 21, 2017

Dear Mayor and City Council,

It has been my great privilege to serve as City Manager for this outstanding City since the day of its incorporation on December 20, 1991. I believe that many great things have been accomplished over the course of these past 26 years and that the expectations of Cityhood have not only been fulfilled, but surpassed. Now, after 40+ years in public service, I've decided it is time to retire and explore my next phase of life. I don't know what all that might include, but I am excited by the prospect of doing something different.

My last day in office will be February 2, 2018. I will leave here with a great deal of pride for what the City Council and City staff have accomplished by working harmoniously together. The City is now and has always been in strong financial condition, as evidenced by our AA+ Rating by Standard and Poor's. Our boundaries have been enlarged through the annexation of neighborhoods to our north and west. We have widened and improved our intersections and roadways making circulation and vehicle safety a priority. We have constructed first rate recreational facilities and sports fields for our youth and adults to enjoy and have a Community Center and Gymnasium that is the envy of many. In addition we purchased and renovated a former bank and office building into a first-class Civic Center that contributes substantial lease revenue to our General Fund every year. Public Safety has always been a high priority in Laguna Hills and we continue to enjoy very low crime rates.

Over the course of my 26 years here, every neighborhood shopping center has been renovated and enhanced without the need for a Redevelopment Agency or cash infusion from the taxpayers. We have brought public art into our city-owned buildings and public/private gathering spaces. New housing that meets the needs of our changing demographics has been constructed as well. My only regret is that I will not be here to bear witness to the transformation of the former Laguna Hills Mall into the exciting new life-style center called Five Lagunas.

I will certainly miss working with you, our great staff, and the people of Laguna Hills that I have befriended over the years. I truly appreciate and admire everyone's full-fledged commitment to improving the quality of life for everyone in Laguna Hills to enjoy. It gives me great peace of mind to be able to retire knowing that the future of this City is very bright and that the leadership in place after I'm gone will carry-on the tradition of excellence that is the hallmark of this organization.

Very truly yours,

Bruce E. Channing

Bruce E. Channing
City Manager

24035 El Toro Road • Laguna Hills, California 92653 • (949) 707-2610 • FAX (949) 707-2614
website: www.ci.laguna-hills.ca.us

City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: November 28, 2017

TO: Mayor and Council Members

FROM: Gregory Simonian

ISSUE: Appointment of Labor Negotiator

RECOMMENDATION: That the City Council appoint Mayor Don Sedgwick to serve as the Council-designated Labor Representative for purposes of facilitating the Contract Negotiation process to retain a new City Manager.

SUMMARY:

On November 21, 2017, City Manager Bruce E. Channing submitted a letter of resignation effective February 2, 2018, after providing 26 years of service to the City. Mr. Channing's letter of resignation was placed on the November 28, 2017 agenda, for City Council review and acceptance. In preparation for selecting a new City Manager, it is recommended that the City Council, pursuant to Government Code Section 54957.6, appoint Mayor Don Sedgwick to serve as the Council-designated labor representative for purposes of facilitating upcoming contract negotiations required to fill the City Manager position.

BACKGROUND:

This item is related to the pending selection process for filling the City Manager position and has been placed on the Agenda at the recommendation of the City Attorney. Pursuant to Government Code Section 54957.6, the City Council is authorized to select and appoint an individual to serve as its designated representative for purposes of conducting a Closed Session meeting with its authorized labor negotiator to discuss compensation of the City Manager, an unrepresented employee position.

As a practical matter, a City Council designated labor negotiator appointed to facilitate contract negotiations can be a City Council Member, human relations staff, professional labor facilitator, or agency counsel. The City Council has historically appointed the Mayor and/or the Mayor Pro Tem to serve as its designated labor representative(s) in connection with City Manager employment contract-related issues.

Government Code Section 54957.6 allows the City Council to select and identify its designated representative for purposes of conducting a closed session meeting with its authorized labor negotiator to discuss compensation of the City Manager, an unrepresented employee. To do so; however, the City Council must first place the designation of a labor negotiator on the open and public session of the agenda and identify its designated labor representative prior to discussing compensation of an unrepresented employee in closed session.

Under the Brown Act, the City Council must take “final action” on the proposed compensation concerning employment of the City Manager in open session after conferring with the Council's designated labor representative. Following completion of the City Council’s process for selecting a new City Manager, it is anticipated that the City Council will direct that a new employment agreement be prepared and placed on the agenda for a future City Council meeting, at which time the Council will review, consider, and approve the employment contract in open session.

CONCLUSION:

The City Council has the option of designating an authorized Council labor representative for purposes of facilitating the City Manager contract negotiation process, but is not legally required to do so. It is recommended that the City Council, pursuant to Government Code Section 54957.6, appoint Mayor Don Sedgwick as the Council-designated labor representative for purposes of facilitating the contract negotiation process in connection with filling the City Manager position.

FISCAL IMPACT:

There is no fiscal impact associated with the City Council designating one of its members to serve as the designated labor representative for purposes of facilitating the employment contract negotiation process for filling the City Manager position.

City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: November 28, 2017

TO: Mayor and Council Members

FROM: Janine Heft
Council Member

ISSUE: Proposal to Amend Title 9 (Zoning and Subdivisions) of the Laguna Hills Municipal Code to Require a Regulatory Permit for the Limited Personal Cultivation of Marijuana Inside a Person's Private Residence and Inside an Accessory Structure to a Person's Private Residence in Accordance with State Law

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RECOMMENDATION: That the City Council approve the process of drafting an Amendment to Title 9 (Zoning and Subdivisions) of the Laguna Hills Municipal Code to require a Regulatory Permit for the Limited Personal Cultivation of Marijuana inside a Person's Private Residence and inside an Accessory Structure to a Person's Private Residence in accordance with State Law.

BACKGROUND:

On April 25, 2017, the Laguna Hills City Council voted unanimously to adopt an Ordinance banning the outdoor cultivation of marijuana upon the grounds of a person's private residence in addition to the City's existing Ordinance that provides for a complete ban on all commercial cannabis-related uses in all zoning districts within the City. In addition, the possibility of adding the requirement of a regulatory permit for indoor cultivation was discussed. It was decided to revisit this option at a later date.

SUMMARY:

The main purpose of implementing a simple regulatory permit system in our City is for local law enforcement to know where drug cultivation occurs to ensure abuse doesn't ensue and possibly endanger other residents, including fires arising from indoor cultivation. Our neighboring city of Aliso Viejo has already passed such a permit-based ordinance and program, so it would be advisable to harmonize the ordinances of both cities so that no significant gap arises between the two cities in how indoor marijuana cultivation is regulated.

FISCAL IMPACT:

The cost of the permit should be based on the cost of providing the regulatory program.

ATTACHMENTS:

- City of Aliso Viejo Marijuana (Cannabis) Ordinance
- City of Aliso Viejo Indoor Marijuana Cultivation Permit Application and Processing Requirements
- OC Register Article from November 18, 2017 Regarding Home Fire resulting from Indoor Marijuana Cultivation

Chapter 15.40
MARIJUANA (CANNABIS) REGULATION

Sections:

15.40.010 Purpose.
The purpose of this chapter is to regulate personal, medical, and commercial marijuana uses. Nothing in this chapter shall preempt or make inapplicable any provision of state or federal law. [Ord. 2016-181 § 5; Ord. 2015-172 § 5].

15.40.020 Personal use.
A. For purposes of this section, personal recreational use, possession, purchase, transport, or dissemination of marijuana shall be considered unlawful in all areas of the city to the fullest extent that California law and federal law allow.

B. Outdoor Cultivation. A person may not plant, cultivate, harvest, dry, or process marijuana plants outdoors in any zoning district of the city. No use permit, building permit, variance, or any other permit or entitlement, whether administrative or discretionary, shall be approved or issued for any such use or activity.

C. Indoor Cultivation.

1. A person may not plant, cultivate, harvest, dry, or process marijuana plants inside a private residence, or inside an accessory structure to a private residence located on the grounds of a private residence, or inside any other enclosed structure within any zoning district of the city. No use permit, building permit, variance, or any other permit or entitlement, whether administrative or discretionary, shall be approved or issued for any such use or activity.

2. To the extent that a complete prohibition on indoor cultivation is not permitted by California law, a person may not plant, cultivate, harvest, dry, or process marijuana plants inside a private residence, or inside an accessory structure to a private residence located on the grounds of a private residence, unless the person is issued an indoor cultivation permit by the planning division. A person may not plant, cultivate, harvest, dry, or process marijuana plants inside any enclosed structure that is not either a private residence or an accessory structure to a private residence located on the grounds of a private residence. Before a person may engage in indoor cultivation, he or she must obtain a permit from city and affirm under penalty of perjury on the permit application form that the person will comply with all applicable standards and agree to indemnify and defend the city against any claim resulting from or related to the person's cultivation activities.

3. The planning department will issue application and processing guidelines for the indoor cultivation permit. No indoor cultivation permit shall be issued prior to the release of these guidelines, and no permit shall be granted which has not complied fully with the application and processing requirements. [Ord. 2016-181 § 5].

15.40.030 Medical use.
A. Cultivation of medical marijuana pursuant to California Health and Safety Code Section 11362.77 is subject to the cultivation requirements laid out in AVMC 15.40.020.

B. The establishment or operation of any medical marijuana collective, cooperative, dispensary, delivery service, operator, establishment, or provider shall be considered a prohibited use in all zoning districts of the city. No use permit, variance, building permit, or any other entitlement or permit, whether administrative or discretionary, shall be approved or issued for the establishment of any collective, cooperative, dispensary, delivery service, operator, establishment, or provider in any zoning district, and no person shall otherwise establish such businesses or operations in any zoning district. [Ord. 2016-181 § 5].

15.40.040 Commercial use.
A. The establishment or operation of any commercial marijuana activity or marijuana business (whether for-profit or nonprofit) is prohibited. No use permit, variance, building permit, or any other entitlement or permit, whether administrative or discretionary, shall be approved or issued for the establishment or operation of any such business or operation. Such prohibited businesses or operations include, but are not limited to:

1. The transportation, delivery, storage, distribution, or sale of marijuana, marijuana products, or marijuana accessories;

2. The cultivation of marijuana;

3. The manufacturing or testing or marijuana, marijuana products, or marijuana accessories; or

4. Any other business licensed by the state or other government entity under California Business and Professions Code Division 10, as it may be amended from time to time. [Ord. 2016-181 § 5; Ord. 2015-172 § 5. Formerly 15.40.020].

15.40.050 Violations.

No person, whether as principal, agent, employee or otherwise, shall violate, cause the violation of, or otherwise fail to comply with any of the requirements of this chapter. Every act prohibited or declared unlawful, and every failure to perform an act made mandatory by this chapter, shall be a misdemeanor or an infraction, at the discretion of the city attorney or the district attorney. In addition to the penalties provided in this section, any condition caused or permitted to exist in violation of any of the provisions of this chapter is declared a public nuisance and may be abated as provided in Chapter 1.06 AVMC and/or under state law. [Ord. 2016-181 § 5; Ord. 2015-172 § 5. Formerly 15.40.030].

Mobile Version

CITY OF ALISO VIEJO
DEPARTMENT OF PLANNING SERVICES
12 JOURNEY, SUITE 100
ALISO VIEJO, CA 92656
Phone: (949) 425-2525
Fax: (949) 425-3899

Indoor Marijuana Cultivation Permit Application

FORM PS-420

PART 1 – MUST BE COMPLETED FOR ALL PERMITS/APPROVALS

1. Application Type: Indoor Marijuana Cultivation Permit *(AVMC Section 15.40)* Fee Amount (estimated 5 hours at $69/hour): $ 345.00

Time Limits: Please allow up to fifteen (15) working days to process this application. Date Paid:______________

2. Project Address / Location:	**Project Case No.** *For City Use Only*
Parcel Size:	**Assessors Parcel Number:**
Zone:	**Land Use Designation:**

3. Property Owner:	**4. Applicant:** *(if different from property owner)*
Name: Company/Corporation:	Name: Company/Corporation:
Address:	Address:
City: State: Zip: Email:	City: State: Zip: Email:
Telephone: Telephone:	Telephone: Telephone:

5. CERTIFICATION:

The information provided with this application is true and correct to the best of my knowledge and belief. I have read and understand the City of Aliso Viejo's requirements for an Indoor Marijuana Cultivation Permit, and I acknowledge that I am personally responsible to make myself aware of and to comply with all applicable laws and regulations of the City, the State of California, and the United States of America with respect to the subject matter of this application. I am the owner of the above property or have the owner's permission to cultivate marijuana in accordance with an Indoor Marijuana Cultivation Permit should I be issued a permit, as evidenced by the owner's written and notarized consent to file this application; that the above property is my primary, legal residence as required under the City's Municipal Code; and that I have no other pending or active Indoor Marijuana Cultivation Permit for any other property in California. I understand that verification of property ownership or of interests in the property may be required. (*Before signing, please see additional information attached to this application.*)

I hereby agree to protect, defend with counsel acceptable to the City, indemnify, and hold harmless the City, its officers, employees, and agents from any claim, action, or proceeding against the City, its officers, employees, or agents that is brought in connection with this application or the activities that are the subject of this application at the project address listed above or any other law, permit or regulation in order to attack, set aside, void, annul, or seek to impose liability on the City for granting the approval granted by the application, which action is brought, for any monetary claims (including, but not limited to, fines, fees, penalties and attorneys' fees).

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. I also declare under penalty of perjury under the laws of the State of California that I will comply with the standards identified on page 3 of the application.

* A notary public must certify the identity of the Applicant and Property Owner (if different from the Applicant) on page 4.

Applicant (Print): ______________________ Title: ______________________

Signature*: ______________________ Date: ______________________

Property Owner (Print): ______________________ Title: ______________________

Signature*: ______________________ Date: ______________________

Approved By:

Print Name:	Signature:	Date:

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Indoor Marijuana Cultivation Permit Application

FORM PS-420

PART 2 – SUPPLEMENTAL INFORMATION

All items are required to be submitted unless otherwise approved by the Director of Planning Services

File in person; do not mail. Application must be complete and typed or hand written legibly. Attach additional sheets if necessary.

Letters of Approval/Authorization

- ❑ If the Applicant is not the Property Owner, the Applicant shall provide written authorization from the Property Owner authorizing the Applicant to submit on his/her behalf. Tenants can cultivate only with the prior express written consent of the property owner provided to the City on a City form. A residence must be occupied full-time by the person cultivating the recreational marijuana and must have a fully functioning kitchen, bedroom, bathroom not being used for cultivation.

Site Plan (8½" x 11"), including:

- ❑ Workable scale
- ❑ North arrow
- ❑ Property lines
- ❑ Adjacent streets, alleys and properties
- ❑ Location of any existing and/or new structures
- ❑ Street address and assessor's parcel number(s)
- ❑ Name of Applicant

Interior Floor Plan (8 ½" x 11"):

- ❑ An Interior Floor Plan shall show the area to be used for indoor cultivation, with all rooms clearly labeled and the dimensions of the indoor cultivation area indicated. The floor plan shall also identify the type, location, and wattage of lamps and electrical service used for cultivation.

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FORM PS-420

PART 3 – CITY OF ALISO VIEJO REGULATIONS

City of Aliso Viejo Marijuana (Cannabis) Regulations

The limited home cultivation of marijuana on a parcel with an approved private residence shall only be conducted within the Applicant's residence or within a fully enclosed and secure accessory structure on the same lot as the Applicant's residence. Such cultivation shall be in compliance with the following City standards:

1. The primary use of the property shall be for a residence. Marijuana cultivation is prohibited as a home occupation.

2. Marijuana cultivation shall be limited to six (6) marijuana plants per private residence, regardless of whether the marijuana is cultivated inside the residence or in a fully enclosed and secure structure. The limit of six (6) plants per private residence shall apply regardless of how many individuals reside at or in the private residence.

3. The lighting and electrical used for the cultivation shall not exceed the applicable provisions of the California Code of Regulations Title 24, as adopted and amended by the Aliso Viejo Municipal Code.

4. The use of gas products (CO2, butane, propane, natural gas, etc.) or generators for cultivation of marijuana is prohibited.

5. Any structure or residence used for the cultivation of marijuana must have a ventilation and filtration system installed that prevents marijuana plant odors from exiting the structure and shall comply with all applicable provisions of the California Code of Regulations as adopted and amended by the Aliso Viejo Municipal Code.

6. Any proposed accessory structure, or any change to mechanical, electrical, structural or plumbing facilities to existing structures, to be constructed for the purposes of growing up to six (6) marijuana plants must be approved by the Planning and Building Departments prior to construction and must meet all requirements of the Aliso Viejo Municipal Code and the California Code of Regulations.

7. If a fully enclosed and secure accessory structure is to be used for the cultivation of marijuana and it is located in the rear yard area of the parcel, the structure must comply with the current minimum applicable setback of the underlying zone or a setback of three feet (3'0"), whichever is greater. If the structure is made of combustible material (e.g., wood or plastic), the structure must comply with the current minimum applicable setback of the underlying zone or a setback of five feet (5'0"), whichever is greater. The yard where the fully enclosed and secure accessory structure is maintained must be enclosed by a solid fence at least five feet (5'0") in height (but in no event lower than the maximum allowed fence height for the underlying zone). This provision shall not apply to cultivation occurring entirely in a garage.

8. Adequate mechanical locking or electronic security systems must be installed as part of the fully enclosed and secure accessory structure or residence prior to the commencement of cultivation.

9. The residential structure shall remain at all times the applicant's primary, legal residence, with legal and functioning cooking, sleeping, and sanitation facilities with proper ingress and egress. No room that is used for cooking, sleeping, or sanitation may be used for marijuana cultivation.

10. There shall be no exterior evidence of the marijuana cultivation from any public right of way or other public property.

11. The marijuana cultivation area, whether in a fully enclosed and secure accessory structure or residence, shall not be accessible to persons under 21 years of age.

12. A portable fire extinguisher shall be kept in the fully enclosed and secure accessory structure or residence used for cultivation of marijuana. If cultivation occurs in a residence, the portable fire extinguisher shall be kept in the same room as where the cultivation occurs.

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Indoor Marijuana Cultivation Permit Application

FORM PS-420

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF ______________________________

On ____________________________, _______, before me, ____
(here insert name and title of the officer)

personally appeared ____,
who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

____
Signature (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF ______________________________

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____
Signature (Seal)

NEWS > CRIME + PUBLIC SAFETY

Firefighters discover indoor marijuana farm in Chino Hills

Firefighters discovered an indoor marijuana farm while extinguishing a house fire on the 1800 block of Nordic Avenue in Chino Hills. (Courtesy photo)

By **BEAU YARBROUGH** | byarbrough@scng.com | Inland Valley Daily Bulletin

November 18, 2017 at 3:45 pm

5 COMMENTS

Smoke from an early morning house fire in Chino Hills on Friday morning had a little something extra in the mix.

At 6:15 a.m., San Bernardino County Sheriff's Department and Chino Valley Fire Department personnel responded to a house fire at 1807 Nordic Avenue in Chino Hills.

While extinguishing the fire, firefighters discovered hundreds of marijuana plants being grown inside the building.

Investigators from the Sheriff's Department Gangs/Narcotics Division, Sheriff's Marijuana Enforcement Team, Chino Valley Fire Department and Southern California Edison personnel found evidence of an indoor marijuana farm and utility theft, according to a press release issued by the San Bernardino County Sheriff's Department.

Investigators believe there were several hundred marijuana plants growing inside the house at the time the fire started, most were destroyed by the fire.

The fire is believed to have been caused by faulty wiring when the suspects bypassed the house's electrical meter, possibly in an attempt to steal power and avoid tipping off law enforcement, as indoor marijuana farms typically consume a great deal of electricity.

The fire caused extensive damage to the interior of the house, which was leased through a property management company.

Investigators are still working to identify suspects in the case. Suspects will face charges of utility theft, unlawful causing of a fire to property, vandalism and cultivation of marijuana, according to the sheriff's department.

Anyone with information is asked to call the San Bernardino Sheriff's Department's Gangs/Narcotics Division at 909-387-8400. Callers wishing to remain anonymous can contact We Tip by calling 1-800-78 CRIME (1-800-782-7463) or by visiting WeTip.com online.

Tags: **Crime**, **top stories ivdb**, **top stories sun**

Beau Yarbrough

Beau Yarbrough wrote his first newspaper article taking on an authority figure (his middle school principal) when he was in 7th grade. He's been a professional journalist since 1992, working in Virginia, Egypt and California. In that time, he's covered community news, features, politics, local government, education, the comic book industry and more. He's covered the war in Bosnia, interviewed presidential candidates, written theatrical reviews, attended a seance, ridden in a blimp and interviewed both Batman and Wonder Woman (Adam West and Lynda Carter). He also cooks a mean pot of chili.

Follow Beau Yarbrough @LBY3

VIEW COMMENTS

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