



CITY OF LAGUNA HILLS

CITY COUNCIL/PLANNING AGENCY

REGULAR MEETING AGENDA

Tuesday, October 25, 2016 – 7:00 PM
(Closed Session at 6:00 PM when scheduled)

Barbara D. Kogerman, Mayor

Don Sedgwick, Mayor Pro Tempore

Andrew Blount, Council Member

Melody Carruth, Council Member

Dore J. Gilbert, M.D., 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 ITEMS

A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Pursuant to Government Code Section 54957(b)(1)

Public Employee Title: City Manager - Annual Performance Evaluation

PUBLIC COMMENT ON CLOSED SESSION ITEMS

ADJOURN TO CITY COUNCIL CONFERENCE ROOM

CONVENE INTO CLOSED SESSION

RECONVENE TO CITY COUNCIL CHAMBER

RECESS



CITY OF LAGUNA HILLS CITY COUNCIL/PLANNING AGENCY

REGULAR MEETING AGENDA

**Tuesday, October 25, 2016 – 7:00 PM
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GENERAL BUSINESS - CONVENING AT 7:00 P.M.

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 GILBERT

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 oral report from Laguna Hills High School Student Liaison Jennifer Bommarito.

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 October 11, 2016, Regular Meeting

Recommendation: That the City Council approve the Minutes of the October 11, 2016, Regular Meeting.

3.3 Approval of Warrant Register for Period Ended October 25, 2016

Recommendation: That the City Council approve the Warrant Register in the amount of \$950,400.72.

3.4 Modification of On-Street Parking Controls on Ramona Street and on Yolanda Street

Recommendation: That the City Council adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, establishing no parking anytime zones on the easterly side of Ramona Street from Yolanda Street to Alicia Parkway and on the northerly side of Yolanda Street from 425' westerly of Amalia Street to Ramona Street to improve traffic flow and sight distance."

3.5 Civic Center 1st Quarter Financial Report for Fiscal Year 2016/2017

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

3.6 Progress Payment No. 1 for Cabot Park Renovation, CIP No. 241-A

Recommendation: That the City Council approve Progress Payment No. 1, in the net amount of \$35,682.00, to Horizons Construction Company for Cabot Park Renovation, CIP No. 241-A.

3.7 First Quarter Financial and Treasurer's Report for Fiscal Year 2016/17

Recommendation: That the City Council receive and file the First Quarter Financial and Treasurer's Report for Fiscal Year 2016/17.

3.8 Contracts with the County of Orange and Age Well Senior Services for Community Development Block Grant Funds for Fiscal Year 2016-2017

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 2016-2017; (2) Approve the Contract between Age Well Senior Services, Inc. and the City of Laguna Hills for Community Development Block Grant Funds for Fiscal Year 2016-2017; 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 OCTOBER 11, 2016, REGULAR MEETING

4.3.1 Approval of Minutes for October 11, 2016, Regular Meeting

Recommendation: That the Planning Agency approve the Minutes of the October 11, 2016, Regular Meeting.

4.4 ADMINISTRATIVE REPORTS

4.5 PLANNING AGENCY PUBLIC HEARINGS

4.5.1 Conditional Use Permit (CUP) No. 7-14-2917, a Request by Core Development Services, on Behalf of Verizon Wireless, to Establish and Operate a New Wireless Communications Facility (WCF) on Property Owned by the City of Laguna Hills and Constructed on an Existing SCE Lattice Tower that is Located Southwest of El Conejo Park, APN 625-121-16 (Known as Luna Bonita) in the OS-3 Zone.

Recommendation: That the Planning Agency continue CUP No. 7-14-2917 to a date certain of December 13, 2016.

PLANNING AGENCY ADJOURNMENT

5. CITY COUNCIL PUBLIC HEARINGS

6. ADMINISTRATIVE REPORTS

6.1 City Manager

6.2 Community Development Director

6.2.1 First Reading and Introduction of an Ordinance Amending and Restating Chapter 4-28 of Title 4 of the Laguna Hills Municipal Code Relating to the Regulation of Massage Establishments

Recommendation: That the City Council introduce for first reading, read by title only, and waive further reading an Ordinance entitled: "An Ordinance of the City of Laguna Hills, California, amending and restating

Chapter 4-28 of Title 4 of the Laguna Hills Municipal Code relating to the regulation of massage establishments.

6.2.2 2016 Building Standards Code Adoption - First Reading

Recommendation: That the City Council: (1) Introduce for first reading, read by title only, and waive further reading of the Ordinances entitled: "An Ordinance of the City of Laguna Hills, California, amending Title 10 of the Laguna Hills Municipal Code (Buildings and Construction) and adopting by reference the 2016 Edition of the California Building Standards Code (California Code of Regulations, Title 24), consisting of the 2016 California Building Code; the 2016 California Mechanical Code; the 2016 California Electrical Code; the 2016 California Plumbing Code; the 2016 California Residential Code; the 2016 California Green Building Standards Code; the 2016 California Energy Code; the 2016 Building Reference Standards Code; and the 2016 California Existing Building Code, together with certain amendments, additions, and deletions thereto" and "An Ordinance of the City of Laguna Hills, California, amending Chapter 5-16 (Fire Code) of Title 5 (Health and Sanitation) of the Laguna Hills Municipal Code and adopting by reference the 2016 Edition of the California Fire Code including Appendices B, BB, C, CC, and H, together with certain amendments, additions, and deletions thereto;" (2) Direct that the Ordinances be placed on the November 22, 2016, meeting agenda for a Public Hearing and second reading; and (3) Direct staff to prepare and publish the appropriate hearing notices.

7. MATTERS AGENDIZED AND PRESENTED BY CITY COUNCIL MEMBERS

8. CITY COUNCIL MEMBER COMMENTS

ADJOURNMENT

The next Regular Meeting of the City Council/Planning Agency will be November 22, 2016, 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 by October 21, 2016 at 5:00 PM.



City Clerk

October 21, 2016

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: October 25, 2016
TO: Mayor and Council Members
FROM: Cindy Sands
Admin. Assistant to City Manager
ISSUE: Approval of Minutes for October 11, 2016, Regular Meeting

RECOMMENDATION: That the City Council approve the Minutes of the October 11, 2016, Regular Meeting.

ATTACHMENTS:

- 161011 CC Minutes

**CITY OF LAGUNA HILLS
CITY COUNCIL/PLANNING AGENCY**

**REGULAR MEETING
MINUTES
Tuesday, October 11, 2016**

GENERAL BUSINESS - CONVENING AT 7:00 P.M.

CALL TO ORDER

The meeting was called to order at 7:00 p.m. by Mayor Barbara D. Kogerman

PLEDGE OF ALLEGIANCE: COUNCIL MEMBER CARRUTH

ROLL CALL OF CITY COUNCIL MEMBERS

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

CLOSED SESSION REPORT

There was no Closed Session Report.

8. CITY COUNCIL MEMBER COMMENTS

Mayor Kogerman took item No. 8 out of order on the Agenda.

Mayor Kogerman

Mayor Kogerman presented a Certificate of Recognition to Deputy Sheriff Brian Gunsolley, School Resource Officer, who was promoted to Sergeant and will be leaving the City.

1. PRESENTATIONS AND PROCLAMATIONS

1.1 Laguna Hills High School Student Liaison

Recommendation: That the City Council Receive an Oral Report from Laguna Hills High School Student Liaison Jennifer Bommarito.

1.2 Laguna Hills 3/5 Marine Support Committee

Recommendation: That the City Council Receive an Update from Chair Karen Robbins on the 3/5 Dark Horse Committee.

2. PUBLIC COMMENTS**Smoking in Townhomes, Apartments, Condos**

Stephanie Korper, a resident of Laguna Hills, expressed concerns regarding the absence of smoking regulations/ordinances in townhomes, apartments, and condos.

Sober Living Homes

Ike Etesamnia, a resident of Laguna Hills, addressed the City Council regarding his concerns about sober living homes in his neighborhood.

John Doscher, a resident of Laguna Hills, addressed the City Council regarding his concerns about sober living homes in his neighborhood.

Maureen Doscher, a resident of Laguna Hills, addressed the City Council regarding her concerns about sober living homes in her neighborhood.

3. CONSENT CALENDAR

Motion to Approve the Consent Calendar, with Council Member Blount removing Item No. 3.2 and Item No. 3.6.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Melody Carruth, Council Member
SECONDER:	Dore J. Gilbert, M.D., Council Member
AYES:	Kogerman, Sedgwick, Blount, Carruth, Gilbert

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.

3.3 Approval of Warrant Register for Period Ended October 11, 2016

Recommendation: That the City Council Approve the Warrant Register in the Amount of \$1,274,456.99.

3.4 Progress Payment No. 2, Final, for Laguna Hills Community Center and Sports Complex Turf Renovation Project, CIP No. 238-B

Recommendation: That the City Council Approve Progress Payment No. 2, Final, in the Net Amount of \$8,645.00 to Sports Field Services for Laguna Hills Community Center and Sports Complex Turf Renovation Project, CIP No. 238-B, and Authorize the Filing of the Notice of Completion and Subsequent Release of Retention in 35 Days, if No Liens Have Been Filed.

3.5 Government Code Section 66006-Development Impact Fees Annual Report

Recommendation: That the City Council Approve the Development Impact Fees Annual Report Pursuant to Government Code Section 66006.

ITEMS REMOVED FROM THE CONSENT CALENDAR**3.2 Approval of Minutes for September 13, 2016, Regular Meeting**

Council Member Blount removed Item No. 3.2 due to his absence at the September 13, 2016, regular meeting.

Recommendation: That the City Council Approve the Minutes of the September 13, 2016, Regular Meeting.

RESULT:	APPROVED [4 TO 0]
MOVER:	Melody Carruth, Council Member
SECONDER:	Dore J. Gilbert, M.D., Council Member
AYES:	Barbara D. Kogerman, Don Sedgwick, Melody Carruth, Dore J. Gilbert, M.D.
ABSTAIN:	Andrew Blount

3.6 Second Reading and Adoption of an Ordinance Approving and Adopting Zoning Text Amendment No. 8-16-3624, an Amendment to Title 9 of the Laguna Hills Municipal Code (Zoning and Subdivisions), to Prohibit Marijuana Businesses in All Zoning Districts

Council Member Blount removed Item No. 3.6 due to his absence at the September 13, 2016, Regular Meeting.

Recommendation: That the City Council Adopt Ordinance No. 2016-4, An Ordinance of the City of Laguna Hills, California, Adopting Zoning Code Text Amendment No. 8-16-3624 Adding Chapter 9-103, Marijuana Businesses, to the Laguna Hills Municipal Code to Prohibit All Marijuana Businesses in All Zoning Districts, including an Exemption from the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15061(B)(3).

RESULT:	APPROVED [4 TO 0]
MOVER:	Melody Carruth, Council Member
SECONDER:	Dore J. Gilbert, M.D., Council Member
AYES:	Barbara D. Kogerman, Don Sedgwick, Melody Carruth, Dore J. Gilbert, M.D.
ABSTAIN:	Andrew Blount

4. PLANNING AGENCY

Mayor Kogerman 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 7:44 p.m.

4.1. ROLL CALL OF PLANNING AGENCY MEMBERS

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

4.2. PUBLIC COMMENTS

There were no Public Comments

4.3. APPROVAL OF MINUTES FOR SEPTEMBER 13, 2016, REGULAR MEETING

Recommendation: That the Planning Agency Approve the Minutes of the September 13, 2016, Regular Meeting.

RESULT:	APPROVED [4 TO 0]
MOVER:	Melody Carruth, Agency Member
SECONDER:	Dore J. Gilbert, M.D., Agency Member
AYES:	Barbara D. Kogerman, Don Sedgwick, Melody Carruth, Dore J. Gilbert, M.D.
ABSTAIN:	Andrew Blount

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 Kogerman reconvened the City Council meeting at 7:45 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

City Manager Channing informed the City Council of the update to the agenda management software system and stated that the City is planning to move to a paperless system. He also informed the City Council that the California Transportation Commission may no longer be supporting the La Paz Sidewalk Widening Project.

6.2. Assistant City Manager

6.2.1 2015-17 Biennial Budget Mid-Cycle Review

Recommendation: That the City Council Receive and File the Report.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Andrew Blount, Council Member
SECONDER:	Don Sedgwick, Mayor Pro Tempore
AYES:	Kogerman, Sedgwick, Blount, Carruth, Gilbert

7. MATTERS AGENDIZED AND PRESENTED BY CITY COUNCIL MEMBERS

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

8. CITY COUNCIL MEMBER COMMENTS (CONTINUED)**Council Member Carruth**

Council Member Carruth reported that she attended an informative meeting of the Coastal Greenbelt Authority on Thursday, September 15, 2016. Council Member Carruth also stated that the Transportation Corridor Agency is looking to install signs on the toll road designating the City of Laguna Hills.

Mayor Pro Tempore Sedgwick

Mayor Pro Tempore Sedgwick reported that he attended the League of California Cities 2016 Annual Conference & Expo in Long Beach from October 5 - 7, 2016, and stated that it was a productive conference.

Mayor Kogerman

Mayor Kogerman reported that she attended the ACC-OC, Municipal Water District of Orange County, and Metropolitan Water District of Southern California sponsored San Joaquin Delta Bay Tour from September 23 - 24, 2016, and stated it was an informative tour.

Mayor Kogerman also attended the League of California Cities 2016 Annual Conference & Expo in Long Beach from October 5 - 7, 2016, and commented on a few of the presentations.

Mayor Kogerman reported that she also attended the SCAG California Housing Summit in Los Angeles on October 11, 2016, which addressed the issue of housing affordability.

ADJOURNMENT

There being no further business before the City Council at this session, Mayor Kogerman adjourned the meeting in memory of Mr. Richard Hereford at 8:28 p.m.

Melissa Au-Yeung, City Clerk

ATTEST:

Barbara D. Kogerman, Mayor

Approved at meeting of October 25, 2016

Attachment: 161011 CC Minutes (1098 : Approval of Minutes for October 11, 2016, Regular Meeting)



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: October 25, 2016
TO: Mayor and Council Members
FROM: Donald J. White
Assistant City Manager
ISSUE: Approval of Warrant Register for Period Ended October 25, 2016

RECOMMENDATION: That the City Council approve the Warrant Register in the amount of \$950,400.72.

ATTACHMENTS:

- Warrant Register 102516



City of Laguna Hills City Council Meeting Agenda Staff Report

DATE: OCTOBER 25, 2016
TO: MAYOR AND COUNCIL MEMBERS
FROM: DONALD J. WHITE, ASSISTANT CITY MANAGER
ISSUE: APPROVAL OF WARRANT REGISTER FOR PERIOD ENDED OCTOBER 25, 2016.

RECOMMENDATION: THAT THE CITY COUNCIL APPROVE THE WARRANT REGISTER IN THE AMOUNT OF \$950,400.72.

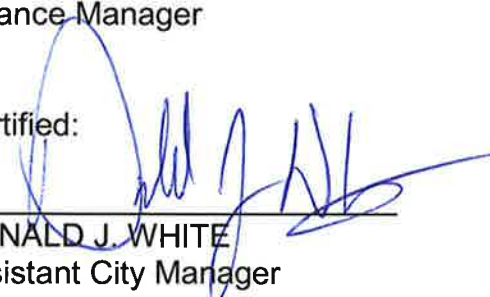
SUMMARY:

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

10-18-16
DATE

FISCAL IMPACT:

The warrant register total is \$950,400.72.

ATTACHMENTS:

1. Warrant Register

Attachment: Warrant Register 102516 (1100 : Approval of Warrant Register for Period Ended October 25, 2016)

Check Register Report

Warrant Register 10/25/16

Date: 10/13/2016

Time: 5:18 pm

Page:

3.3.a

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							
8811691	10/06/2016	Printed		C-1146	CYBERSOURCE CORPORATION	Gateway Expense, Sep '16	29.0
8811692	10/06/2016	Printed		E-0504	EL TORO WATER DISTRICT	Water Usage, Public Svcs, Aug	14,900.6
8811693	10/06/2016	Printed		C-1007	LAW ENFORCEMENT	Law Enforcement Svcs, Oct '16	622,444.2
8811694	10/06/2016	Printed		M-1587	MICHAEL ABRAHAM CONSULTING	Software, Accutracs, Oct '16	3,000.0
8811695	10/06/2016	Printed		M-1302	MOULTON NIGUEL WATER DISTRICT	Water Usage, Pub Svcs, Sep	105.2
8811696	10/06/2016	Printed		N-1404	NELLIE GAIL RANCH OWNERS' ASSN	Coyote Abatement Program	1,250.0
8811697	10/06/2016	Printed		Q-1715	QUESTYS SOLUTIONS	Employee Training, Oct '16	20.0
8811698	10/06/2016	Printed		R-1889	REFUND,FACILITY RENTAL DEPOSIT	Voice Classics, V# 2003905.002	250.0
8811699	10/06/2016	Printed		R-1889	REFUND,FACILITY RENTAL DEPOSIT	J. Hall, V# 2003906.002	500.0
8811700	10/06/2016	Printed		M-1352	REYES, JANICE MATEO	Reimbursement, VISA charge	275.0
8811701	10/06/2016	Printed		S-1904	SOUTHERN CALIFORNIA EDISON	ST Lites, TC, Sep '16	541.2
8811702	10/06/2016	Printed		S-2209	STUDIO TWO BLACK DIAMOND	Printing Services, City Clerk	107.3
8811703	10/06/2016	Printed		T-2002	TAB PRODUCTS COMPANY	Office Supplies, Gen Gov	439.0
8811704	10/06/2016	Printed		T-2693	TELEPACIFIC COMMUNICATIONS	Communications Expense, Oct	1,204.3
8811705	10/13/2016	Printed		A-0138	ALL CITY MANAGEMENT, INC.	Crossing Guard Svc, 8/28-9/24	7,656.2
8811706	10/13/2016	Printed		A-0358	ARDO, KARL	Contract Inst Svcs, Fitness Cl	210.0
8811707	10/13/2016	Printed		B-0276	BANK OF AMERICA	Departmental Expenditure, Sep	16,562.7
8811708	10/13/2016	Printed		B-0304	BEE MAN, THE	Bee Removal, Pub Svcs, Sep	270.0
8811709	10/13/2016	Printed		C-0412	C&D ELECTRIC, INC.	Park Repairs, Pub Svcs, Sep	530.9
8811710	10/13/2016	Printed		C-1102	CALIFORNIA BUILDINGS	Building Standard Fund,Jul-Sep	456.3
8811711	10/13/2016	Printed		C-1168	CAPITAL ONE COMMERCIAL	Costco, Program Expense, CS	95.7
8811712	10/13/2016	Printed		C-0408	CARL WARREN & COMPANY	Processing Fee, Sml Claims Sep	238.0
8811713	10/13/2016	Printed		C-1185	CARLA HANES ON BEHALF OF	Claim Settlement	5,000.0
8811714	10/13/2016	Printed		S-2162	CARLSEN, SANDY	Mileage Reimb., Jel - Sep	25.9
8811715	10/13/2016	Printed		C-0301	CHANNING, BRUCE	Travel Reimbursement, Sep '16	12.6
8811716	10/13/2016	Printed		C-0455	CNC ENGINEERING	Professional Services, CIP#171	1,341.0
8811717	10/13/2016	Printed		C-1139	COMPLETE OFFICE OF CALIFORNIA	Computer, Office&Operating Sup	896.5
8811718	10/13/2016	Printed		C-0023	COX COMMUNICATION	T-1 Line & WiFi, CC, Oct '16	902.5
8811719	10/13/2016	Printed		D-0461	DATA TICKET, INC.	Processing Fee, Park Cit, Sep	743.2
8811720	10/13/2016	Printed		D-0453	DEPARTMENT OF CONSERVATION	Remittance, SMIP Fee, Jul-Sep	808.1
8811721	10/13/2016	Printed		D-0561	DOCU-TRUST	Offsite Data Storage, Sep '16	65.0
8811722	10/13/2016	Printed		E-0595	ECLIPSE MESSENGER SERVICE, INC	Delivery Service, Sep '16	25.7
8811723	10/13/2016	Printed		E-0554	ECONOMICS, INC.	Prof Svcs, Recycling Program	6,243.8
8811724	10/13/2016	Printed		E-0593	EISENBERG, DALE	Contract Inst Svcs., Aikido	845.2
8811725	10/13/2016	Printed		E-0553	ELKINS, CHRISTINA	Contract Inst Svcs., Dance	107.8
8811726	10/13/2016	Printed		H-0829	HARTZOG & CRABILL, INC.	Traf Signal Mgmt, & CIP #168	3,752.0
8811727	10/13/2016	Printed		H-0957	HORIZONS CONSTRUCTION CO, INT'	Progress Payment #1, CIP# 241A	35,682.0
8811728	10/13/2016	Printed		I-0960	IRV SEAVER MOTORCYCLES	Motorcycle Maint, PS, Sep	55.8
8811729	10/13/2016	Printed		J-1057	JAMEY CLARK, INC.	Graffiti Removal, Sep '16	97.5
8811730	10/13/2016	Printed		J-1071	JCTEES.COM CORPORATION	Staff Uniforms, CS, Sep '16	794.3
8811731	10/13/2016	Printed		G-0709	JOE A. GONSALVES & SON	Legislative Services, Oct	2,900.0
8811732	10/13/2016	Printed		K-1126	KNIGHT, LORNA ANGELA	Contract Inst Svcs, Yoga	882.0
8811733	10/13/2016	Printed		C-1007	LAW ENFORCEMENT	FingerprintID Sys&800 MHz Cost	27,452.1
8811734	10/13/2016	Printed		M-1552	MARTIN-RUSK, DINA	Contract Instr Svcs, Zumba	479.5
8811735	10/13/2016	Printed		M-1302	MOULTON NIGUEL WATER DISTRICT	Water Usage, Pub Svcs, Sep	21,125.5
8811736	10/13/2016	Printed		M-1535	MUSIC MOVES ACADEMY, INC.	Contract Inst Svcs, Music	2,821.0
8811737	10/13/2016	Printed		N-1474	NIEVES LANDSCAPE, INC.	Monthly and Misc Landscape,Oct	85,233.4
8811738	10/13/2016	Printed		N-1487	NUVIS	Planning Fees, 5 Lagunas	430.0
8811739	10/13/2016	Printed		O-1546	OFFICE SOLUTIONS	Office/Operating Supplies	411.4
8811740	10/13/2016	Printed		O-1500	ORANGE COUNTY REGISTER	Subscription, CC, 10-17 - 1/15	99.6
8811741	10/13/2016	Printed		C-1003	PARKING VIOLATIONS	Parking Fee Surcharge, Aug	2,762.5
8811742	10/13/2016	Printed		C-1003	PARKING VIOLATIONS	Parking Fee Surcharge, Sep	2,021.75

Attachment: Warrant Register 102516 (1100 : Approval of Warrant Register for Period Ended October 25, 2016)

Check Register Report

Warrant Register 10/25/16

3.3.a

Date: 10/10/2016

Time: 5:18 pm

Page:

CITY OF LAGUNA HILLS

BANK: UNION BANK- GENERAL

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
UNION BANK- GENERAL Checks							
8811743	10/13/2016	Printed		P-1789	PRIORITY MAILING SYSTEMS, LLC	Mailing Machine Supplies, Oct	54.7
8811744	10/13/2016	Printed		R-1964	REFUND, COMMUNITY DEV FEES	Aquanetic Pools, Pool Bond	500.0
8811745	10/13/2016	Printed		R-1872	REFUND, COMMUNITY SVCS PROGRAM	L. Landry, V# 2003912.002	35.0
8811746	10/13/2016	Printed		R-1942	REFUND, VEHICLE CITATION	K. Hall, Cit. # LH105254	35.0
8811747	10/13/2016	Printed		R-1942	REFUND, VEHICLE CITATION	S. Aronson, Cit # LH103881	100.0
8811748	10/13/2016	Printed		R-1889	REFUND,FACILITY RENTAL DEPOSIT	C. Ramirez, V# 2003922.002	500.0
8811749	10/13/2016	Printed		R-1889	REFUND,FACILITY RENTAL DEPOSIT	Eutonic School, V# 2003921.002	250.0
8811750	10/13/2016	Printed		R-1939	REYES, JANICE MATEO	Petty Cash Replenishment, Oct	1,166.1
8811751	10/13/2016	Printed		R-1946	RK ENGINEERING GROUP, INC.	Traffic Study, Farmer Boys	825.0
8811752	10/13/2016	Printed		R-1841	ROSENFELD, KEN	Travel Reimb, Eng, Sep '16	1,188.7
8811753	10/13/2016	Printed		R-1967	RUSSELL, RICHARD WYATT	Contract Inst Svcs, Tennis	780.8
8811754	10/13/2016	Printed		S-1902	SAN DIEGO GAS & ELECTRIC	ST Lites, Sep '16	13,888.7
8811755	10/13/2016	Printed		S-1949	SMART & FINAL	Program Supplies, CC, Sep '16	80.3
8811756	10/13/2016	Printed		S-2253	SOCAL OFFICE TECHNOLOGIES-LEAS	Lease-Copier, CC, Oct '16	1,062.3
8811757	10/13/2016	Printed		S-1904	SOUTHERN CALIFORNIA EDISON	ST Lites, TC, Sep '16	8,376.8
8811758	10/13/2016	Printed		S-2059	STAPLETON, VIVIAN	Cntr Inst Svcs Early Childhood	602.0
8811759	10/13/2016	Printed		S-2209	STUDIO TWO BLACK DIAMOND	Printing Services, PS & GenGov	82.3
8811760	10/13/2016	Printed		T-2002	TAB PRODUCTS COMPANY	Office Supplies, Gen Gov	790.8
8811761	10/13/2016	Printed		U-2165	UNDERGROUND SERVICE ALERT	Street Maintenance, Sep '16	69.0
8811762	10/13/2016	Printed		V-2249	US BANK VOYAGER FLEET SYS	Vehicle Fuel, Sep '16	1,575.5
8811763	10/13/2016	Printed		U-2163	USA DANCE, INC., OC CHAP #4018	Contract Inst Svcs, Dancing	140.0
8811764	10/13/2016	Printed		U-2166	UTILITY COST MANAGEMENT LLC	Prof Services, Utility Savings	58.5
8811765	10/13/2016	Printed		V-2224	VERIZON WIRELESS	Communication Expense, Sep '16	964.4
8811766	10/13/2016	Printed		W-2443	W. D. REPAIRS	Irrigation Repairs, Oct '16	600.0
8811767	10/13/2016	Printed		W-2337	WEST COAST ARBORISTS, INC.	Tree Trimming, Sep '16	27,432.9
8811768	10/13/2016	Printed		W-2426	WHITE NELSON DIEHL EVANS LLP	Partial Audit Fee 15/16	13,140.0
8811769	10/13/2016	Printed		W-2300	WHITE, DONALD	Travel Reimb., LOCC, Oct '16	27.9
8811770	10/13/2016	Printed		X-2400	XEROX CORPORATION	Copier Lease & Usage, Sep '16	968.7

Total Checks: 80

Checks Total (excluding void checks):

950,400.7

Total Payments: 80

Bank Total (excluding void checks):

950,400.7

Total Payments: 80

Grand Total (excluding void checks):

950,400.7

Attachment: Warrant Register 102516 (1100 : Approval of Warrant Register for Period Ended October 25, 2016)



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: October 25, 2016

TO: Mayor and Council Members

FROM: Kenneth H. Rosenfield P.E.
Director of Public Services/City Engineer

ISSUE: Modification of On-Street Parking Controls on Ramona Street and on Yolanda Street

RECOMMENDATION: That the City Council adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, establishing no parking anytime zones on the easterly side of Ramona Street from Yolanda Street to Alicia Parkway and on the northerly side of Yolanda Street from 425' westerly of Amalia Street to Ramona Street to improve traffic flow and sight distance."

SUMMARY:

The President of the Lomas Lagunas Homeowners Association contacted staff with specific concerns regarding the parking of vehicles on both sides of Ramona Street and at the curb return at Yolanda Street/Ramona Street, in front of the residence at 26355 Yolanda Street, creating conflicts with traffic flow and sight distance. In response to these concerns, staff performed four separate field visits to review the parking conditions on Ramona Street to document the field conditions and assess potential solutions. As a result of those reviews and continuing discussions with the Homeowner's Association, staff is recommending that parking be eliminated on the easterly side of Ramona Street from Yolanda Street to Alicia Parkway and on the northerly side of Yolanda Street for a distance of approximately 35 feet beginning 425 feet from Amalia Street to Ramona Street. The Traffic Commission, at its September 21, 2016 meeting, approved staff's recommendation.

BACKGROUND:

Ramona Street is a two-lane residential collector street accessed from Alicia Parkway, westerly of the intersection of Alicia Parkway at Moulton Parkway. Please see the attached vicinity map. Ramona Street provides access to the Lomas Laguna planned unit development southerly of Alicia Parkway. In the past, staff and the Traffic Commission have reviewed limited parking issues at various locations within the Lomas Laguna development. A number of no parking zones exist throughout the community, including the no parking anytime zone established on the northerly side of Louisa Street in 2002, due to similar parking concerns detailed below.

In August, City staff received correspondence from the President of the Lomas Laguna Homeowner's Association with specific concerns regarding traffic safety due to parking on both sides of Ramona Street and at the curb return from Yolanda Street to Ramona Street, in front of the residence at 26355 Yolanda Street. He stated parking on both sides of Ramona Street congests the travel lanes into a narrow passage for through traffic. In addition, parking on the curb return from Yolanda Street to Ramona Street is creating conflicts for vehicles exiting the Lomas Laguna development as the drivers make wider turns to avoid parked vehicles and cannot see all oncoming traffic due to limited visibility (sight distance) at the corner.

Staff reviewed these traffic control issues and performed four separate field visits at 6:30 p.m. on September 8, 2016, 8:45 a.m. on September 12, 2016, 9:30 p.m. on September 12, 2016, and 12:30 p.m. on September 15, 2016, to evaluate the parking conditions on Ramona Street. The street has no fronting residential homes on either side of the street, no sidewalk on the westerly side of the street, and is 34 feet wide from curb to curb. This dimension, if parking occurs on both sides of the street, leaves as little as 18 feet for two travel lanes, less than the 22' necessary for comfortable travel for two lanes of traffic.

During the field visits staff noted parking on both sides of the street was evident and appeared to be "convenience" parking for area residents. The maximum count of vehicles found to be parking on Ramona Street was eight vehicles. All of this parking can be accommodated on the curb length located on the westerly side of Ramona Street. To the extent that this parking activity increases over time from vehicles from other development areas, the parking of vehicles may then encroach into the fronting residential streets of the Lomas Laguna development. Should this occur, this parking supply matter may require further review.

Ramona Street Parking

October 25, 2016

Page 3

It is therefore recommended that parking be eliminated on the easterly side of Ramona Street to improve traffic flow and traffic safety by enhancing travel lane widths, and to also eliminate parking on the northerly side of Yolanda Street for approximately 35 feet from 425 feet westerly of Amalia Street to Ramona Street to improve sight distance for vehicles exiting the Lomas Laguna development. This latter parking control will affect the parking available in front of the residence at 26355 Yolanda Street. The Homeowner's Association has conveyed to the City that the property owner is agreeable to this parking elimination and the resident was notified of this proposed action.

This matter was presented to the Traffic Commission at its September 21, 2016 meeting, and approved per staff's recommendation. At that time, the President of the Lomas Laguna Homeowner's Association provided testimony to the Traffic Commission and conveyed that the property owner at 26355 Yolanda Street was agreeable to the elimination of parking in front of the residence but requested that the parking control be implemented with red painted curb instead of a sign. Staff does not support the use of red painted curb as the annual repainting of the curb is a maintenance cost that can easily be avoided by the placement of one sign with an expected useful life of ten years. If so directed by the City Council, this sign can be replaced with red painted curb.

FISCAL IMPACT:

The installation of three parking control signs has an anticipated cost of \$255. Funds are available for this work in the 2016/2017 Fiscal Year Public Works Maintenance Budget.

ATTACHMENTS:

- Resolution - Ramona Street - Final
- Ramona Street Vicinity Map - Final

RESOLUTION NO. 2016-10-25-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ESTABLISHING NO PARKING ANYTIME ZONES ON THE EASTERLY SIDE OF RAMONA STREET FROM YOLANDA STREET TO ALICIA PARKWAY AND ON THE NORTHERLY SIDE OF YOLANDA STREET FROM 425' WESTERLY OF AMALIA STREET TO RAMONA STREET TO IMPROVE TRAFFIC FLOW AND SIGHT DISTANCE

The City Council of the City of Laguna Hills, California, hereby finds, determines, declares, and resolves as follows:

WHEREAS, Ramona Street is a two-lane residential collector street between Alicia Parkway and Yolanda Street; and

WHEREAS, Ramona Street has no fronting residences; and

WHEREAS, Ramona Street is 34 feet wide from curb to curb and parking on both sides of the street reduces the travel lanes to a width less than necessary for two lanes of traffic; and

WHEREAS, the Lomas Laguna Homeowners Association requested the elimination of parking on the easterly side of Ramona Street and in front of the residence at 26355 Yolanda Street; and

WHEREAS, it has been determined by City staff that eliminating parking on the easterly side of Ramona Street will improve traffic safety, traffic flow, and sight distance for vehicles exiting the Lomas Laguna development; and

WHEREAS, it has been determined by City staff that restricting parking in front of the residence at 26355 Yolanda Street will also improve sight distance; and

WHEREAS, the Traffic Commission, at the meeting of September 21, 2016, recommended to the City Council the establishment of parking controls on Ramona Street to restrict parking along the easterly side of Ramona Street and on Yolanda Street at the corner of Ramona Street and Yolanda Street; and

WHEREAS, pursuant to Vehicle Code Section 22507, the parking of any type of vehicle on certain streets or highways may be prohibited or restricted by a general law city, during all or certain hours of a day, where signs or markings giving adequate notice of such regulations have been placed.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1. There is hereby established "No Parking Anytime" zones at the following locations:

- a. On the easterly side of Ramona Street from Yolanda Street to Alicia Parkway.
- b. On the northerly side of Yolanda Street from 425' westerly of Amalia Street to Ramona Street.

SECTION 2. The City Engineer is directed to and shall cause signs and/or markings to be placed giving notice of such prohibitions as necessary to implement the parking regulations established herein.

PASSED, APPROVED, AND ADOPTED this 25TH day of October 2016.

BARBARA D. KOGERMAN, MAYOR

ATTEST:

MELISSA AU-YEUNG, CITY CLERK

Resolution No. X

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LAGUNA HILLS)

I, Melissa Au-Yeung, City Clerk of the City of Laguna Hills, California, DO
HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution
No. 2016-10-25-x adopted by the City Council of the City of Laguna Hills, California, at a
Regular Meeting thereof held on the 25TH day of October 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

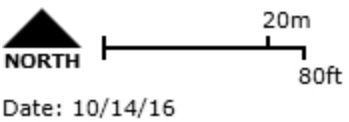
(SEAL)

MELISSA AU-YEUNG, CITY CLERK

Attachment: Resolution - Ramona Street - Final (1097 : Ramona Street Parking)



Attachment: Ramona Street Vicinity Map - Final (1097 : Ramona Street Parking)



Date: 10/14/16

VICINITY MAP
 Proposed No Parking Zones





City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: October 25, 2016

TO: Mayor and Council Members

FROM: Melissa Au-Yeung
City Clerk

ISSUE: Civic Center 1st Quarter Financial Report for Fiscal Year 2016/2017

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

SUMMARY:

This Civic Center 1st Quarter Financial Report for Fiscal Year 2016/2017 is intended to provide the City Council with an overview of the Civic Center leasing operation finances over the July 2016 through September 2016 period.

The abridged Balance Sheet and Income Statement summary for the Laguna Hills Civic Center leasing operation is in Tables 1 & 2. As of September 30, 2016, the balance sheet shows equity of \$17,676,988.

Table 1: Abridged Balance Sheet
As of September 30, 2016

ASSETS

Total Current Assets	\$ 156,614
Total Fixed Assets	\$ 17,603,609
TOTAL ASSETS	\$ 17,760,223

LIABILITY & EQUITY

Total Current Liabilities	\$ 83,235
Total Equity	\$ 17,676,988
TOTAL LIABILITIES & EQUITY	\$ 17,760,223

**Table 2: Income Statement Summary
 For the Year Ended September 30, 2016**

	Actuals	Budgeted	Variance
Total Income	\$ 155,330	\$ 153,676	\$ 1,654
Total Expenses	\$ 135,985	\$ 136,747	\$ (762)
NET INCOME/(LOSS)	\$ 19,345	\$ 16,929	

As shown in Table 2, Essex Realty, the management company for the property, reported a net income of \$19,345 for the three months of leasing activity from July 1, 2016 to September 30, 2016. After adding back contra rent revenue associated with the City's occupied spaces, the effective net income for the quarter is \$173,305.

A detailed Balance Sheet, Income Statement, and Check Register for the three months in the quarter have been provided as attachments to this report.

ATTACHMENTS:

- 1st Q 2016 Civic Center Report Attachments

Database: ESSEXREALTY
 ENTITY: 742

Standard Balance Sheet
Essex Realty SaaS DB
CITY OF LAGUNA HILLS

Page: 1
 Date: 9/29/2016
 Time: 03:25 PM

Accrual

Report includes an open period. Entries are not final.

Sep 2016

ASSETS

CURRENT ASSETS

Cash - Operating	79,596.53
Cash - MMA	75,499.63

TOTAL CASH AND CASH EQUIVALENTS	155,096.16
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Accounts Receivable	1,517.57
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NET ACCOUNTS RECEIVABLE	1,517.57
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TOTAL CURRENT ASSETS	156,613.73
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FIXED ASSETS

Land	2,854,051.00
Building	3,343,004.00
Capital Improvements	9,889,965.08
Tenant Improvements	1,264,087.96
Lease Commissions	249,517.20
Closing Costs	2,983.62

TOTAL FIXED ASSETS	17,603,608.86
---------------------------	----------------------

TOTAL ASSETS	17,760,222.59
---------------------	----------------------

LIABILITIES & EQUITY

CURRENT LIABILITY

Prepaid Rent & CAM	1,891.08
Accrued Expenses	19,185.00
Accrued Insurance	9,347.94
Security Deposits	52,810.99

TOTAL CURRENT LIABILITY	83,235.01
--------------------------------	------------------

LONG TERM LIABILITY

TOTAL LONG TERM LIABILITIES	0.00
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EQUITY

Current Yr Earnings	19,344.61
Suspense	(475.00)
Distribution	(700,000.00)
Capital	6,064,688.39
Paid by Owner	8,855,504.28
Funds from Owner	1,686,863.71
Retained Earnings	1,751,061.59

TOTAL EQUITY	17,676,987.58
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Database: ESSEXREALTY
 ENTITY: 742

Standard Balance Sheet
Essex Realty SaaS DB
CITY OF LAGUNA HILLS

Page: 2
 Date: 9/29/2016
 Time: 03:25 PM

Accrual

Report includes an open period. Entries are not final.

Sep 2016

TOTAL LIABILITIES & EQUITY

17,760,222.59

Database: ESSEXREALTY
 ENTITY: 742

Income Statement
Income Statement
Essex Realty SaaS DB
CITY OF LAGUNA HILLS

Page: 1
 Date: 10/12/2016
 Time: 4:04 PM

Accrual

Report includes an open period. Entries are not final.

	Current Period	Year-To-Date
	1 Month	3 Months
Thru:	Sep 2016	Sep 2016
INCOME		
RENTAL INCOME		
Rent	98,293.40	288,509.60
Contra Revenue	(45,830.40)	(137,491.20)
CAM Revenue	6,328.55	18,985.65
Contra CAM	(5,489.74)	(16,469.22)
TOTAL RENTAL INCOME	53,301.81	153,534.83
RECOVERY INCOME		
TOTAL RECOVERY INCOME	0.00	0.00
OTHER INCOME		
Late Fee Revenue	0.00	553.43
Other Revenue	150.00	1,230.00
TOTAL OTHER INCOME	150.00	1,783.43
TOTAL INCOME	53,451.81	155,318.26

EXPENSES

DIRECT OPERATING EXPENSES

Security-Fire Alarms	574.64	1,126.48
Cleaning Contract-Janitor	2,657.00	7,971.64
Add'l Cleaning-DayPorter	3,129.00	9,387.00
Cleaning Supplies	341.88	1,095.90
Mgmt Fee-Agent	4,114.41	11,859.64
HVAC Contract Services	1,295.40	3,970.20
HVAC Repair/Maint	565.71	2,296.05
Elevator Contract Service	484.99	1,453.99
Painting	0.00	300.00
Plumbing Repairs/Supplies	590.00	3,384.70
Electrical Repair/Maint	0.00	1,900.12
Doors & Locks	0.00	514.91
Floor & Carpet Rpr/Maint	0.00	75.00
Pest Control	75.00	225.00
Misc Repair/Maint	4,075.00	4,075.00
Onsite Maint Personnel	0.00	1,880.88
Electricity-General	13,403.70	43,930.37
Gas	318.53	819.60
Water & Sewer	988.67	4,548.23
Property Telephone	410.45	1,043.11
Pkg Lot-Lighting	1,781.38	2,686.07
Pkg Lot-Sweeping	221.00	663.00
Landscaping Contract	2,400.00	7,200.00
Landscaping-Interior	362.12	1,086.36

Attachment: 1st Q 2016 Civic Center Report Attachments (1104 : Civic Center First Quarter Financial Report for FY 2016/2017)

Database: ESSEXREALTY
 ENTITY: 742

Income Statement
Income Statement
Essex Realty SaaS DB
CITY OF LAGUNA HILLS

Page: 2
 Date: 10/12/2016
 Time: 4:04 PM

Accrual

Report includes an open period. Entries are not final.

	Current Period	Year-To-Date
	1 Month	3 Months
Thru:	Sep 2016	Sep 2016
Fountain Maintenance	(145.00)	495.00
Insurance	3,115.98	9,347.94
Insurance - Earthquake	1,645.07	4,935.33
TOTAL DIRECT OPERATING EXPENSES	42,404.93	128,271.52
NET OPERATING INCOME	11,046.88	27,046.74
OTHER INCOME & EXPENSES		
Admin & Professional Exp.	50.00	150.00
Repairs & Maint- Indirect	4,761.43	7,563.51
Interest Income	(3.40)	(11.38)
TOTAL OTHER INCOME & EXPENSES	4,808.03	7,702.13
NET INCOME/(LOSS)	6,238.85	19,344.61

Database: ESSEXREALTY
ENTITY: 742

Check Register
Essex Realty SaaS DB
CITY OF LAGUNA HILLS

Page: 1
Date: 8/1/2016
Time: 10:16 AM

07/16 Through 07/16

Check #	Check Date	Check Pd	Vendor ID	Vendor Name	Invoice	Invoice	Due Date	Invoice	Discount	Check
Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date	Amount	Amount	Amount		Amount
Dept	Reference	Description								
104308	7/6/2016	07/16	ATTCOR	ATT CORP						
742		5502-0000	Water & Sewer	000008213639	6/15/2016	6/15/2016	34.29	0.00	34.29	
@	9494587292655	05/15/16-06/14/16	949-458-7292							
						<i>Check Total:</i>	34.29	0.00	34.29	
104309	7/6/2016	07/16	ELTORO	EL TORO WATER DISTRICT						
742		5502-0000	Water & Sewer	49548-061316	6/13/2016	6/30/2016	691.97	0.00	691.97	
@	169922449548	05/11/16-06/13/16	Mtr #08188857							
742		5502-0000	Water & Sewer	49540-061316	6/13/2016	6/30/2016	943.15	0.00	943.15	
@	169922449540	05/11/16-06/13/16	Mtr #08956098							
742		5502-0000	Water & Sewer	49542-061316	6/13/2016	6/30/2016	56.00	0.00	56.00	
@	169922449542	05/11/16-06/13/16	Mtr #00036069							
						<i>Check Total:</i>	1,691.12	0.00	1,691.12	
104310	7/6/2016	07/16	FERGU1	FERGUSON ENTERPRISES INC						
742		5460-0000	Plumbing Repairs/Supplies	3451994	6/17/2016	6/27/2016	332.70	0.00	332.70	
@	44385	06/17	Plumbing Parts #260							
						<i>Check Total:</i>	332.70	0.00	332.70	
104311	7/6/2016	07/16	SCE	SOUTHERN CALIFORNIA EDISON						
742		5499-0000	Electricity-General	47635-062316	6/23/2016	7/12/2016	3,946.57	0.00	3,946.57	
@	2270506934	05/23/16-06/22/16	Mtr 259000-050224							
742		5499-0000	Electricity-General	97749-062516	6/25/2016	7/14/2016	6,930.16	0.00	6,930.16	
@	2265197749	05/24/16-06/23/16	Mtr 259000-050224							
						<i>Check Total:</i>	10,876.73	0.00	10,876.73	
104312	7/8/2016	07/16	ATTCOR	ATT CORP						
742		5504-0000	Property Telephone	000008213640	6/15/2016	6/15/2016	34.39	0.00	34.39	
@	9494587929811	05/15/16-06/14/16	949-458-7929							
104312	7/8/2016	07/16	ATTCOR	ATT CORP						
742		5504-0000	Property Telephone	000007183783	10/15/2015	10/15/2015	34.57	0.00	34.57	
@	9494587292655	09/15/15-10/14/15	949-458-7292							
						<i>Check Total:</i>	68.96	0.00	68.96	
104313	7/8/2016	07/16	ATTCOR	ATT CORP						
742		5504-0000	Property Telephone	000008213642	6/15/2016	6/15/2016	250.61	0.00	250.61	

Database: ESSEXREALTY
ENTITY: 742

Check Register
Essex Realty SaaS DB
CITY OF LAGUNA HILLS

Page: 2
Date: 8/1/2016
Time: 10:16 AM

07/16 Through 07/16

Check #	Check Date	Check Pd	Vendor ID	Vendor Name	Invoice	Due Date	Invoice	Discount	Check
Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date		Amount	Amount	Amount
Dept	Reference	Description							
@	9495837765123	05/15/16-06/14/16	949-583-7765						
						Check Total:	250.61	0.00	250.61
104314	7/8/2016	07/16	FIRESA	THE BRETHREN INC dba					
742		5121-0000	Security-Fire Alarms	1026374	6/29/2016	7/29/2016	573.84	0.00	573.84
@	ACCT1965	Fire sprinkler repair suite 260							
						Check Total:	573.84	0.00	573.84
104315	7/8/2016	07/16	LIGHT4	LIGHTING TECHNOLOGY SERVICES INC					
742		5510-0000	Pkg Lot-Lighting	1248262	6/30/2016	7/30/2016	124.00	0.00	124.00
@	06/16 Lighting Svc								
742		5510-0000	Pkg Lot-Lighting	1248262	6/30/2016	7/30/2016	277.71	0.00	277.71
@	06/16 Lighting Rprs								
						Check Total:	401.71	0.00	401.71
104316	7/8/2016	07/16	MERCH1	MERCHANTS BULDING MAINTENANCE LLC					
742		5150-0000	Add'l Cleaning-DayPorter	435606	7/1/2016	7/11/2016	3,129.00	0.00	3,129.00
@	33013	07/16 Dayporter Svc							
						Check Total:	3,129.00	0.00	3,129.00
104317	7/8/2016	07/16	NIEVES	NIEVES LANDSCAPE INC					
742		5560-0000	Landscaping Contract	59723	7/1/2016	7/31/2016	2,400.00	0.00	2,400.00
@	07/16 Landacape Svc								
						Check Total:	2,400.00	0.00	2,400.00
104318	7/8/2016	07/16	SSDSYS	SECURITY SIGNAL DEVICES INC dba					
742		5121-0000	Security-Fire Alarms	1189493-A	6/13/2016	6/13/2016	160.00	0.00	160.00
@	348817	07/16 Sys Maint							
742		7333-0000	Repairs & Maint- Indirect	1189493-A	6/13/2016	6/13/2016	517.33	0.00	517.33
@	348817	07/16 Sys Maint							
						Check Total:	677.33	0.00	677.33
104319	7/12/2016	07/16	SKYLIN	CTJAMJT CORPORATION dba					
742		5490-0000	Pest Control	43573	7/5/2016	8/4/2016	75.00	0.00	75.00
@	3018	07/16 Pest Control							

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Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date		Amount	Amount	Amount
Dept	Reference	Description							
Check Total:							75.00	0.00	75.00
104320	7/12/2016	07/16	TSCMCO	TSCM CORP.					
742		5525-0000	Pkg Lot-Sweeping	7016107	7/1/2016	7/31/2016	221.00	0.00	221.00
@	07/16 Sweeping Svc								
Check Total:							221.00	0.00	221.00
104321	7/12/2016	07/16	ESSEX	ESSEX REALTY MANAGEMENT INC					
742		5305-0000	Mgmt Fee-Agent	742-0616R	7/6/2016	7/6/2016	547.75	0.00	547.75
@	742		06/16 Mgmt Fee Recon						
742		5305-0000	Mgmt Fee-Agent	742-070116	7/1/2016	7/1/2016	3,479.00	0.00	3,479.00
@	742		07/16 Mgmt Fee						
Check Total:							4,026.75	0.00	4,026.75
104322	7/13/2016	07/16	REGENC	REGENCY ENTERPRISES INC dba					
742		5465-0000	Electrical Repair/Maint	3671953	6/30/2016	7/30/2016	110.28	0.00	110.28
@	1287741		06/30 Lighting Supplies						
Check Total:							110.28	0.00	110.28
104323	7/19/2016	07/16	COXCOM	COX COMMUNICATIONS					
742		5410-0000	HVAC Contract Services	11901-070516	7/5/2016	7/5/2016	86.90	0.00	86.90
@	0017601048511901		07/05/16-08/04/16 DSL for EMS						
Check Total:							86.90	0.00	86.90
104324	7/19/2016	07/16	DIXIED	DIXIE DIESEL AND ELECTRIC INC					
742		7333-0000	Repairs & Maint- Indirect	216947	7/6/2016	8/5/2016	1,495.44	0.00	1,495.44
@	176 Gal Gen fuel for		power outage						
Check Total:							1,495.44	0.00	1,495.44
104325	7/19/2016	07/16	THEGAS	THE GAS COMPANY					
742		5500-0000	Gas	71474-070716	7/7/2016	7/27/2016	228.55	0.00	228.55
@	14430971474		06/03/16-07/05/16 Mtr 13001720						
Check Total:							228.55	0.00	228.55
104326	7/25/2016	07/16	ABLEBU	CROWN BLDG MAINTENANCE CO INC dba					

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Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date		Amount	Amount	Amount
Dept	Reference	Description							
742		5160-0000	Cleaning Supplies	M1145962-IN	6/30/2016	6/30/2016	44.44	0.00	44.44
@	111	06/16 Supplies							
Check Total:							44.44	0.00	44.44
104327	7/25/2016	07/16	BENNE1	BENNETT'S PLUMBING INC					
742		5460-0000	Plumbing Repairs/Supplies	62962	7/7/2016	8/6/2016	960.00	0.00	960.00
@	Rpr Leak from 3rd Fl								
Check Total:							960.00	0.00	960.00
104328	7/25/2016	07/16	DMS	DMS FACILITY SERVICES LLC					
742		5495-0000	Onsite Maint Personnel	RC-L107322	6/30/2016	6/30/2016	1,056.87	0.00	1,056.87
@	095005	05/23-06/19 Engineering Svc							
Check Total:							1,056.87	0.00	1,056.87
104329	7/25/2016	07/16	FIRESA	THE BRETHERN INC dba					
742		5121-0000	Security-Fire Alarms	1027445	7/20/2016	8/19/2016	150.00	0.00	150.00
@	ACCT1965	07/16-09/16 Monitoring							
Check Total:							150.00	0.00	150.00
104330	7/25/2016	07/16	PACRIM	PACIFIC RIM MECHANICAL, INC.					
742		5415-0000	HVAC Repair/Maint	SRV062054	6/30/2016	6/30/2016	757.50	0.00	757.50
@	10770	AC Leak Rpr #304/320							
742		5415-0000	HVAC Repair/Maint	SRV062057	6/30/2016	6/30/2016	437.60	0.00	437.60
@	10770	AC Rpr #301							
Check Total:							1,195.10	0.00	1,195.10
104331	7/25/2016	07/16	ROLLI1	ROLLING GREENS NURSERY INC					
742		5562-0000	Landscaping-Interior	4197	7/1/2016	7/31/2016	362.12	0.00	362.12
@	07/16 Int Plant Svc								
Check Total:							362.12	0.00	362.12
CITY OF LAGUNA HILLS Total:							30,448.74	0.00	30,448.74
Grand Total:							30,448.74	0.00	30,448.74

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Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date		Amount	Amount	Amount
Dept	Reference	Description							
104332	8/1/2016	08/16	ABLEBU	CROWN BLDG MAINTENANCE CO INC dba					
742		5130-0000	Cleaning Contract-Janitor	M1148845-IN	7/21/2016	8/20/2016	2,657.32	0.00	2,657.32
@	111	07/16 Janitorial Svc							
						<i>Check Total:</i>	2,657.32	0.00	2,657.32
104333	8/1/2016	08/16	FIRESA	THE BRETHREN INC dba					
742		5121-0000	Security-Fire Alarms	1027557	7/21/2016	8/20/2016	195.00	0.00	195.00
@	ACCT1965	3rd Qtr Fire Sprinkler Inspection							
						<i>Check Total:</i>	195.00	0.00	195.00
104334	8/1/2016	08/16	PACRIM	PACIFIC RIM MECHANICAL, INC.					
742		5415-0000	HVAC Repair/Maint	SRV062521	7/21/2016	7/21/2016	327.24	0.00	327.24
@	10770	AC Rpr #301							
						<i>Check Total:</i>	327.24	0.00	327.24
104335	8/1/2016	08/16	SSDSYS	SECURITY SIGNAL DEVICES INC dba					
742		5121-0000	Security-Fire Alarms	1197228-A	7/13/2016	8/7/2016	160.00	0.00	160.00
@	348817	08/16 Sys Maint							
742		7333-0000	Repairs & Maint- Indirect	1197228-A	7/13/2016	8/7/2016	517.33	0.00	517.33
@	348817	08/16 Sys Maint							
						<i>Check Total:</i>	677.33	0.00	677.33
104336	8/1/2016	08/16	VORTEX	VORTEX INDUSTRIES INC					
742		5475-0000	Doors & Locks	09-1041108-1	6/20/2016	6/20/2016	350.00	0.00	350.00
@	238399	Back lobby door adjmt							
						<i>Check Total:</i>	350.00	0.00	350.00
104337	8/2/2016	08/16	ESSEX	ESSEX REALTY MANAGEMENT INC					
742		5305-0000	Mgmt Fee-Agent	742-0716R	8/1/2016	8/1/2016	239.48	0.00	239.48
@	742	07/16 Mgmt Fee recon							
742		5305-0000	Mgmt Fee-Agent	742-080116	8/1/2016	8/1/2016	3,479.00	0.00	3,479.00
@	742	08/16 Mgmt Fee							
						<i>Check Total:</i>	3,718.48	0.00	3,718.48
104338	8/5/2016	08/16	ATTCOR	ATT CORP					
742		5504-0000	Property Telephone	000008084071	5/15/2016	5/15/2016	34.29	0.00	34.29

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Entity	P.O. Number	Account Number	Account Name		Number	Date	Amount	Amount	Amount
Dept	Reference	Description							
@	9494587292655	04/15/16-05/14/16	949-458-7292						
104338	8/5/2016	08/16	ATTCOR	ATT CORP					
742		5504-0000	Property Telephone		000008084072	5/15/2016	34.39	0.00	34.39
@	9494587929811	04/15/16-05/14/16	949-458-7929						
104338	8/5/2016	08/16	ATTCOR	ATT CORP					
742		5504-0000	Property Telephone		000008084074	5/15/2016	250.61	0.00	250.61
@	9495837765123	04/15/16-05/14/16	949-583-7765						
104338	8/5/2016	08/16	ATTCOR	ATT CORP					
742		5504-0000	Property Telephone		000008346109	7/15/2016	34.43	0.00	34.43
@	9494587292655	06/15/16-07/14/16	949-458-7292						
104338	8/5/2016	08/16	ATTCOR	ATT CORP					
742		5504-0000	Property Telephone		000008346110	7/15/2016	34.43	0.00	34.43
@	9494587929811	06/15/16-07/14/16	949-458-7928						
104338	8/5/2016	08/16	ATTCOR	ATT CORP					
742		5504-0000	Property Telephone		000008346112	7/15/2016	250.65	0.00	250.65
@	9495837765123	06/15/16-07/14/16	949-583-7765						
Check Total:							638.80	0.00	638.80
104339	8/5/2016	08/16	ELTORO	EL TORO WATER DISTRICT					
742		5502-0000	Water & Sewer		49540-072216	7/22/2016	816.35	0.00	816.35
@	169922449540	06/13/16-07/22/16	Mtr 069058098						
742		5502-0000	Water & Sewer		49542-072216	7/22/2016	56.00	0.00	56.00
@	169922449542	06/13/16-07/22/16	Mtr 00036089						
742		5502-0000	Water & Sewer		49548-071416	7/14/2016	793.09	0.00	793.09
@	169922449548	06/13/16-07/14/16	Mtr 08168857						
Check Total:							1,665.44	0.00	1,665.44
104340	8/5/2016	08/16	LIGHT4	LIGHTING TECHNOLOGY SERVICES INC					
742		5510-0000	Pkg Lot-Lighting		1248823	7/28/2016	124.00	0.00	124.00
@	07/16 Lighting Svc								
742		5510-0000	Pkg Lot-Lighting		1248823	7/28/2016	340.98	0.00	340.98
@	07/16 Lighting Rprs								
Check Total:							464.98	0.00	464.98
104341	8/5/2016	08/16	NIEVES	NIEVES LANDSCAPE INC					
742		5560-0000	Landscaping Contract		59834	8/1/2016	2,400.00	0.00	2,400.00
@	08/16 Landscape Svc								

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Dept	Reference	Description							
Check Total:							2,400.00	0.00	2,400.00
104342	8/5/2016	08/16	ROLLI1	ROLLING GREENS NURSERY INC					
742		5562-0000	Landscaping-Interior	4726	8/2/2016	8/17/2016	362.12	0.00	362.12
@	08/16 Int Plant Svc								
Check Total:							362.12	0.00	362.12
104343	8/11/2016	08/16	CONTRO	CONTROLLED KEY SYSTEMS INC					
742		4800-0000	Tenant Reimbursements	228598	7/20/2016	8/19/2016	18.10	0.00	18.10
@	Add'l Key copies#250								
Check Total:							18.10	0.00	18.10
104344	8/11/2016	08/16	SCE	SOUTHERN CALIFORNIA EDISON					
742		5499-0000	Electricity-General	06934-072516	7/25/2016	8/15/2016	4,756.15	0.00	4,756.15
@	2270506934	06/22/16-07/22/16 Mtr 259000-050224							
Check Total:							4,756.15	0.00	4,756.15
104345	8/16/2016	08/16	ABLEBU	CROWN BLDG MAINTENANCE CO INC dba					
742		5485-0000	Floor & Carpet Rpr/Maint	M1152208-IN	7/31/2016	8/30/2016	75.00	0.00	75.00
@	111		Carpet Cleaning in the Lobby area						
742		5160-0000	Cleaning Supplies	M1149852-IN	7/15/2016	8/14/2016	709.58	0.00	709.58
@	111	07/16 Supplies							
Check Total:							784.58	0.00	784.58
104346	8/16/2016	08/16	BENNE1	BENNETT'S PLUMBING INC					
742		5460-0000	Plumbing Repairs/Supplies	63318	8/9/2016	8/9/2016	805.00	0.00	805.00
@	Rpr 2nd Fl urinal								
742		5460-0000	Plumbing Repairs/Supplies	63319	8/9/2016	8/9/2016	200.00	0.00	200.00
@	Rpr clogged Sink#260								
742		5460-0000	Plumbing Repairs/Supplies	63362	8/12/2016	8/12/2016	495.00	0.00	495.00
@	Rpr clogged Sink#230								
Check Total:							1,500.00	0.00	1,500.00
104347	8/16/2016	08/16	COXCOM	COX COMMUNICATIONS					
742		5410-0000	HVAC Contract Services	11901-080516	8/5/2016	8/5/2016	86.90	0.00	86.90
@	0017601048511901	08/05/16-09/04/16 DSL for EMS							

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Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date		Amount	Amount	Amount
Dept	Reference	Description							
Check Total:							86.90	0.00	86.90
104348	8/16/2016	08/16	DMS	DMS FACILITY SERVICES LLC					
742		5495-0000	Onsite Maint Personnel	RC-L107563	7/31/2016	7/31/2016	824.01	0.00	824.01
@	095005	06/20-06/30 Engineering							
Check Total:							824.01	0.00	824.01
104349	8/16/2016	08/16	LIGHT4	LIGHTING TECHNOLOGY SERVICES INC					
742		5465-0000	Electrical Repair/Maint	1248638	8/9/2016	9/8/2016	1,515.57	0.00	1,515.57
@		Ballast Replacement	- Chambers/Tower						
Check Total:							1,515.57	0.00	1,515.57
104350	8/16/2016	08/16	MERCH1	MERCHANTS BULDING MAINTENANCE LLC					
742		5150-0000	Add'l Cleaning-DayPorter	437388	8/1/2016	8/11/2016	3,129.00	0.00	3,129.00
@	33013	08/16 Dayporter Svc							
Check Total:							3,129.00	0.00	3,129.00
104351	8/16/2016	08/16	PACRIM	PACIFIC RIM MECHANICAL, INC.					
742		5415-0000	HVAC Repair/Maint	SRV063459	7/29/2016	7/29/2016	208.00	0.00	208.00
@	10770	AC Rpr #310							
Check Total:							208.00	0.00	208.00
104352	8/16/2016	08/16	REGENC	REGENCY ENTERPRISES INC dba					
742		5465-0000	Electrical Repair/Maint	3690401	7/31/2016	8/30/2016	274.27	0.00	274.27
@	1287741	07/26 Lighting Supplies							
Check Total:							274.27	0.00	274.27
104353	8/16/2016	08/16	ROSSCO	GRANT ROSS dba					
742		5450-0000	Painting	3633	8/10/2016	9/9/2016	300.00	0.00	300.00
@		Paint chamber lobby reception							
Check Total:							300.00	0.00	300.00
104354	8/16/2016	08/16	SCE	SOUTHERN CALIFORNIA EDISON					
742		5499-0000	Electricity-General	97749-072716	7/27/2016	8/15/2016	8,262.62	0.00	8,262.62
@	2265197749	06/23/16-07/25/16 Mtr 259000-050224							

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Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date	Due Date	Amount	Amount
Dept	Reference	Description						
						Check Total:	8,262.62	0.00
104355	8/16/2016	08/16	SOUT39	JEFF ALEXANDER dba				
742		5565-0000	Fountain Maintenance	372-171	8/1/2016	8/31/2016	475.00	0.00
@	08/16 Fountain Svc							475.00
						Check Total:	475.00	0.00
104356	8/16/2016	08/16	THEGAS	THE GAS COMPANY				
742		5500-0000	Gas	71474-080516	8/5/2016	8/25/2016	277.52	0.00
@	14430971474	07/05/16-08/03/16 Mtr 13001720						277.52
						Check Total:	277.52	0.00
104357	8/16/2016	08/16	TSCMCO	TSCM CORP.				
742		5525-0000	Pkg Lot-Sweeping	8016107	8/1/2016	8/31/2016	221.00	0.00
@	08/16 Sweeping Svc							221.00
						Check Total:	221.00	0.00
104358	8/19/2016	08/16	CITYLA	CITY OF LAGUNA HILLS				
742		5499-0000	Electricity-General	742-081516	8/15/2016	8/15/2016	174.17	0.00
@	742	UCM Apr-June 2016						174.17
						Check Total:	174.17	0.00
104359	8/24/2016	08/16	ABLEBU	CROWN BLDG MAINTENANCE CO INC dba				
742		5130-0000	Cleaning Contract-Janitor	M1154904-IN	8/19/2016	9/18/2016	2,657.32	0.00
@	111	08/16 Janitorial Svc						2,657.32
						Check Total:	2,657.32	0.00
104360	8/24/2016	08/16	BENNE1	BENNETT'S PLUMBING INC				
742		5460-0000	Plumbing Repairs/Supplies	63411	8/18/2016	8/18/2016	335.00	0.00
@	Rpr Sink handle set							335.00
						Check Total:	335.00	0.00
104361	8/24/2016	08/16	LIGHT4	LIGHTING TECHNOLOGY SERVICES INC				
742		5510-0000	Pkg Lot-Lighting	1248933	8/17/2016	9/16/2016	316.00	0.00
@	08/16 Lighting Rprs							316.00

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Dept	Reference	Description							

Check Total: 316.00 0.00 316.00

104362	8/24/2016	08/16	SSDSYS	SECURITY SIGNAL DEVICES INC dba					
742		5475-0000	Doors & Locks	418912-S	8/3/2016	8/3/2016	164.91	0.00	164.91
@	348817	Instilled new magnet on lobby door							

Check Total: 164.91 0.00 164.91

104363	8/24/2016	08/16	WATERT	WATER TECHNIQUES INC					
742		7333-0000	Repairs & Maint- Indirect	696304480	8/12/2016	8/22/2016	271.98	0.00	271.98
@	CITYOFLA0002	Annual Maint Osmosis							

Check Total: 271.98 0.00 271.98

CITY OF LAGUNA HILLS Total: 40,008.81 0.00 40,008.81

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Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date		Amount	Amount	Amount
Dept	Reference	Description							
104364	8/30/2016	09/16	PACRIM	PACIFIC RIM MECHANICAL, INC.					
742		5415-0000	HVAC Repair/Maint	SRV063776	8/22/2016	8/22/2016	208.00	0.00	208.00
@	10770		AC Rpr #250						
742		5415-0000	HVAC Repair/Maint	SRV063777	8/22/2016	8/22/2016	357.71	0.00	357.71
@	10770		AC Rpr #150						
Check Total:							565.71	0.00	565.71
104365	8/30/2016	09/16	SCE	SOUTHERN CALIFORNIA EDISON					
742		5499-0000	Electricity-General	06934-082316	8/23/2016	9/12/2016	4,620.47	0.00	4,620.47
@	2270506934		07/22/16-08/22/16 Mtr 259000-050224						
Check Total:							4,620.47	0.00	4,620.47
104366	8/30/2016	09/16	SSDSYS	SECURITY SIGNAL DEVICES INC dba					
742		5121-0000	Security-Fire Alarms	1202901-A	8/12/2016	8/12/2016	160.00	0.00	160.00
@	348817		09/16 Sys Maint						
742		7333-0000	Repairs & Maint- Indirect	1202901-A	8/12/2016	8/12/2016	517.33	0.00	517.33
@	348817		09/16 Sys Maint						
Check Total:							677.33	0.00	677.33
104367	9/2/2016	09/16	ESSEX	ESSEX REALTY MANAGEMENT INC					
742		5305-0000	Mgmt Fee-Agent	742-090116	9/1/2016	9/1/2016	3,479.00	0.00	3,479.00
@	742		09/16 Mgmt Fee						
742		5305-0000	Mgmt Fee-Agent	742-0816R	8/26/2016	8/26/2016	635.41	0.00	635.41
@	742		08/16 Mgmt Fee Recon						
Check Total:							4,114.41	0.00	4,114.41
104368	9/2/2016	09/16	ABLEBU	CROWN BLDG MAINTENANCE CO INC dba					
742		5160-0000	Cleaning Supplies	M1155750-IN	8/15/2016	9/14/2016	341.88	0.00	341.88
@	111		08/16 Supplies						
Check Total:							341.88	0.00	341.88
104369	9/2/2016	09/16	AMTEC2	PACIFIC COAST ELEVATOR INC dba					
742		5435-0000	Elevator Contract Service	DVB06326916	8/22/2016	8/22/2016	1,470.99	0.00	1,470.99
@	320358		09/16-11/16 Elevator Svc						
Check Total:							1,470.99	0.00	1,470.99

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Check #	Check Date	Check Pd	Vendor ID	Vendor Name	Invoice	Due Date	Invoice	Discount	Check
Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date		Amount	Amount	Amount
Dept	Reference	Description							
104370	9/2/2016	09/16	ATTCOR	ATT CORP					
742		5504-0000	Property Telephone	000008477152	8/15/2016	8/15/2016	36.59	0.00	36.59
@	9494587292655	07/15/16-08/14/16	949-458-7292						
104370	9/2/2016	09/16	ATTCOR	ATT CORP					
742		5504-0000	Property Telephone	000008477153	8/15/2016	8/15/2016	36.59	0.00	36.59
@	9494587929811	949-458-7929							
104370	9/2/2016	09/16	ATTCOR	ATT CORP					
742		5504-0000	Property Telephone	000008477155	8/15/2016	8/15/2016	279.27	0.00	279.27
@	9495837765123	07/15/16-08/14/16	949-583-7765						
Check Total:							352.45	0.00	352.45
104371	9/2/2016	09/16	BENNE1	BENNETT'S PLUMBING INC					
742		5460-0000	Plumbing Repairs/Supplies	63487	8/26/2016	8/26/2016	590.00	0.00	590.00
@	Rpr kitchen faucet #	100							
Check Total:							590.00	0.00	590.00
104372	9/2/2016	09/16	CHRIS9	BAPPTRE dba SHINE ILLUMINATION AND					
742		5510-0000	Pkg Lot-Lighting	39-2	8/24/2016	9/23/2016	1,550.00	0.00	1,550.00
@	Dposit for Palm Tree	holiday lighting							
Check Total:							1,550.00	0.00	1,550.00
104373	9/2/2016	09/16	ELTORO	EL TORO WATER DISTRICT					
742		5502-0000	Water & Sewer	49540-081516	8/15/2016	9/7/2016	691.78	0.00	691.78
@	169922449540	07/14/16-08/11/16	Mtr #06958098						
742		5502-0000	Water & Sewer	49542-081516	8/15/2016	9/7/2016	61.36	0.00	61.36
@	169922449542	07/14/16-08/11/16	Mtr #00036089						
742		5502-0000	Water & Sewer	49548-081516	8/15/2016	9/7/2016	423.53	0.00	423.53
@	169922449548	07/14/16-08/11/16	Mtr #06188857						
Check Total:							1,176.67	0.00	1,176.67
104374	9/2/2016	09/16	FIRESA	THE BRETHREN INC dba					
742		5121-0000	Security-Fire Alarms	1028575	8/26/2016	9/25/2016	301.64	0.00	301.64
@	ACCT1965	Annual extinguisher Rpr/hydrotest							
Check Total:							301.64	0.00	301.64
104375	9/2/2016	09/16	LIGHT4	LIGHTING TECHNOLOGY SERVICES INC					

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09/16 Through 09/16

Check #	Check Date	Check Pd	Vendor ID	Vendor Name	Invoice	Due Date	Invoice	Discount	Check
Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date		Amount	Amount	Amount
Dept	Reference	Description							
742		5510-0000	Pkg Lot-Lighting	1249384	8/26/2016	9/25/2016	124.00	0.00	124.00
@	08/16 Lighting Svc								
742		5510-0000	Pkg Lot-Lighting	1249384	8/26/2016	9/25/2016	107.38	0.00	107.38
@	08/16 Lighting Rprs								
Check Total:							231.38	0.00	231.38
104376	9/2/2016	09/16	SCE	SOUTHERN CALIFORNIA EDISON					
742		5499-0000	Electricity-General	97749-082516	8/25/2016	9/13/2016	8,283.23	0.00	8,283.23
@	2265197749	07/25/16-08/23/16 Mtr 259000-050224							
Check Total:							8,283.23	0.00	8,283.23
104377	9/2/2016	09/16	SKYLIN	CTJAMJT CORPORATION dba					
742		5490-0000	Pest Control	45833	8/24/2016	9/23/2016	75.00	0.00	75.00
@	3018	08/16 Pest Control							
Check Total:							75.00	0.00	75.00
104378	9/7/2016	09/16	DIXIED	DIXIE DIESEL AND ELECTRIC INC					
742		7333-0000	Repairs & Maint- Indirect	217098	8/19/2016	9/18/2016	539.10	0.00	539.10
@	Fuel for Generator								
Check Total:							539.10	0.00	539.10
104379	9/7/2016	09/16	MERCH1	MERCHANTS BULDING MAINTENANCE LLC					
742		5150-0000	Add'l Cleaning-DayPorter	439167	9/1/2016	9/11/2016	3,129.00	0.00	3,129.00
@	33013	09/16 Dayporter Svc							
Check Total:							3,129.00	0.00	3,129.00
104380	9/7/2016	09/16	NIEVES	NIEVES LANDSCAPE INC					
742		5560-0000	Landscaping Contract	59984	9/1/2016	10/1/2016	2,400.00	0.00	2,400.00
@	09/16 Landscape Svc								
Check Total:							2,400.00	0.00	2,400.00
104381	9/7/2016	09/16	VORTEX	VORTEX INDUSTRIES INC					
742		1230-0000	Capital Improvements	- 1046941-1	8/5/2016	8/5/2016	13,123.00	0.00	13,123.00
@	238399	Install new glass lobby doors at rear entrance							

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Check #	Check Date	Check Pd	Vendor ID	Vendor Name	Invoice	Due Date	Invoice	Discount	Check
Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date		Amount	Amount	Amount
Dept	Reference	Description							
Check Total:							13,123.00	0.00	13,123.00
104382	9/16/2016	09/16	PACRIM	PACIFIC RIM MECHANICAL, INC.					
742		5410-0000	HVAC Contract Services	SRV064313	9/1/2016	10/1/2016	3,669.50	0.00	3,669.50
@	C2448	09/16 Qtrly HVAC Svc							
Check Total:							3,669.50	0.00	3,669.50
104383	9/16/2016	09/16	THEGAS	THE GAS COMPANY					
742		5500-0000	Gas	71474-090616	9/6/2016	9/26/2016	289.53	0.00	289.53
@	14430971474	08/03/16-09/01/16 Mtr 13001720							
Check Total:							289.53	0.00	289.53
104384	9/16/2016	09/16	TSCMCO	TSCM CORP.					
742		5525-0000	Pkg Lot-Sweeping	9016107	9/1/2016	10/1/2016	221.00	0.00	221.00
@	09/16 Sweeping Svc								
Check Total:							221.00	0.00	221.00
104385	9/20/2016	09/16	ESSEX	ESSEX REALTY MANAGEMENT INC					
742		1230-0000	Capital Improvements	742-083016	8/30/2016	8/30/2016	656.15	0.00	656.15
@	742	Const Mgmt Fee Vortex Inv #- 1046941-1 Install rear doors							
Check Total:							656.15	0.00	656.15
104386	9/20/2016	09/16	COXCOM	COX COMMUNICATIONS					
742		5410-0000	HVAC Contract Services	11901-090516	9/5/2016	9/5/2016	86.90	0.00	86.90
@	0017601048511901	09/05/16-10/04/16 DSL for EMS							
Check Total:							86.90	0.00	86.90
104387	9/20/2016	09/16	ROLLI1	ROLLING GREENS NURSERY INC					
742		5562-0000	Landscaping-Interior	5310	9/2/2016	9/17/2016	362.12	0.00	362.12
@	09/16 Int Plant Svc								
Check Total:							362.12	0.00	362.12
104388	9/20/2016	09/16	STODD1	STODDARDS RESTORATION SERVICES INC					
742		7333-0000	Repairs & Maint- Indirect	117766	9/7/2016	10/7/2016	3,705.00	0.00	3,705.00
@	Qtrly Wood Maint for	City Space							

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Check #	Check Date	Check Pd	Vendor ID	Vendor Name	Invoice	Invoice	Discount	Check
Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date	Due Date	Amount	Amount
Dept	Reference	Description						
742		5491-0000	Misc Repair/Maint	117765	9/7/2016	10/7/2016	4,075.00	4,075.00
@	Qtrly Wood Maint for	Common Areas						
Check Total:							7,780.00	7,780.00
CITY OF LAGUNA HILLS Total:							56,607.46	56,607.46
Grand Total:							56,607.46	56,607.46



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: October 25, 2016
TO: Mayor and Council Members
FROM: Kenneth H. Rosenfield P.E.
Director of Public Services/City Engineer
ISSUE: Progress Payment No. 1 for Cabot Park Renovation, CIP No. 241-A

RECOMMENDATION: That the City Council approve Progress Payment No. 1, in the net amount of \$35,682.00, to Horizons Construction Company for Cabot Park Renovation, CIP No. 241-A.

SUMMARY:

Work on the Cabot Park Renovation, CIP No. 241-A, began on September 26, 2016, and is being performed by Horizons Construction Company. Work performed in September and October included clearing and grubbing, remove and replace concrete paving, and place new concrete paving at dugout entrances. The contractor has submitted the first progress payment request for approval.

BACKGROUND:

A routine monthly action for capital improvement projects is the submission, review, and approval of the contractor's invoice. Procedurally, field staff verifies the contractor's quantities and matches them with the submitted invoice. The unit prices and total costs of the project are confirmed by the office staff and a progress payment is then processed. A five-percent (5%) retention is withheld from each payment to assure final performance of the work. The contractor for this project, Horizons Construction Company, has submitted the first progress payment for the subject project as follows:

Cabot Park Renovation, CIP No. 241-A Progress Payment No. 1

October 25, 2016

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ITEM #	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	\$ AMOUNT
1	Clearing and grubbing	.5	LS	\$38,000.00	\$19,000.00
15	Remove and replace existing concrete paving	1,456	SF	\$10.00	\$14,560.00
16	Place new concrete paving at dugout entrances	200	SF	\$20.00	\$4,000.00

TOTAL TO DATE	\$37,560.00	
LESS PRIOR BILLING	\$0.00	
TOTAL THIS PERIOD	\$37,560.00	\$37,560.00
LESS 5% RETENTION		\$(1,878.00)
DUE		\$35,682.00

FISCAL IMPACT:

The progress payment is within the Capital Improvement Program Budget for the Cabot Park Renovation, CIP No. 241-A.



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: October 25, 2016
TO: Mayor and Council Members
FROM: Donald J. White
Assistant City Manager
ISSUE: First Quarter Financial and Treasurer's Report for Fiscal Year 2016/17

RECOMMENDATION: That the City Council receive and file the First Quarter Financial and Treasurer's Report for Fiscal Year 2016/17.

SUMMARY:

Attached to this report is a booklet entitled: "City of Laguna Hills Quarterly Financial Highlights, First Quarter, Fiscal Year 2016/17." 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, 2016. The total fund balance at the end of the first quarter for all governmental funds totaled \$8,531,338. 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, 2016, on Page 6. The City's total portfolio of \$9,062,512 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:

- FY16-17 Quarter 1



CITY OF LAGUNA HILLS

Quarterly Financial Highlights

First Quarter of Fiscal Year 2016/17

The following unaudited financial information summarizes the City's overall financial performance for the current fiscal year through September 30, 2016. Financial analysis for this report is provided for the General Fund, Capital Improvement Program, Debt Service, and other City governmental funds on a cash basis, which means expenses are not recognized until they are paid and revenues are not recognized until payment has been received.

A Summary of Funding Sources and Uses for the three months ended September 30, 2016 is presented in the table below. With 25% of the fiscal year complete, total funding sources is at roughly 6% of projection and total funding uses is at 20%.

Summary of Funding Sources & Uses For the 3 months ended September 30, 2016

	YTD Actual (million)	Budget (million)	YTD % of Budget
<i>Funding Sources</i>	\$ 1.6	\$ 24.7	6%
<i>Funding Uses</i>	5.2	26.1	20%
<i>Net Change</i>	(\$3.6)	(\$1.4)	

REPORT VARIANCES

The Comparative Statement of Operation for Governmental Funds, on page 3, shows the detail of the YTD Actual in relation to the Amended Budget. 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 items are received or expended unevenly over the course of the year. 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 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 report on the City's Fund Balance as of September 30, 2016. At the end of the first quarter of the current fiscal year, the City's total fund balance for its governmental funds stood at \$8,531,338. 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 other financing sources. At the end of the first quarter, total funding sources were approximately \$1.6 million, or 6% of budget.

GENERAL FUND REVENUES

General Fund Revenues are utilized primarily to finance the City's general governmental activities. At quarter end, general fund revenues totaled \$1,347,859 or 6% of budget. Receipts of Property Tax came in at \$222,292, or 2% of budget. Intergovernmental Revenues, which includes sales tax revenue, were \$594,239, or 10% of budget. The recording of these revenue sources comply with GASB 33 which addresses the timing of recognition of non-exchange transactions, e.g. taxes and fines. Revenues from non-exchange transactions, such as property and sales tax, received in the first two months of this fiscal year were accrued in the prior fiscal year. Franchise fees from utility companies and transient occupancy tax comprise Franchise Taxes, which came in at \$93,550, or 4% of budget. These receipts lagged at least a quarter and no accrual was made at quarter end. Revenues from Licenses & Permits totaled \$177,932, and Charges for Services, \$227,359, are dependent upon development activities and came in at 25% and 12% of budget, respectively. Fines and Forfeitures, which includes parking and vehicle fines, ended the quarter at 12% of budget, at \$32,485.

SPECIAL REVENUES AND GRANTS

Many of the Special Revenue funding sources are tied in with the City's Capital Improvement Plan. The receipts of funding sources for certain capital projects typically lag behind the spending on the projects, as the claims are applied for during construction or after project-completion. At the end of the first quarter, special revenues receipts totaled \$209,415, or 6% of budget.

OTHER FUNDING SOURCES

In accordance with GAAP, not all increases in governmental fund financial resources can be classified as revenue. Certain increases instead are reported as other financing sources, such as sales of general 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 \$5.2 million, which was 20% of budget.

OPERATING EXPENDITURES

At the end of the first quarter, operating expenditures totaled roughly \$4.5 million, which represents 23% of the total operating budget. While total operating expenditures came in below 25% of budget, the spending level for Non-Departmental came in higher, at 47% of its budget, due to annual insurance premiums paid in full at the onset of the fiscal year.

CAPITAL IMPROVEMENT PLAN (CIP)

The FY 16/17 CIP Budget includes carry-over appropriations from the prior fiscal year in the amount of \$850,217. The budget was also amended to account for the deferral of the \$980,000 originally budgeted in FY 16-17 for the Alicia Parkway

Median Landscape Rehabilitation and the addition of \$440,000 in capital contribution towards the Mission Viejo Animal Shelter Improvements pursuant to the new contract for animal care and sheltering services. Other amendments to the 2016-CIP Budget include the reduction of \$179,067 for the Annual Street Maintenance CIP #101 and reduction of \$25,000 for capital improvements to the Community Center Sports Complex.

The following table lists the capital projects by type as of the end of this reporting period.

Capital Improvement Program For the 3 Months Ended, September 30, 2016	
Streets, Signals & Lighting	\$ 17,346
Streetscape	0
Flood Control & Water Quality	6,954
Parks	201,300
Public Facilities	227,565
Trails & Open Space	0
Total	\$ 453,165

CITY OF LAGUNA HILLS
COMPARATIVE STATEMENT OF OPERATION - GOVERNMENTAL FUNDS
FOR THE 3 MONTHS ENDED, SEPTEMBER 30, 2016

	FY 2016/17			FY 2015/16		
	Y-T-D ACTUAL	AMENDED BUDGET	YTD % of BUDGET	Y-T-D ACTUAL	AMENDED BUDGET	YTD % of BUDGET
FUNDING SOURCES						
General Fund Revenues						
Property Taxes	\$ 222,292	\$ 9,973,907	2%	\$ 190,968	\$ 9,662,081	2%
Intergovernmental Revenues	594,239	6,201,744	10%	306,292	6,307,000	5%
Franchise Taxes	93,550	2,657,170	4%	54,675	2,598,700	2%
Licenses and Permits	177,932	725,000	25%	210,207	700,000	30%
Charges for Current Services	227,359	1,163,640	20%	231,210	1,131,985	20%
Fines & Forfeitures	32,485	260,000	12%	59,653	260,000	23%
Total General Fund Revenues	<u>1,347,859</u>	<u>20,981,461</u>	6%	<u>1,053,006</u>	<u>20,659,766</u>	5%
Special Revenue Funds						
Gas Tax Fund	115,565	753,305	15%	105,557	736,729	14%
Measure M2 Fair Share	86,333	622,250	14%	81,740	587,490	14%
Measure M - Competitive	-	545,000	0%	-	2,092,000	0%
CDBG	-	70,000	0%	-	70,380	0%
HSIP	-	-	0%	-	133,000	0%
Beverage Recycling Fund	-	-	0%	-	26,233	0%
CR&R Recycling Fees	2,000	14,454	14%	22,000	22,000	100%
C&D Forfeited Deposits	-	65,846	0%	-	54,806	0%
Senior Mobility Program	5,518	110,328	5%	5,052	28,776	18%
Public Art Fund	-	500,000	0%	-	-	0%
Grants and Contributions	-	889,150	0%	-	422,000	0%
Law Enforcement Grants	-	100,000	0%	27,807	100,000	28%
Total Special Revenue Funding	<u>209,415</u>	<u>3,670,333</u>	6%	<u>242,157</u>	<u>4,273,414</u>	6%
Other Funding Sources						
Interest Income	14,126	-	0%	7,524	-	0%
Distribution from Enterprise Fund	-	75,000	0%	-	50,000	0%
Total Other Funding Sources	<u>14,126</u>	<u>75,000</u>	19%	<u>7,524</u>	<u>50,000</u>	15%
TOTAL FUNDING SOURCES	<u>\$ 1,571,400</u>	<u>\$ 24,726,794</u>	6%	<u>\$ 1,302,687</u>	<u>\$ 24,983,180</u>	5%
FUNDING USES						
Operating Expenditures						
General Government	\$ 535,129	2,754,308	19%	\$ 489,243	\$ 2,694,512	18%
Non-Departmental	406,701	863,664	47%	278,747	680,763	41%
Community Development	227,732	1,450,827	16%	241,746	1,396,218	17%
Public Services	915,368	4,479,727	20%	828,673	4,300,900	19%
Community Services	521,432	2,051,365	25%	510,133	2,015,498	25%
Police Services	1,880,134	8,032,544	23%	1,738,128	7,496,195	23%
Total Operating Expenditures	<u>4,486,495</u>	<u>19,632,435</u>	23%	<u>4,086,671</u>	<u>18,584,086</u>	22%
Capital Improvement Program	<u>453,165</u>	<u>4,406,150</u>	10%	<u>610,529</u>	<u>3,346,874</u>	18%
Other Funding Uses						
Debt Charges	224,694	1,799,387	12%	250,694	1,801,387	14%
Use of Reserves	5,758	-	0%	2,780	250,000	1%
Distribution to Enterprise Fund	-	50,000	0%	100,000	60,030	0%
Special Revenue Fund Expenditures						
CDBG Fund Expenditures	-	70,000	0%	-	70,380	0%
Senior Mobility Program	6,482	110,328	6%	2,238	28,776	8%
Beverage Recycling	-	80,300	0%	-	26,233	0%
CR&R Recycling Fund	11,556	-	0%	3,604	22,000	16%
Forfeited C&D Deposits	885	-	0%	994	54,806	2%
Total Other Funding Uses	<u>249,375</u>	<u>2,110,015</u>	12%	<u>360,309</u>	<u>2,313,612</u>	16%
TOTAL FUNDING USES	<u>\$ 5,189,035</u>	<u>\$ 26,148,600</u>	20%	<u>\$ 5,057,509</u>	<u>\$ 24,244,572</u>	21%
NET CHANGE IN FUND BALANCE	<u>\$ (3,617,635)</u>	<u>\$ (1,421,806)</u>		<u>\$ (3,754,822)</u>	<u>\$ 738,608</u>	

Attachment: FY16-17 Quarter 1 (1099 : First Quarter Financial and Treasurer's Report for FY 2016/17)

CITY OF LAGUNA HILLS
ABRIDGED BALANCE SHEET - GOVERNMENTAL FUNDS (UNAUDITED)
SEPTEMBER 30, 2016

ASSETS

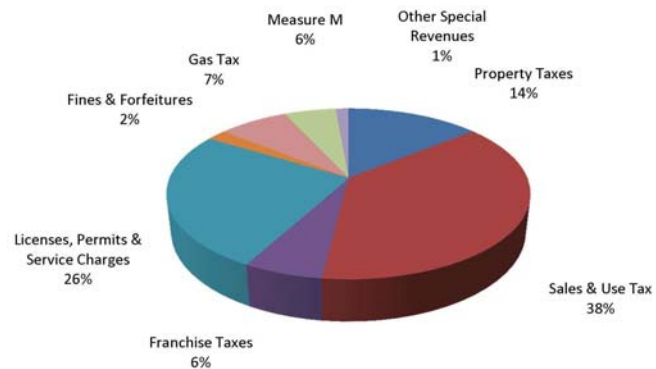
Cash and investments	\$ 8,907,416
Receivables:	
Accounts	175,526
Interest	14,969
Due from other funds	13,784
Due from other governments	129,449
Prepaid items	39,483
Total assets	\$ 9,280,627

LIABILITIES AND FUND BALANCES

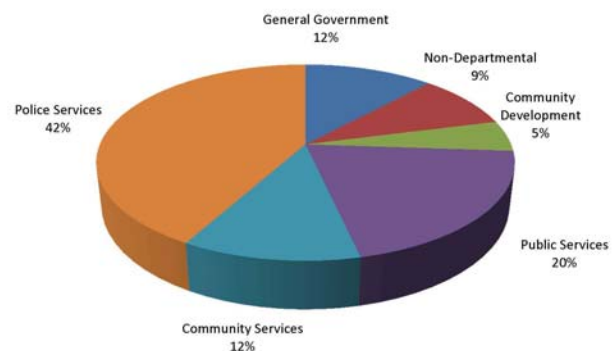
Liabilities:	
Accounts payable	\$ 261,264
Refundable deposits to contractors	399,700
Deferred revenue	79,522
Trust accounts	8,803
Total liabilities	749,289
Fund balances:	8,531,338
Total liabilities and fund balances	\$ 9,280,627

REVENUES -

**General Fund &
Special Revenue Funds
FY 2016/17,
As of 09/30/16**



**OPERATING
EXPENDITURES
FY 2016/17,
As of 09/30/16**



CITY OF LAGUNA HILLS

GOVERNMENTAL FUNDS

STATEMENT OF WORKING FUNDS (UNAUDITED)

AS OF SEPTEMBER 30, 2016

Fund Balance

General Fund	\$ 8,099,293
AB 2766 Fund	70,442
CARITS	1,088,273
Water Conservation	325,716
Senior Mobility Program	69,819
Quimby Act Park Impact Fees	0
Beverage Recycling	34,707
CR&R Recycling	0
C&D Forfeited Deposits	126,825
AB 939 Surcharge Grant	51
Public Art Fund	(227,254)
Law Enforcement Special Revenue Funds	574
Grants & Contributions	127,743
Debt Service	1,809,083
Total Beginning Fund Balance, as of July 1, 2016	12,148,973

Net Change in Fund Balance, as of September 30, 2016	(3,617,635)
--	-------------

Total Fund Balance, as of September 30, 2016	\$ 8,531,338
---	---------------------

Disposition of Working Funds

Total Cash and Demand Deposits	\$ 854,974
Total Investments	8,052,441
Total Cash and Investments	8,907,416
Receivables Net of Liabilities	(376,078)

Total Fund Balance, as of September 30, 2016	\$ 8,531,338
---	---------------------

The Quarter End Financial Management Report for the First Quarter of Fiscal Year 2016-17 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, 2016.

Respectfully submitted,

original signed

October 18, 2016

Donald J. White
Assistant City Manager

Date

Attachment: FY16-17 Quarter 1 (1099 : First Quarter Financial and Treasurer's Report for FY 2016/17)

TREASURER'S INVESTMENT REPORT - ALL FUNDS (CONDENSED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2016

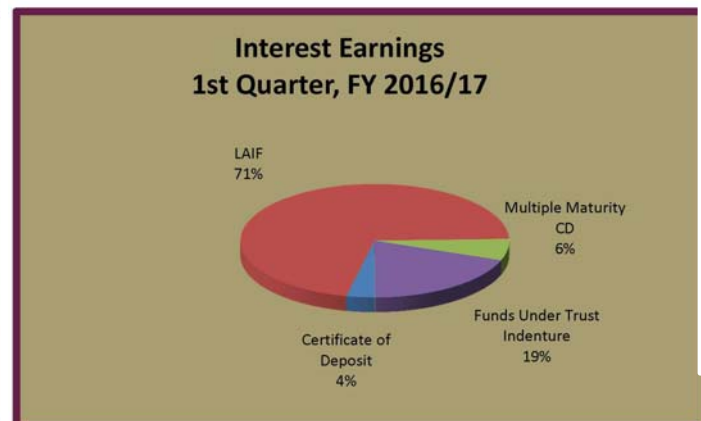
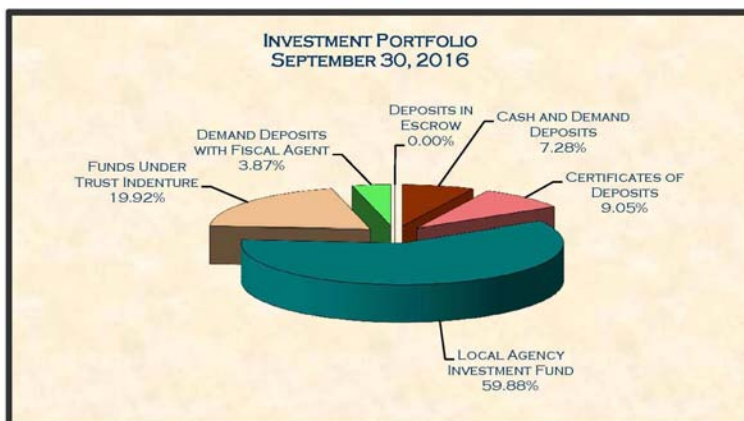
Cash and Investments by Type	Beginning Book Value	Deposits	Withdrawals	Ending Book Value	1st Qtr Interest Income
Cash on Hand	\$ 1,750	\$ -	\$ -	\$ 1,750	\$ -
Demand Deposits	830,939	6,998,280	7,171,186	658,033	-
Certificates of Deposits	750,000	-	-	750,000	483
Multiple Maturity Certificates of Deposits	70,502	-	-	70,502	869
State Treasurer's Investment Fund	7,717,136	9,199	2,300,000	5,426,334	10,037
Funds Under Trust Indenture	1,806,629	228,939	229,964	1,805,605	2,737
Demand Deposits with Fiscal Agent	136,835	581,101	367,649	350,287	-
Deposits in Escrow	-	-	-	-	-
TOTAL	\$ 11,313,791	\$ 7,817,520	\$ 10,068,799	\$ 9,062,512	\$ 14,126

The City's investment policy approved by Council resolution is the prevailing guideline in managing investments. Short-term excess cash is currently invested primarily in the Local Agency Investment Fund (LAIF) administered by the State Treasurer. Funds held under trust indenture by The Bank of New York Mellon Trust Company, N.A, is a Reserve Fund established to secure the timely 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, 2016, compared with the same period of the previous fiscal year:

	September 30, 2016	September 30, 2015
Cash on hand	\$ 2,250	\$ 1,750
Pooled Deposits:		
Demand Deposits	1,007,820	761,322
Certificates of Deposits	820,502	820,502
Total Pooled Deposits	1,828,323	1,581,824
Pooled Investments:		
Local Agency Investment Fund	5,426,334	5,102,718
Restricted Cash and Investments:		
Local Agency Investment Fund	1,801,340	1,803,686
Demand Deposits	4,265	89,460
Total Cash and Investments	\$ 9,062,512	\$ 8,579,438

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: October 25, 2016

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 2016-2017

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 2016-2017; (2) Approve the Contract between Age Well Senior Services, Inc. and the City of Laguna Hills for Community Development Block Grant Funds for Fiscal Year 2016-2017; and (3) Authorize the Mayor and City Manager to execute the Contracts.

SUMMARY:

On January 6, 2016, staff completed and submitted an application for federal Community Development Block Grant (CDBG) funding for “Public Facilities and Improvements” for Fiscal Year 2016-2017 on behalf of the Florence Sylvester Memorial Senior Center (Center) in the amount of \$60,000. Earlier this month, Orange County Community Services notified the City of Laguna Hills that it had been awarded the requested amount of \$60,000 to assist Age Well Senior Services in completing a number of improvements at the Center. In order to access the awarded funds and 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 report.

Contracts with County of Orange and Age Well Senior Services

October 25, 2016

Page 2

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 2016-2017, the City of Laguna Hills has been awarded \$60,000 in CDBG funds for the following project activities:

Florence Sylvester Memorial Senior Center

The Center provides a variety of services to the elderly/frail elderly population of the community. Because of the high number of the elderly/frail elderly population that utilize the Center on a daily basis, and the high visibility of the Center, staff is requesting funds to remodel the Center’s restrooms to bring the restrooms into compliance with American with Disabilities Act (ADA) requirements, which includes the following improvements: enlarging stalls; installing high-base toilets; modifying countertops; replacing hardware, tile, flashing, and plumbing; and installing hands-free components.

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 \$5,109.81. No other commitment of General Fund monies is required.

ATTACHMENTS:

- Preliminary Funding Letter
- Draft Contract with the County of Orange for 2016-2017 Public Facilities and Improvements
- Draft Contract with Age Well Senior Services for 2016-2017 Public Facilities and Improvements

STEVE FRANKS
DIRECTOR
OC COMMUNITY RESOURCES

JENNIFER HAWKINS, DVM
INTERIM DIRECTOR
OC ANIMAL CARE

KAREN ROPER
DIRECTOR
OC COMMUNITY SERVICES

STACY BLACKWOOD
DIRECTOR
OC PARKS

HELEN FRIED
COUNTY LIBRARIAN
OC PUBLIC LIBRARIES

Original Sent Via U.S. Mail
Electronic Copy Sent To mau-yeung@lagunahillsca.gov

February 10, 2016

Bruce E. Channing, City Manager
City of Laguna Hills
24035 El Toro Road
Laguna Hills, CA 92653-3103

Re: Bid # 012-162320 FY 2016-17 Public Facilities & Improvements RFP -
Preliminary Award Notice

Dear Mr. Channing:

Thank you for submitting a proposal for the Bid # 012-162320 FY 2016-17 Public Facilities & Improvements RFP.

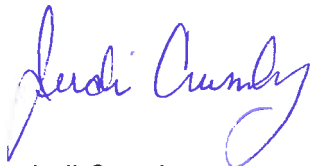
Based upon the County of Orange's award procedures as set forth in the RFP, OC Community Services is pleased to inform you that your proposal for Florence Sylvester Memorial Senior Center Rehabilitation is being recommended for funding.

The preliminary funding amount is \$60,000.00; however, the actual amount of funding issued is dependent upon final U.S. Department of Housing and Urban Development (HUD) appropriations and/or any conditions placed on your proposal and Board of Supervisors approval.

As stated in the RFP, other requirements and steps are needed to complete the contract negotiation progress. Therefore, Program staff from OC Community Services Housing Community Development will be contacting you in the near future on the necessary items you will need.

To conclude, I want to congratulate the City of Laguna Hills on being selected for the proposed activity.

Sincerely,



Judi Crumly

Cc: Melissa Au-Yeung, Senior Management Analyst, City of Laguna Hills
Craig Fee, Program Manager, OCCS Housing Community Development
CDBG CFDA # 14.218; Bid # 012-162320



OFFICE OF THE DIRECTOR
1770 NORTH BROADWAY
SANTA ANA, CA 92706-2642
PHONE: 714.480.2788
FAX: 714.480.2899

CONTRACT # 16-23-0008-PFI

BETWEEN

COUNTY OF ORANGE

AND

CITY OF LAGUNA HILLS

FOR

PUBLIC FACILITIES & IMPROVEMENTS

FLORENCE SYLVESTER SENIOR CENTER

<u>CFDA#</u>	<u>FAIN #</u>	<u>PROGRAM/SERVICE TITLE</u>	<u>FUNDING AGENCY</u>
14.218	B16UC060504	Community Development Block Grant (CDBG) Funds	Department of Housing and Urban Development (HUD)



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ATTACHMENTS / EXHIBITS

Attachment A – SCOPE OF SERVICES
Attachment B – Compensation/Payment
Attachment C – SUBRECIPIENT's BUDGET
Attachment D – Staffing Plan
Attachment E – Project Schedule
Exhibit 1 – County of Orange Child Support Enforcement Certification
Exhibit 2 – OC Community Resources Contract Reimbursement Policy
Exhibit 3 – Drug-Free Workplace
Exhibit 4 – Lobbying Form LLL

This Agreement, 16-23-0008-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

This CONTRACT is made with reference to the following facts, among others:

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 has submitted to COUNTY an application or has previously submitted an application approved under the FY 2016-17 Public Facilities & Improvements RFP process for funding of a housing and community development activity; and

WHEREAS, COUNTY adopted its FY 2016-17 Annual Action Plan, (hereinafter referred to as "Annual Action Plan"), including any substantial amendments, which sets forth the PROGRAM described herein; and

WHEREAS, HUD, in accordance with 24 CFR Part 570 Subpart O, 570.902, will annually review the performance of COUNTY to determine whether COUNTY has carried out its Community Development Block Grant (CDBG) assisted activities in a timely manner and has significantly disbursed CDBG funds and met the mandated "1.5 ratio" threshold; and

WHEREAS, COUNTY approved an allocation of \$60,000 (Sixty Thousand Dollars) in program funding to SUBRECIPIENT for the Fiscal Year 2016-17; and

WHEREAS, HUD has accepted and certified the aforementioned ANNUAL ACTION PLAN; and

WHEREAS, COUNTY engages SUBRECIPIENT to assist COUNTY in utilizing aforesaid funds:

NOW, THEREFORE, the PARTIES mutually agree as follows:

DEFINITIONS

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

1. HUD: United States Department of Housing and Urban Development.
2. OC COMMUNITY RESOURCES (OCCR): Designated as the Lead for the development and implementation of County of Orange Urban County Program's Consolidated Plan.
3. DIRECTOR: DIRECTOR of OC Community Resources, or designee.
4. PROGRAM INCOME: The gross income received by SUBRECIPIENT directly generated from the use of the subject program funds.
5. 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.
6. 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.)
7. PROJECT: Any site or sites, including buildings, and/or activities assisted with federal program funds.
8. OMB: Federal Office of Management and Budget.
9. CAPER: Consolidated Annual Performance and Evaluation Report. An annual published report to HUD and the public on all housing-related activities.
10. 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.
11. 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.
12. 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)
13. 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.

14. SUBSTANTIAL AMENDMENT: The following criteria will be used by the COUNTY – if any one criteria applies, a substantial amendment will be required:
 - 14.1 A new activity not previously listed and described in the Consolidated Plan/Annual Action Plan;
 - 14.2 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
 - 14.3 An increase in the amount of Federal Community Planning Development and/or local funds allocated to an existing activity when the following apply:
 - 14.3.1 An increase in funding for a public service activity in an amount greater than a 50% increase over the current funded amount; or
 - 14.3.2 An increase in the funding for public facility improvements/housing rehabilitation in an amount greater than a 50% increase over the current funded amount.
15. 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.
16. 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.
17. 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>

ARTICLES

Terms and Conditions:

1. **SCOPE OF SERVICES:** 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 be effective from July 1, 2016 through June 30, 2017, unless otherwise terminated by the COUNTY. The term of this CONTRACT may be extended upon mutual agreement of the PARTIES in writing in accordance with Paragraph 2.2.
 - 2.1 Eligible costs related to services provided by SUBRECIPIENT must be incurred during the period beginning July 1, 2016. The Project shall be completed and all funds provided through this CONTRACT shall be expended on eligible Project activities through and including June 30, 2017.
 - 2.2 Housing Rehabilitation CONTRACTS and Public Facilities & Improvements CONTRACTS.
 - 2.2.1 SUBRECIPIENT may be eligible to request additional funding up to the maximum set forth in the applicable FY 2016-17 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 22.3.3.
 - 2.2.2 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 DIRECTOR, that the required Performance Expenditure and Accomplishment Thresholds set forth in Paragraph 24.3. will continue to be met before such extension and additional allocation shall be granted.
 - 2.2.3 CONTRACT Extension (No Cost Extension)
 - 2.2.3.1 The term of this CONTRACT and the provisions herein may be extended to cover an additional time period as specified herein.
 - 2.2.3.2 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, 2017. SUBRECIPIENT must notify the DIRECTOR in writing 45 days prior to June 30, 2017, 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.
 - 2.2.3.3 CONTRACT extension provisions are not applicable to PROGRAM ADMINISTRATION activities.
 - 2.3 Housing Rehabilitation CONTRACTS and Public Services CONTRACTS may be renewed, and a new CONTRACT negotiated on the same terms, conditions, and SCOPE OF SERVICES for up to one (1) individual consecutive one-year periods upon mutual written agreement by the COUNTY and SUBRECIPIENT.

- 3. Contingency of Funds:** SUBRECIPIENT acknowledges that funding or portions of funding for this CONTRACT may also be contingent upon the receipt of funds from, and/or appropriation of funds by Federal, State of California or local Government funds to COUNTY. If such funding and/or appropriations are not forthcoming, or are otherwise limited, COUNTY may immediately terminate or modify this CONTRACT without penalty.

3.1 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.

- 4. Fiscal Appropriations:** Intentionally left blank.

- 5. Adjustments –SCOPE OF SERVICES:** No adjustments made to the SCOPE OF SERVICES will be authorized without prior written approval of the COUNTY assigned Purchasing Agent.

- 6. Changes/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 with the SUBRECIPIENT's concurrence has the discretion to request official changes at any time without changing the intent of this CONTRACT.

If COUNTY-initiated changes or changes in laws or government regulations affect price, the SUBRECIPIENT's ability to deliver services, or the program schedule, the SUBRECIPIENT shall give the COUNTY written notice no later than seven calendar days from the date the law or regulation went into effect or the date the change was proposed by the COUNTY and the 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 Purchasing Agent, shall require the mutual consent of all PARTIES, and may prohibit the SUBRECIPIENT from proceeding with the work as set forth in this CONTRACT.

- 7. 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:

Terminate the CONTRACT immediately, pursuant to Paragraph K and Paragraphs 28 through 30 herein;

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;

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

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

8. 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.

9. Conflict of Interest – SUBRECIPIENT's Personnel: The SUBRECIPIENT 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 SUBRECIPIENTS; 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.

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.

10. Conflict of Interest – 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.

11. 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.

12. Contingent Fees: Intentionally left blank.

13. Bankruptcy/Insolvency: Intentionally left blank.

14. SUBRECIPIENT's 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 be a Project Management change the SUBRECIPIENT will notify the COUNTY in writing prior to the change being made.

15. Data – Title To: 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.**16. 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:

- 16.1 In the case of an individual SUBRECIPIENT, his/her name, date of birth, Social Security number, and residence address;
- 16.2 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 ten (10) percent or more in the contracting entity;
- 16.3 A certification that the SUBRECIPIENT has fully complied with all applicable federal and State reporting requirements regarding its employees; and
- 16.4 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.

17. EDD Independent Contractor Reporting Requirements: Effective January 1, 2001, 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 as set forth in Exhibit 1, attached hereto and incorporated herein by reference.

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.

18. **Emergency/Declared Disaster Requirements:** In the event of an emergency or if Orange County is declared a disaster area by the COUNTY, state or federal government, this CONTRACT may be subjected to unusual usage. The SUBRECIPIENT shall service the COUNTY during such an emergency or declared disaster under the same terms and conditions that apply during non-emergency/disaster conditions. The pricing quoted by the SUBRECIPIENT shall apply to serving the COUNTY’s needs regardless of the circumstances. If the SUBRECIPIENT is unable to supply the goods/services under the terms of the CONTRACT, then the SUBRECIPIENT shall provide proof of such disruption and a copy of the invoice for the goods/services from the SUBRECIPIENT’s supplier(s). Additional profit margin as a result of supplying goods/services during an emergency or a declared disaster shall not be permitted. In the event of an emergency or declared disaster, emergency purchase order numbers will be assigned. All applicable invoices from the SUBRECIPIENT shall show both the emergency purchase order number and the CONTRACT number.
19. **SUBRECIPIENT’s Responsibilities:** The SUBRECIPIENT shall:
 - 19.1 Operate and manage the Project and provide Services/Activities as set forth herein. In this regard the SUBRECIPIENT will assess current services being provided, assess what Services/Activities are needed, or have been requested, and structure the Services/Activities accordingly.
20. **Business License:** At its own expense, SUBRECIPIENT shall qualify to do business and obtain and maintain such licenses as may be required for the performance by SUBRECIPIENT of its services under this CONTRACT.
21. **Substantial Amendments:**
 - 21.1 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.
 - 21.2 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.

22. Payment Requirements:

- 22.1 CONTRACT Amount: COUNTY will pay SUBRECIPIENT for the cost of services provided up to a maximum obligation of \$60,000. 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.
- 22.2 COUNTY will reclaim any unused balance of funds for reallocation to other COUNTY approved projects.
- 22.3 Payment of Project Activities:
- 22.3.1 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, 2016, 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.
- 22.3.2 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.
- 22.3.3 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 15 th | 50% of Contracted Amount Expended |
| March 15 th | 70% of Contracted Amount Expended |
| April 15 th | 80% of Contracted Amount Expended |
- 22.3.4 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.
- 22.4 Funds shall not be disbursed for any costs incurred prior to the certification by COUNTY and HUD of Certificate(s) of Insurance and environmental compliance as further defined in Paragraph P and Paragraph 40 of this CONTRACT. Additionally, no funds shall be disbursed prior to submittal of certified payroll

documentation to COUNTY with each invoice package/request for payment, as further defined in Paragraph 39.

22.5 Readiness – for Housing Rehabilitation and Public Facilities & Improvements Projects:

SUBRECIPIENT shall be required to demonstrate to COUNTY its readiness to immediately initiate its Project upon execution of this CONTRACT by providing to the COUNTY documentation including, but not limited to, the following: Board or Council Minutes/Resolution; Awarded bid documents with timeline requirements; and, executed Architect and Engineer (hereafter referred to as “A&E”) contracts with specific project timelines consistent with funding. By September 30 of CONTRACT term, SUBRECIPIENT shall provide COUNTY a Project Readiness Checklist incorporating the status of all Project-phasing milestones. In the case of milestones not yet reached, SUBRECIPIENT shall provide projected target dates for when said milestones would be met. The Project Readiness Checklist shall clearly demonstrate that SUBRECIPIENT will meet the “Minimum Required Expenditure Thresholds” as set forth in Paragraph 24.3. SUBRECIPIENT acknowledges that said Project Readiness Checklist may be considered to evaluate the performance of the SUBRECIPIENT.

23. Program Income

- 23.1 SUBRECIPIENT shall comply with regulations set forth in 24 CFR 570.504, as well as all applicable State or COUNTY regulations concerning the reporting and payment procedures for program income.
- 23.2 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.
- 23.3 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.
- 23.4 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.

24. Performance:

- 24.1 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.
- 24.2 SUBRECIPIENT shall comply with all applicable HUD regulations, as described in Paragraph 41 General Administration 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.
- 24.3 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 DIRECTOR.

<u>Milestone Date</u>	<u>Minimum Required Expenditure Threshold</u>
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.

- 24.4 SUBRECIPIENT shall complete and submit a Year End GPR INFORMATION FORM by July 15, after the close of the CONTRACT fiscal year.
- 24.5 Should the activity being funded through this CONTRACT be completed, cancelled or terminated prior to the termination date set forth herein in Paragraph 2. 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.
- 24.6 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.
- 24.7 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.
- 24.8 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.

25. Performance Monitoring:

- 25.1 Performance Monitoring of SUBRECIPIENT by COUNTY and/or HUD shall consist of requested and/or required written reporting, as well as onsite monitoring by COUNTY or HUD representatives.
- 25.2 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.
- 25.3 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 Paragraph 24 of this CONTRACT.

26. Disputes – CONTRACT:

- 26.1 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's Project Manager and the COUNTY's Project Manager, such matter shall be brought to the attention of the Purchasing Agent by way of the following process:
 - 26.1.1 The SUBRECIPIENT shall submit to the agency/department assigned COUNTY Purchasing Agent 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.
 - 26.1.2 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.
- 26.2 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 Purchasing Agent or his 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 section shall be construed as affecting the COUNTY's right to terminate the CONTRACT for Cause as stated in Paragraph K herein.

27. 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 the clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under the CONTRACT.

- 28. Termination – Convenience of the COUNTY:** The COUNTY may terminate performance of work under this CONTRACT for its convenience in whole, or, from time to time, in part if the user agency/department determines that a termination is in the COUNTY's interest. The agency/department assigned buyer shall terminate the CONTRACT by delivering to the SUBRECIPIENT a written notice of termination specifying the extent of the termination and the effective date thereof. The PARTIES agree that, as to the terminated portion of the CONTRACT, the CONTRACT shall be deemed to remain in effect until such time as the termination settlement, if any, is concluded and the CONTRACT shall not be void.

After receipt of a notice of termination and, except as directed by the assigned buyer, the SUBRECIPIENT shall immediately proceed with the following obligations, as applicable, regardless of any delay in determining or adjusting any amounts due under this clause. The SUBRECIPIENT shall:

- 28.1 Stop work as specified in the notice of termination;
- 28.2 Place no further subcontracts or orders for materials, services, or facilities, except as necessary to complete the continued portion of the CONTRACT;
- 28.3 Terminate all orders and subcontracts to the extent they relate to the work terminated;
- 28.4 Settle all outstanding liabilities and termination settlement proposals arising from the termination of any subcontracts, the approval or ratification of which will be final for purposes of this clause;
- 28.5 As directed by the assigned buyer transfer title and deliver to the COUNTY (a) fabricated or unfabricated parts, work in process, completed work, supplies, and other material produced or acquired for the work terminated, and (b) completed or partially completed plans, drawings, information, and other property that, if the CONTRACT had been completed, would be required to be furnished to the COUNTY;
- 28.6 Complete performance of the work not terminated; and
- 28.7 Take any action that may be necessary or as the COUNTY may direct for the protection and preservation of the property related to this CONTRACT that is in the possession of the SUBRECIPIENT and in which the COUNTY has or may acquire an interest and to mitigate any potential damages or requests for CONTRACT adjustment or termination settlement to the maximum practical extent.

At the completion of the SUBRECIPIENT's termination efforts, the SUBRECIPIENT may submit to the assigned buyer a list indicating quantity and quality of termination inventory not previously disposed of and request instructions for disposition of the residual termination inventory.

After termination the SUBRECIPIENT shall submit a final termination settlement proposal to the user agency/department in a format acceptable to the COUNTY.

The SUBRECIPIENT shall submit the proposal promptly, but no later than 60 days from the effective date of the termination, unless extended in writing by the

COUNTY upon written request of the SUBRECIPIENT within the ninety-day (90-day) period. However, if the agency/department determines that the facts justify it, a termination settlement proposal may be received and acted on after the expiration of the filing period or any extension. The SUBRECIPIENT and the COUNTY may agree upon the whole or any part of the amount to be paid because of the termination. The amount may include a reasonable allowance for profit on work done, including a reasonable amount for accounting, legal, clerical and other expenses reasonably necessary for the preparation of termination settlement proposals and supporting data, and storage, transportation and other costs incurred, reasonably necessary for the preservation, protection, or disposition of the termination inventory. However, the agreed amount may not exceed the total CONTRACT price as reduced by (a) the amount of payment previously made and (b) the CONTRACT price of work not terminated. The CONTRACT shall be amended and the SUBRECIPIENT paid the agreed amount.

If the SUBRECIPIENT and the COUNTY fail to agree on the whole amount to be paid because of the termination of work, the COUNTY shall pay the SUBRECIPIENT the amounts determined by the COUNTY as follows, but without duplication of any amounts agreed on as set forth above:

28.8 The CONTRACT price for completed supplies or services accepted by the COUNTY (or sold or acquired) not previously paid for, adjusted for any savings of freight and other charges; and

28.9 Except for normal spoiling and except to the extent that the COUNTY expressly assumes the risk of loss, the COUNTY shall exclude from the amounts payable to the SUBRECIPIENT the fair value, as determined by the agency/department, of property that is destroyed, lost, stolen, or damaged so as to become undeliverable to the COUNTY.

The SUBRECIPIENT shall use generally accepted accounting principles and sound business practices in determining all costs claimed, agreed to, or determined under this clause. Such costs shall be allocable to the terminated CONTRACT or portion thereof, allowable under applicable laws, regulations, generally accepted accounting principles and good business judgment and objectively reasonable.

The SUBRECIPIENT shall have the right to appeal, under the COUNTY's protest procedure, any determination made by the COUNTY, except that if the SUBRECIPIENT failed to submit the termination settlement proposal within the time provided and failed to request a time extension, there is no right of appeal.

In arriving at the amount due the SUBRECIPIENT under this clause, there shall be deducted:

28.10 All payment to the SUBRECIPIENT under the terminated portion of this CONTRACT;

28.11 Any claim which the COUNTY has against the SUBRECIPIENT under this or any other CONTRACT; and

28.12 The agreed price for or proceeds of sale of materials, supplies, or other things acquired by the SUBRECIPIENT or sold under the provisions of this clause and not recovered by or credited to the COUNTY.

If the termination is partial, the SUBRECIPIENT may file a proposal with the agency/department for an equitable adjustment of the price(s) of the continued portion of the CONTRACT. The agency/department shall make any equitable adjustment agreed upon. Any proposal by the SUBRECIPIENT for an equitable adjustment under this clause shall be requested within thirty (30) days from the effective date of termination unless extended in writing by agency/department.

The COUNTY may:

- 28.13 Under the terms and conditions it prescribes, make partial payment and payments against costs incurred by the SUBRECIPIENT for their terminated portion of the CONTRACT, if the COUNTY believes that the total of these payments will not exceed the amount to which the contractor will be entitled; and
- 28.14 If the total payments exceed the amount finally determined to be due, the SUBRECIPIENT shall repay the excess to the COUNTY upon demand.
In determining the amount payable to the SUBRECIPIENT and notwithstanding any other provision, if it appears that the SUBRECIPIENT would have sustained a loss on the entire CONTRACT had it been completed, the COUNTY shall allow no profit and shall reduce the settlement to reflect the indicated rate of loss.
Unless otherwise provided in this CONTRACT or by statute, the SUBRECIPIENT shall maintain all records and documents relating to the terminated portion of this CONTRACT for five (5) years after final settlement. This includes all books and other evidence bearing on the SUBRECIPIENT's costs and expenses under this CONTRACT. The SUBRECIPIENT shall make these records and documents available to the COUNTY, at the SUBRECIPIENT's office, at all reasonable times, without any direct charge. If approved by the COUNTY, photographs, microphotographs, electronic storage, or other authentic reproductions may be maintained instead of original records and documents.

- 29. **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.
- 30. **Stop Work:** The COUNTY may, at any time, by written stop work order to the SUBRECIPIENT, require the SUBRECIPIENT to stop all or any part of the work called for by this CONTRACT for a period of 90 days after the stop work order is delivered to the SUBRECIPIENT and for any further period to which the PARTIES may agree. The stop work order shall be specifically identified as such and shall indicate it is issued under this clause. Upon receipt of the stop work order, the SUBRECIPIENT shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the stop work order during the period of work stoppage. Within a period of 90 days after a stop work order is delivered to the SUBRECIPIENT or within any extension of that period to which the PARTIES shall have agreed, the COUNTY shall either:
 - 30.1 Cancel the stop work order; or
 - 30.2 Terminate work covered by the stop work order as provided for in the termination for default or the termination for convenience clause of this CONTRACT.
If a stop work order issued under this clause is canceled or the period of the stop work order or any extension thereof expires, the SUBRECIPIENT shall resume

work. The COUNTY shall make an equitable adjustment in the delivery schedule, the CONTRACT price, or both, and the CONTRACT shall be modified in writing accordingly if:

30.3 The stop work order results in an increase in the time required or in the SUBRECIPIENT's cost properly allocable to the performance of any part of this CONTRACT; and

30.4 The SUBRECIPIENT asserts its right to an equitable adjustment within 30 days after the end of the period of work stoppage, provided that if the COUNTY decides the facts justify the action, the COUNTY may receive and act upon a proposal submitted at any time before final payment under this CONTRACT.

If a stop work order is not canceled and the work covered by the stop work order is terminated in accordance with the provision entitled, "Termination - Convenience of COUNTY," the COUNTY shall allow reasonable costs resulting from the stop work order in arriving at the termination settlement.

If a stop work order is not canceled and the work covered by the stop work order is terminated for default, the COUNTY shall allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop work order.

An appropriate equitable adjustment may be made in any related CONTRACT of the SUBRECIPIENT that provides for adjustment and is affected by any stop work order under this clause. The COUNTY shall not be liable to the SUBRECIPIENT for loss of profits because of a stop work order issued under this clause.

If any provisions of this agreement are invalid under any applicable statute or rule of law, they are, to that extent, omitted, but the remainder of this agreement shall continue to be binding upon the PARTIES hereto.

31. 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 through the COUNTY's Project Manager.

32. 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:

Contract Development & Management
Attn: Contract Manager
1501 East St. Andrew Place
Santa Ana, CA 92705-4930

Housing & Community Development
Attn: Project Manager
1300 S. Grand Avenue, Bldg. "B" 3rd Floor
Santa Ana, CA 92705-4407

For SUBRECIPIENT:

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

- 33. 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.
- 34. 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 articles of this CONTRACT, and then the exhibits and attachments.
- 35. 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.
- 36. 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.

Program Specific Terms and Conditions

37. BUDGET

SUBRECIPIENT agrees that the expenditures of any and all funds under this CONTRACT will be in accordance with the SUBRECIPIENT'S 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.

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. Federal Administrative Requirements:

39.1 Financial Management:

39.1.1 Accounting Standards: 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.

39.1.2 Cost Principles: SUBRECIPIENT shall administer its program in conformance with 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.

39.2 Civil Rights

Compliance

39.2.1 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 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.

39.2.2 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.

39.2.3 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.

39.3 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:

- 39.3.1 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).
- 39.3.2 Establish a drug-free awareness program as required by Government Code Section 8355(b) to inform employees about all of the following:
 - 39.3.2.1 The dangers of drug abuse in the workplace;
 - 39.3.2.1 The SUBRECIPIENT's policy of maintaining a drug free workplace;
 - 39.3.2.2 Any available counseling, rehabilitation, and employee assistance programs; and
 - 39.3.2.3 Penalties that may be imposed upon employees for drug abuse violations.
- 39.3.3 Provide as required by Government Code Section 8355(c) that every employee who works under this CONTRACT:
 - 39.3.3.1 Will receive a copy of the company's drug-free policy statement; and
 - 39.3.3.2 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:

- 39.3.3.3 The SUBRECIPIENT has made false certification, or
- 39.3.3.4 The SUBRECIPIENT violates the certification by failing to carry out the requirements as noted above.

39.4 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.

39.5 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.

39.6 Employment Restrictions:

39.6.1 **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.

39.6.2 **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.

39.6.3 Employee Rights**Federal Minimum Wage**

39.6.3.1 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.

39.6.4 California Minimum Wage

39.6.4.1 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.

39.7 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.

39.8 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. However, SUBRECIPIENT agrees that funds provided under this CONTRACT will not be utilized for inherently religious activities, to promote religious interest, or for the benefit of a religious organization in accordance with 24 CFR 570.200 (j)(2).

39.9 Anti-Lobbying: SUBRECIPIENT certifies that:

- 39.9.1 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, 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
- 39.9.2 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
- 39.9.3 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.

39.10 Audits: If SUBRECIPIENT expends Federal funds in a fiscal year which equal or exceed \$750,000 (Seven hundred fifty thousand dollars and no cents) as specified in OMB Circular A-133-Revised, 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 Code.

39.11 Modifications/Transfers of Real Property:

- 39.11.1 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.

- 39.11.2 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:
- 39.11.2.1 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,
- 39.11.2.2 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 39.11.2.1 above.

39.12 Labor Standards

- 39.12.1 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.
- 39.12.2 SUBRECIPIENT will comply with Davis-Bacon Act and/or State Prevailing Wage requirements, when applicable.
- 39.12.3 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.
- 39.12.4 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 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.
- 39.12.5 In case where the Davis-Bacon Act applies, SUBRECIPIENT agrees to submit the Construction Bid Package for this project to DIRECTOR for modification, SUBRECIPIENT shall construct project in accordance with the approved Construction Bid Package.

39.13 California Labor Code Compliance

39.13.1 If 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.

39.13.2 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.

39.14 Economic Opportunities

39.14.1 Compliance

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 extent 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)."

40. Environmental Conditions:

40.1 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.

40.2 SUBRECIPIENT shall incur no costs for any project-related activity defined in SUBRECIPIENT SCOPE OF SERVICES and COUNTY shall not disburse funds prior to certification by COUNTY and/or HUD for environmental compliance.

40.3 SUBRECIPIENT shall provide requested material to COUNTY for the Environmental Review process required by applicable regulations.

40.4 Air and Water: SUBRECIPIENT agrees to comply with the following regulations in so far as they apply to the performance of this CONTRACT:

40.4.1 Clean Air Act, 42 U.S.C., 1857, et seq.

40.4.2 Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251, et seq.

40.4.3 Environmental Protection Agency (EPA) regulations pursuant to 40 CFR 50 and 40 CFR 58.

40.5 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.

40.6 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.

40.7 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.

40.8 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.

41. General Administration:

41.1 Fair Housing: SUBRECIPIENT shall affirmatively further fair housing in accordance with 24 CFR 570.904.

41.2 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.

41.3 Records to be Maintained: SUBRECIPIENT shall maintain all records required by the Federal regulations specified in 24 CFR 570.503(b)(2), 570.506, 570.507, 570.508 that are pertinent to the activities to be funded under this CONTRACT. Such records shall include, but not be limited to:

- 41.3.1 Records providing a full description of each activity undertaken;
- 41.3.2 Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- 41.3.3 Records required to determine the eligibility of activities;
- 41.3.4 Records required to document the acquisition, improvement, use, or disposition of real property acquired or improved with CDBG assistance;
- 41.3.5 Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- 41.3.6 Financial records as required by 24 CFR 570.502, and OMB Circular A-87; and
- 41.3.7 Other records necessary to document compliance with Subpart K of 24 CFR 570.
- 41.3.8 Retention: SUBRECIPIENT shall retain all records pertinent to expenditures incurred under this CONTRACT 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. Records for non-expendable property acquired with funds under this CONTRACT shall be retained for five (5) years after final disposition of such property. Records for any displaced person must be kept for five (5) years after s/he has received final payment.

41.4 Client Data

- 41.4.1 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.
- 41.4.2 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.

- 41.5 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 24 CFR 570.505.
- 41.6 Close-Out:** 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 24 CFR 570.509 and shall include, but are not limited to: making final payments; submitting final invoice(s), report(s), in accordance with the requirements of Paragraph 22.3.4 above, and documentation; disposing of program assets (including the return to COUNTY of all unused materials and equipment); remitting any program income balances and receivable accounts to COUNTY, and determining the custodianship of records.
- 41.7 Equipment:** SUBRECIPIENT shall use, manage and dispose of equipment in accordance with 24 CFR 85.32 and 24 CFR 570.502.
- 41.8 Subcontracts:**
- 41.8.1 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.
 - 41.8.2 SUBRECIPIENT shall assume responsibility for all subcontracted services to assure CONTRACT compliance.
 - 41.8.3 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.
 - 41.8.4 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.
- 41.9 Relocation:**
- SUBRECIPIENT shall, in all matters relating to the project:
- 41.9.1 Take all reasonable steps to minimize displacement by providing tenants reasonable opportunity to lease and occupy dwelling units in the project being improved; and,
 - 41.9.2 Submit to COUNTY a Plan outlining financial and advisory assistance in securing temporary housing for any eligible tenant who is temporarily or permanently relocated due to the project.
 - 41.9.3 Comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended by the Uniform Relocation Act/URA, 49 CFR Part 24 and 24 CFR 570.606 for persons displaced by the project; and

- 41.9.4 Have in effect and follow a residential anti-displacement and relocation plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in conjunction with any activity assisted with funding under the subject project.

42. 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.

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 A, B, C, D, and E and Exhibits 1, 2, 3 and 4 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 COUNTY's Purchasing Agent or his designee, hereinafter "Purchasing Agent."
- 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 INDEMNITEES 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:**

Insurance Provisions

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. If no SIRs or deductibles apply, indicate this on the Certificate of Insurance with a zero (0) by the appropriate line of coverage. Any self-insured retention (SIR) or deductible in an amount in excess of \$25,000 (\$5,000 for automobile

liability), which shall specifically be approved by the COUNTY Executive Office (CEO)/Office of Risk Management upon review of SUBRECIPIENT's current audited financial report.

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
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 2010 or CG 2033 or a form at least as broad naming the State of California, County of Orange, its elected and appointed officials, officers, agents and employees as Additional Insureds.

- 2) A primary 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.

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 Professional Liability is a "claims made" policy, SUBRECIPIENT shall agree to maintain Professional Liability coverage for two (2) years following 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 address listed on the solicitation.

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.

***Certificate Holder Information**

The County of Orange has contracted with Ebix RCS to monitor insurance certificates and endorsements for compliance with the above requirements. Upon initial award of a CONTRACT, the certificate(s) and endorsements(s) should be forwarded to the agency/department address listed on the solicitation. The COUNTY will forward these documents to Ebix RCS on your behalf. Ebix RCS may contact you to advise you of deficiencies and request corrected documents. Please cooperate with their request for information or corrections in order for the COUNTY to continue your CONTRACT through the expiration date.

- 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. Destination):** SUBRECIPIENT assumes full responsibility for all transportation, transportation scheduling, packing, handling, insurance, and other services associated with delivery of all products deemed necessary under this CONTRACT.
- 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 three 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: <u>Bruce E. Channing</u>	Name: _____
Title: <u>City Manager</u>	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: _____
Steve Franks, 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: _____
Steve Franks, Director OC Community Resources	

**APPROVED AS TO FORM
DEPUTY COUNTY COUNSEL**

By: 	Dated: <u>03.23.2016</u>
DEPUTY COUNTY COUNSEL	



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 remodel the Center's restrooms to bring the restrooms 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.

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

ATTACHMENT A

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

1. Construction

Outputs

2 Restrooms

Performance Objectives

1. Suitable Living Environment
2. Suitable Living Environment
3. Suitable Living Environment

Performance Outcomes

Availability/Accessibility
Availability/Accessibility
Availability/Accessibility

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

Outcomes

1 Public Facility



COMPENSATION/PAYMENT PUBLIC FACILITIES & IMPROVEMENTS

1. COMPENSATION:

This is a fixed fee price CONTRACT between the COUNTY and the SUBRECIPIENT for **\$60,000** 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 the fixed cost of the services shall be submitted to the address specified below upon the completion of the engagement 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.

ATTACHMENT B

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, 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.



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	\$5,109.81	\$5,109.81
Acquisition	N/A	N/A	N/A
Construction	\$60,000	0	\$60,000
Total Project Cost	\$60,000	\$5,109.81	\$65,109.81

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; and installing hands-free components.



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 Assistant
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 2016-17 has been responsible for the implementation of the City's past grant monies for

ATTACHMENT D

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 36 years in Public Administration, 23 years in City Management experience, 11 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 and FY 2015-16 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.



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	\$30,000
	50% of Proposed Accomplishments Achieved	Design and/or installation
March 15th	70% of Contracted Amount Expended	\$42,000
	70% of Proposed Accomplishments Achieved	Construction and/or installation
April 15th	80% of Contracted Amount Expended	\$48,000
	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 # 16-23-0008-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 # 16-23-0008-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.

	Bruce E. Channing	City Manager
Authorized Signature	Print Name	Title

Attachment: Draft Contract with the County of Orange for 2016-2017 Public Facilities and Improvements (1108 : Contracts with County of



**Subject: OC Community Resources
Contract Reimbursement Policy**

Effective: July 1, 2010
Revised: January 26, 2016

PURPOSE:

This policy contains updated fiscal documentation requirements for contract reimbursement for OC Community Services. The procedures provide instructions for submitting reimbursement demand letter or invoice.

EFFECTIVE DATE:
July 1, 2010

REVISION DATE:
January 26, 2016

REFERENCES:

Executed Board of Supervisors approved contract
Budget included in contract or presented as an exhibit
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.

Pre December 26, 2014

OMB Circular A-21 Cost Principles for Educational Institutions
OMB Circular A-87 Cost Principles for State, Local, and Indian Tribal Governments
OMB Circular A-122 Cost Principles for Non-Profit Organizations

Post December 26, 2014

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 OMB Circulars 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' reimbursement policy for the services described and is not intended to address every aspect of a reimbursement situation. Accordingly, OC Community Services 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 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 OMB Circular or CFR. 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 the following:

- Susan Long: (714) 480-6532 or Susan.Long@occr.ocgov.com
- Eric Takanishi: (714) 480-6531 or Eric.Takanishi@occr.ocgov.com

Certification for a Drug-Free Workplace

U.S. Department of Housing
and Urban Development

City of Laguna Hills Contract # 16-23-0008-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 ---

(1) 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 ---

(1) 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 ---

(1) 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

Bruce E. Channing

Title

City Manager

Signature

Date

X

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 the 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	13. Type of Payment (check all that apply) a. retainer b. one-time free c. commission d. contingent fee e. deferred f. other specify: _____	
12. Form of Payment (check all that apply): a. cash b. in-kind: specify: nature: _____ value: _____		
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: Bruce E. Channing Title: City Manager 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 2016/2017)

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** _____, **2016**.

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 2016-2017 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, 2016 through June 30, 2017 with the County of Orange (Contract No. 16-23-0008-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. 16-23-0008-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 2016/2017 CDBG Project described herein in a manner satisfactory to the City and consistent with any and all applicable standards, including this Agreement,

Contract No.16-23-0008-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. Budget

This Agreement is for a CDBG funding reimbursement amount not to exceed \$60,000.00 (sixty 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.16-23-0008-PFI.

C. Work Schedule

Reimbursable activities per this Agreement may begin on the effective date of this Agreement, and shall end on June 30, 2017. 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. Performance Objectives

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. Goals and Performance Measures

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. Performance Monitoring

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.16-23-0008-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. Time of Performance

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, 2017. 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, 2017. If Sub-recipient does not expend all funds by June 30, 2017, 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. Reimbursements

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, 2017. 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.16-23-0008-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: Melissa Au-Yeung, Assistant to the City Manager

Sub-recipient

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

B. Certified Mail

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. Compliance

Sub-recipient shall adhere to the terms of the City's CDBG application, Contract 16-23-0008-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.16-23-0008-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 2016/2017.

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, 2017. Quarterly Reports shall be filed with the City fifteen (15) days before: December 15, 2016, January 15, 2017, and March 15, 2017. 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, 2022. 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, 2017).

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, 2016 and ending June 30, 2017, 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 extent 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 ACTIVITIES

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 2016/2017

CONTRACT # 16-23-0008-PFI

BETWEEN

COUNTY OF ORANGE

AND

CITY OF LAGUNA HILLS

FOR

PUBLIC FACILITIES & IMPROVEMENTS

FLORENCE SYLVESTER SENIOR CENTER

<u>CFDA#</u>	<u>FAIN #</u>	<u>PROGRAM/SERVICE TITLE</u>	<u>FUNDING AGENCY</u>
14.218	B16UC060504	Community Development Block Grant (CDBG) Funds	Department of Housing and Urban Development (HUD)



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This Agreement, 16-23-0008-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

This CONTRACT is made with reference to the following facts, among others:

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 has submitted to COUNTY an application or has previously submitted an application approved under the FY 2016-17 Public Facilities & Improvements RFP process for funding of a housing and community development activity; and

WHEREAS, COUNTY adopted its FY 2016-17 Annual Action Plan, (hereinafter referred to as "Annual Action Plan"), including any substantial amendments, which sets forth the PROGRAM described herein; and

WHEREAS, HUD, in accordance with 24 CFR Part 570 Subpart O, 570.902, will annually review the performance of COUNTY to determine whether COUNTY has carried out its Community Development Block Grant (CDBG) assisted activities in a timely manner and has significantly disbursed CDBG funds and met the mandated "1.5 ratio" threshold; and

WHEREAS, COUNTY approved an allocation of \$60,000 (Sixty Thousand Dollars) in program funding to SUBRECIPIENT for the Fiscal Year 2016-17; and

WHEREAS, HUD has accepted and certified the aforementioned ANNUAL ACTION PLAN; and

WHEREAS, COUNTY engages SUBRECIPIENT to assist COUNTY in utilizing aforesaid funds:

NOW, THEREFORE, the PARTIES mutually agree as follows:

DEFINITIONS

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

1. HUD: United States Department of Housing and Urban Development.
2. OC COMMUNITY RESOURCES (OCCR): Designated as the Lead for the development and implementation of County of Orange Urban County Program's Consolidated Plan.
3. DIRECTOR: DIRECTOR of OC Community Resources, or designee.
4. PROGRAM INCOME: The gross income received by SUBRECIPIENT directly generated from the use of the subject program funds.
5. 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.
6. 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.)
7. PROJECT: Any site or sites, including buildings, and/or activities assisted with federal program funds.
8. OMB: Federal Office of Management and Budget.
9. CAPER: Consolidated Annual Performance and Evaluation Report. An annual published report to HUD and the public on all housing-related activities.
10. 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.
11. 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.
12. 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)
13. 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.

14. SUBSTANTIAL AMENDMENT: The following criteria will be used by the COUNTY – if any one criteria applies, a substantial amendment will be required:
 - 14.1 A new activity not previously listed and described in the Consolidated Plan/Annual Action Plan;
 - 14.2 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
 - 14.3 An increase in the amount of Federal Community Planning Development and/or local funds allocated to an existing activity when the following apply:
 - 14.3.1 An increase in funding for a public service activity in an amount greater than a 50% increase over the current funded amount; or
 - 14.3.2 An increase in the funding for public facility improvements/housing rehabilitation in an amount greater than a 50% increase over the current funded amount.
15. 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.
16. 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.
17. 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>

ARTICLES

Terms and Conditions:

1. **SCOPE OF SERVICES:** 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 be effective from July 1, 2016 through June 30, 2017, unless otherwise terminated by the COUNTY. The term of this CONTRACT may be extended upon mutual agreement of the PARTIES in writing in accordance with Paragraph 2.2.
 - 2.1 Eligible costs related to services provided by SUBRECIPIENT must be incurred during the period beginning July 1, 2016. The Project shall be completed and all funds provided through this CONTRACT shall be expended on eligible Project activities through and including June 30, 2017.
 - 2.2 Housing Rehabilitation CONTRACTS and Public Facilities & Improvements CONTRACTS.
 - 2.2.1 SUBRECIPIENT may be eligible to request additional funding up to the maximum set forth in the applicable FY 2016-17 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 22.3.3.
 - 2.2.2 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 DIRECTOR, that the required Performance Expenditure and Accomplishment Thresholds set forth in Paragraph 24.3. will continue to be met before such extension and additional allocation shall be granted.
 - 2.2.3 CONTRACT Extension (No Cost Extension)
 - 2.2.3.1 The term of this CONTRACT and the provisions herein may be extended to cover an additional time period as specified herein.
 - 2.2.3.2 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, 2017. SUBRECIPIENT must notify the DIRECTOR in writing 45 days prior to June 30, 2017, 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.
 - 2.2.3.3 CONTRACT extension provisions are not applicable to PROGRAM ADMINISTRATION activities.
 - 2.3 Housing Rehabilitation CONTRACTS and Public Services CONTRACTS may be renewed, and a new CONTRACT negotiated on the same terms, conditions, and SCOPE OF SERVICES for up to one (1) individual consecutive one-year periods upon mutual written agreement by the COUNTY and SUBRECIPIENT.

3. **Contingency of Funds:** SUBRECIPIENT acknowledges that funding or portions of funding for this CONTRACT may also be contingent upon the receipt of funds from, and/or appropriation of funds by Federal, State of California or local Government funds to COUNTY. If such funding and/or appropriations are not forthcoming, or are otherwise limited, COUNTY may immediately terminate or modify this CONTRACT without penalty.

3.1 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.

4. **Fiscal Appropriations:** Intentionally left blank.

5. **Adjustments –SCOPE OF SERVICES:** No adjustments made to the SCOPE OF SERVICES will be authorized without prior written approval of the COUNTY assigned Purchasing Agent.

6. **Changes/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 with the SUBRECIPIENT's concurrence has the discretion to request official changes at any time without changing the intent of this CONTRACT.

If COUNTY-initiated changes or changes in laws or government regulations affect price, the SUBRECIPIENT's ability to deliver services, or the program schedule, the SUBRECIPIENT shall give the COUNTY written notice no later than seven calendar days from the date the law or regulation went into effect or the date the change was proposed by the COUNTY and the 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 Purchasing Agent, shall require the mutual consent of all PARTIES, and may prohibit the SUBRECIPIENT from proceeding with the work as set forth in this CONTRACT.

7. **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:

Terminate the CONTRACT immediately, pursuant to Paragraph K and Paragraphs 28 through 30 herein;

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;

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

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

8. 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.

9. Conflict of Interest – SUBRECIPIENT's Personnel: The SUBRECIPIENT 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 SUBRECIPIENTS; 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.

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.

10. Conflict of Interest – 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.

11. 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.

12. Contingent Fees: Intentionally left blank.

13. Bankruptcy/Insolvency: Intentionally left blank.

14. SUBRECIPIENT's 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 be a Project Management change the SUBRECIPIENT will notify the COUNTY in writing prior to the change being made.

15. Data – Title To: 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.**16. 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:

- 16.1 In the case of an individual SUBRECIPIENT, his/her name, date of birth, Social Security number, and residence address;
- 16.2 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 ten (10) percent or more in the contracting entity;
- 16.3 A certification that the SUBRECIPIENT has fully complied with all applicable federal and State reporting requirements regarding its employees; and
- 16.4 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.

17. EDD Independent Contractor Reporting Requirements: Effective January 1, 2001, 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 as set forth in Exhibit 1, attached hereto and incorporated herein by reference.

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.

18. **Emergency/Declared Disaster Requirements:** In the event of an emergency or if Orange County is declared a disaster area by the COUNTY, state or federal government, this CONTRACT may be subjected to unusual usage. The SUBRECIPIENT shall service the COUNTY during such an emergency or declared disaster under the same terms and conditions that apply during non-emergency/disaster conditions. The pricing quoted by the SUBRECIPIENT shall apply to serving the COUNTY’s needs regardless of the circumstances. If the SUBRECIPIENT is unable to supply the goods/services under the terms of the CONTRACT, then the SUBRECIPIENT shall provide proof of such disruption and a copy of the invoice for the goods/services from the SUBRECIPIENT’s supplier(s). Additional profit margin as a result of supplying goods/services during an emergency or a declared disaster shall not be permitted. In the event of an emergency or declared disaster, emergency purchase order numbers will be assigned. All applicable invoices from the SUBRECIPIENT shall show both the emergency purchase order number and the CONTRACT number.
19. **SUBRECIPIENT’s Responsibilities:** The SUBRECIPIENT shall:
 - 19.1 Operate and manage the Project and provide Services/Activities as set forth herein. In this regard the SUBRECIPIENT will assess current services being provided, assess what Services/Activities are needed, or have been requested, and structure the Services/Activities accordingly.
20. **Business License:** At its own expense, SUBRECIPIENT shall qualify to do business and obtain and maintain such licenses as may be required for the performance by SUBRECIPIENT of its services under this CONTRACT.
21. **Substantial Amendments:**
 - 21.1 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.
 - 21.2 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.

22. Payment Requirements:

- 22.1 CONTRACT Amount: COUNTY will pay SUBRECIPIENT for the cost of services provided up to a maximum obligation of \$60,000. 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.
- 22.2 COUNTY will reclaim any unused balance of funds for reallocation to other COUNTY approved projects.
- 22.3 Payment of Project Activities:
- 22.3.1 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, 2016, 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.
- 22.3.2 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.
- 22.3.3 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 15 th | 50% of Contracted Amount Expended |
| March 15 th | 70% of Contracted Amount Expended |
| April 15 th | 80% of Contracted Amount Expended |
- 22.3.4 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.
- 22.4 Funds shall not be disbursed for any costs incurred prior to the certification by COUNTY and HUD of Certificate(s) of Insurance and environmental compliance as further defined in Paragraph P and Paragraph 40 of this CONTRACT. Additionally, no funds shall be disbursed prior to submittal of certified payroll

documentation to COUNTY with each invoice package/request for payment, as further defined in Paragraph 39.

22.5 Readiness – for Housing Rehabilitation and Public Facilities & Improvements Projects:

SUBRECIPIENT shall be required to demonstrate to COUNTY its readiness to immediately initiate its Project upon execution of this CONTRACT by providing to the COUNTY documentation including, but not limited to, the following: Board or Council Minutes/Resolution; Awarded bid documents with timeline requirements; and, executed Architect and Engineer (hereafter referred to as “A&E”) contracts with specific project timelines consistent with funding. By September 30 of CONTRACT term, SUBRECIPIENT shall provide COUNTY a Project Readiness Checklist incorporating the status of all Project-phasing milestones. In the case of milestones not yet reached, SUBRECIPIENT shall provide projected target dates for when said milestones would be met. The Project Readiness Checklist shall clearly demonstrate that SUBRECIPIENT will meet the “Minimum Required Expenditure Thresholds” as set forth in Paragraph 24.3. SUBRECIPIENT acknowledges that said Project Readiness Checklist may be considered to evaluate the performance of the SUBRECIPIENT.

23. Program Income

- 23.1 SUBRECIPIENT shall comply with regulations set forth in 24 CFR 570.504, as well as all applicable State or COUNTY regulations concerning the reporting and payment procedures for program income.
- 23.2 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.
- 23.3 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.
- 23.4 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.

24. Performance:

- 24.1 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.
- 24.2 SUBRECIPIENT shall comply with all applicable HUD regulations, as described in Paragraph 41 General Administration 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.
- 24.3 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 DIRECTOR.

<u>Milestone Date</u>	<u>Minimum Required Expenditure Threshold</u>
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.

- 24.4 SUBRECIPIENT shall complete and submit a Year End GPR INFORMATION FORM by July 15, after the close of the CONTRACT fiscal year.
- 24.5 Should the activity being funded through this CONTRACT be completed, cancelled or terminated prior to the termination date set forth herein in Paragraph 2. 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.
- 24.6 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.
- 24.7 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.
- 24.8 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.

25. Performance Monitoring:

- 25.1 Performance Monitoring of SUBRECIPIENT by COUNTY and/or HUD shall consist of requested and/or required written reporting, as well as onsite monitoring by COUNTY or HUD representatives.
- 25.2 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.
- 25.3 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 Paragraph 24 of this CONTRACT.

26. Disputes – CONTRACT:

- 26.1 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's Project Manager and the COUNTY's Project Manager, such matter shall be brought to the attention of the Purchasing Agent by way of the following process:
 - 26.1.1 The SUBRECIPIENT shall submit to the agency/department assigned COUNTY Purchasing Agent 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.
 - 26.1.2 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.
- 26.2 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 Purchasing Agent or his 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 section shall be construed as affecting the COUNTY's right to terminate the CONTRACT for Cause as stated in Paragraph K herein.

- 27. 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 the clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under the CONTRACT.

- 28. Termination – Convenience of the COUNTY:** The COUNTY may terminate performance of work under this CONTRACT for its convenience in whole, or, from time to time, in part if the user agency/department determines that a termination is in the COUNTY's interest. The agency/department assigned buyer shall terminate the CONTRACT by delivering to the SUBRECIPIENT a written notice of termination specifying the extent of the termination and the effective date thereof. The PARTIES agree that, as to the terminated portion of the CONTRACT, the CONTRACT shall be deemed to remain in effect until such time as the termination settlement, if any, is concluded and the CONTRACT shall not be void.

After receipt of a notice of termination and, except as directed by the assigned buyer, the SUBRECIPIENT shall immediately proceed with the following obligations, as applicable, regardless of any delay in determining or adjusting any amounts due under this clause. The SUBRECIPIENT shall:

- 28.1 Stop work as specified in the notice of termination;
- 28.2 Place no further subcontracts or orders for materials, services, or facilities, except as necessary to complete the continued portion of the CONTRACT;
- 28.3 Terminate all orders and subcontracts to the extent they relate to the work terminated;
- 28.4 Settle all outstanding liabilities and termination settlement proposals arising from the termination of any subcontracts, the approval or ratification of which will be final for purposes of this clause;
- 28.5 As directed by the assigned buyer transfer title and deliver to the COUNTY (a) fabricated or unfabricated parts, work in process, completed work, supplies, and other material produced or acquired for the work terminated, and (b) completed or partially completed plans, drawings, information, and other property that, if the CONTRACT had been completed, would be required to be furnished to the COUNTY;
- 28.6 Complete performance of the work not terminated; and
- 28.7 Take any action that may be necessary or as the COUNTY may direct for the protection and preservation of the property related to this CONTRACT that is in the possession of the SUBRECIPIENT and in which the COUNTY has or may acquire an interest and to mitigate any potential damages or requests for CONTRACT adjustment or termination settlement to the maximum practical extent.

At the completion of the SUBRECIPIENT's termination efforts, the SUBRECIPIENT may submit to the assigned buyer a list indicating quantity and quality of termination inventory not previously disposed of and request instructions for disposition of the residual termination inventory.

After termination the SUBRECIPIENT shall submit a final termination settlement proposal to the user agency/department in a format acceptable to the COUNTY.

The SUBRECIPIENT shall submit the proposal promptly, but no later than 60 days from the effective date of the termination, unless extended in writing by the

COUNTY upon written request of the SUBRECIPIENT within the ninety-day (90-day) period. However, if the agency/department determines that the facts justify it, a termination settlement proposal may be received and acted on after the expiration of the filing period or any extension. The SUBRECIPIENT and the COUNTY may agree upon the whole or any part of the amount to be paid because of the termination. The amount may include a reasonable allowance for profit on work done, including a reasonable amount for accounting, legal, clerical and other expenses reasonably necessary for the preparation of termination settlement proposals and supporting data, and storage, transportation and other costs incurred, reasonably necessary for the preservation, protection, or disposition of the termination inventory. However, the agreed amount may not exceed the total CONTRACT price as reduced by (a) the amount of payment previously made and (b) the CONTRACT price of work not terminated. The CONTRACT shall be amended and the SUBRECIPIENT paid the agreed amount.

If the SUBRECIPIENT and the COUNTY fail to agree on the whole amount to be paid because of the termination of work, the COUNTY shall pay the SUBRECIPIENT the amounts determined by the COUNTY as follows, but without duplication of any amounts agreed on as set forth above:

28.8 The CONTRACT price for completed supplies or services accepted by the COUNTY (or sold or acquired) not previously paid for, adjusted for any savings of freight and other charges; and

28.9 Except for normal spoiling and except to the extent that the COUNTY expressly assumes the risk of loss, the COUNTY shall exclude from the amounts payable to the SUBRECIPIENT the fair value, as determined by the agency/department, of property that is destroyed, lost, stolen, or damaged so as to become undeliverable to the COUNTY.

The SUBRECIPIENT shall use generally accepted accounting principles and sound business practices in determining all costs claimed, agreed to, or determined under this clause. Such costs shall be allocable to the terminated CONTRACT or portion thereof, allowable under applicable laws, regulations, generally accepted accounting principles and good business judgment and objectively reasonable.

The SUBRECIPIENT shall have the right to appeal, under the COUNTY's protest procedure, any determination made by the COUNTY, except that if the SUBRECIPIENT failed to submit the termination settlement proposal within the time provided and failed to request a time extension, there is no right of appeal.

In arriving at the amount due the SUBRECIPIENT under this clause, there shall be deducted:

28.10 All payment to the SUBRECIPIENT under the terminated portion of this CONTRACT;

28.11 Any claim which the COUNTY has against the SUBRECIPIENT under this or any other CONTRACT; and

28.12 The agreed price for or proceeds of sale of materials, supplies, or other things acquired by the SUBRECIPIENT or sold under the provisions of this clause and not recovered by or credited to the COUNTY.

If the termination is partial, the SUBRECIPIENT may file a proposal with the agency/department for an equitable adjustment of the price(s) of the continued portion of the CONTRACT. The agency/department shall make any equitable adjustment agreed upon. Any proposal by the SUBRECIPIENT for an equitable adjustment under this clause shall be requested within thirty (30) days from the effective date of termination unless extended in writing by agency/department.

The COUNTY may:

- 28.13 Under the terms and conditions it prescribes, make partial payment and payments against costs incurred by the SUBRECIPIENT for their terminated portion of the CONTRACT, if the COUNTY believes that the total of these payments will not exceed the amount to which the contractor will be entitled; and
- 28.14 If the total payments exceed the amount finally determined to be due, the SUBRECIPIENT shall repay the excess to the COUNTY upon demand.
In determining the amount payable to the SUBRECIPIENT and notwithstanding any other provision, if it appears that the SUBRECIPIENT would have sustained a loss on the entire CONTRACT had it been completed, the COUNTY shall allow no profit and shall reduce the settlement to reflect the indicated rate of loss.
Unless otherwise provided in this CONTRACT or by statute, the SUBRECIPIENT shall maintain all records and documents relating to the terminated portion of this CONTRACT for five (5) years after final settlement. This includes all books and other evidence bearing on the SUBRECIPIENT's costs and expenses under this CONTRACT. The SUBRECIPIENT shall make these records and documents available to the COUNTY, at the SUBRECIPIENT's office, at all reasonable times, without any direct charge. If approved by the COUNTY, photographs, microphotographs, electronic storage, or other authentic reproductions may be maintained instead of original records and documents.

- 29. **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.
- 30. **Stop Work:** The COUNTY may, at any time, by written stop work order to the SUBRECIPIENT, require the SUBRECIPIENT to stop all or any part of the work called for by this CONTRACT for a period of 90 days after the stop work order is delivered to the SUBRECIPIENT and for any further period to which the PARTIES may agree. The stop work order shall be specifically identified as such and shall indicate it is issued under this clause. Upon receipt of the stop work order, the SUBRECIPIENT shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the stop work order during the period of work stoppage. Within a period of 90 days after a stop work order is delivered to the SUBRECIPIENT or within any extension of that period to which the PARTIES shall have agreed, the COUNTY shall either:
 - 30.1 Cancel the stop work order; or
 - 30.2 Terminate work covered by the stop work order as provided for in the termination for default or the termination for convenience clause of this CONTRACT.
If a stop work order issued under this clause is canceled or the period of the stop work order or any extension thereof expires, the SUBRECIPIENT shall resume

work. The COUNTY shall make an equitable adjustment in the delivery schedule, the CONTRACT price, or both, and the CONTRACT shall be modified in writing accordingly if:

30.3 The stop work order results in an increase in the time required or in the SUBRECIPIENT's cost properly allocable to the performance of any part of this CONTRACT; and

30.4 The SUBRECIPIENT asserts its right to an equitable adjustment within 30 days after the end of the period of work stoppage, provided that if the COUNTY decides the facts justify the action, the COUNTY may receive and act upon a proposal submitted at any time before final payment under this CONTRACT.

If a stop work order is not canceled and the work covered by the stop work order is terminated in accordance with the provision entitled, "Termination - Convenience of COUNTY," the COUNTY shall allow reasonable costs resulting from the stop work order in arriving at the termination settlement.

If a stop work order is not canceled and the work covered by the stop work order is terminated for default, the COUNTY shall allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop work order.

An appropriate equitable adjustment may be made in any related CONTRACT of the SUBRECIPIENT that provides for adjustment and is affected by any stop work order under this clause. The COUNTY shall not be liable to the SUBRECIPIENT for loss of profits because of a stop work order issued under this clause.

If any provisions of this agreement are invalid under any applicable statute or rule of law, they are, to that extent, omitted, but the remainder of this agreement shall continue to be binding upon the PARTIES hereto.

31. 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 through the COUNTY's Project Manager.

32. 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:

Contract Development & Management
Attn: Contract Manager
1501 East St. Andrew Place
Santa Ana, CA 92705-4930

Housing & Community Development
Attn: Project Manager
1300 S. Grand Avenue, Bldg. "B" 3rd Floor
Santa Ana, CA 92705-4407

For SUBRECIPIENT:

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

- 33. 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.
- 34. 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 articles of this CONTRACT, and then the exhibits and attachments.
- 35. 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.
- 36. 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.

Program Specific Terms and Conditions

37. BUDGET

SUBRECIPIENT agrees that the expenditures of any and all funds under this CONTRACT will be in accordance with the SUBRECIPIENT'S 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.

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. Federal Administrative Requirements:

39.1 Financial Management:

39.1.1 Accounting Standards: 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.

39.1.2 Cost Principles: SUBRECIPIENT shall administer its program in conformance with 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.

39.2 Civil Rights

Compliance

39.2.1 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 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.

39.2.2 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.

39.2.3 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.

39.3 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:

- 39.3.1 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).
- 39.3.2 Establish a drug-free awareness program as required by Government Code Section 8355(b) to inform employees about all of the following:
 - 39.3.2.1 The dangers of drug abuse in the workplace;
 - 39.3.2.1 The SUBRECIPIENT's policy of maintaining a drug free workplace;
 - 39.3.2.2 Any available counseling, rehabilitation, and employee assistance programs; and
 - 39.3.2.3 Penalties that may be imposed upon employees for drug abuse violations.
- 39.3.3 Provide as required by Government Code Section 8355(c) that every employee who works under this CONTRACT:
 - 39.3.3.1 Will receive a copy of the company's drug-free policy statement; and
 - 39.3.3.2 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:

- 39.3.3.3 The SUBRECIPIENT has made false certification, or
- 39.3.3.4 The SUBRECIPIENT violates the certification by failing to carry out the requirements as noted above.

39.4 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.

39.5 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.

39.6 Employment Restrictions:

39.6.1 **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.

39.6.2 **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.

39.6.3 Employee Rights**Federal Minimum Wage**

39.6.3.1 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.

39.6.4 California Minimum Wage

39.6.4.1 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.

39.7 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.

39.8 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. However, SUBRECIPIENT agrees that funds provided under this CONTRACT will not be utilized for inherently religious activities, to promote religious interest, or for the benefit of a religious organization in accordance with 24 CFR 570.200 (j)(2).

39.9 Anti-Lobbying: SUBRECIPIENT certifies that:

- 39.9.1 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, 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
- 39.9.2 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
- 39.9.3 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.

39.10 Audits: If SUBRECIPIENT expends Federal funds in a fiscal year which equal or exceed \$750,000 (Seven hundred fifty thousand dollars and no cents) as specified in OMB Circular A-133-Revised, 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 Code.

39.11 Modifications/Transfers of Real Property:

- 39.11.1 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.

39.11.2 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:

39.11.2.1 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,

39.11.2.2 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 39.11.2.1 above.

39.12 Labor Standards

39.12.1 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.

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

39.12.3 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.

39.12.4 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 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.

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

39.13 California Labor Code Compliance

39.13.1 If 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.

39.13.2 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.

39.14 Economic Opportunities

39.14.1 Compliance

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 extent 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)."

40. Environmental Conditions:

40.1 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.

40.2 SUBRECIPIENT shall incur no costs for any project-related activity defined in SUBRECIPIENT SCOPE OF SERVICES and COUNTY shall not disburse funds prior to certification by COUNTY and/or HUD for environmental compliance.

40.3 SUBRECIPIENT shall provide requested material to COUNTY for the Environmental Review process required by applicable regulations.

40.4 Air and Water: SUBRECIPIENT agrees to comply with the following regulations in so far as they apply to the performance of this CONTRACT:

40.4.1 Clean Air Act, 42 U.S.C., 1857, et seq.

40.4.2 Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251, et seq.

40.4.3 Environmental Protection Agency (EPA) regulations pursuant to 40 CFR 50 and 40 CFR 58.

40.5 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.

40.6 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.

40.7 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.

40.8 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.

41. General Administration:

41.1 Fair Housing: SUBRECIPIENT shall affirmatively further fair housing in accordance with 24 CFR 570.904.

41.2 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.

41.3 Records to be Maintained: SUBRECIPIENT shall maintain all records required by the Federal regulations specified in 24 CFR 570.503(b)(2), 570.506, 570.507, 570.508 that are pertinent to the activities to be funded under this CONTRACT. Such records shall include, but not be limited to:

- 41.3.1 Records providing a full description of each activity undertaken;
- 41.3.2 Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- 41.3.3 Records required to determine the eligibility of activities;
- 41.3.4 Records required to document the acquisition, improvement, use, or disposition of real property acquired or improved with CDBG assistance;
- 41.3.5 Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- 41.3.6 Financial records as required by 24 CFR 570.502, and OMB Circular A-87; and
- 41.3.7 Other records necessary to document compliance with Subpart K of 24 CFR 570.
- 41.3.8 Retention: SUBRECIPIENT shall retain all records pertinent to expenditures incurred under this CONTRACT 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. Records for non-expendable property acquired with funds under this CONTRACT shall be retained for five (5) years after final disposition of such property. Records for any displaced person must be kept for five (5) years after s/he has received final payment.

41.4 Client Data

- 41.4.1 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.
- 41.4.2 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.

- 41.5 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 24 CFR 570.505.
- 41.6 Close-Out:** 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 24 CFR 570.509 and shall include, but are not limited to: making final payments; submitting final invoice(s), report(s), in accordance with the requirements of Paragraph 22.3.4 above, and documentation; disposing of program assets (including the return to COUNTY of all unused materials and equipment); remitting any program income balances and receivable accounts to COUNTY, and determining the custodianship of records.
- 41.7 Equipment:** SUBRECIPIENT shall use, manage and dispose of equipment in accordance with 24 CFR 85.32 and 24 CFR 570.502.
- 41.8 Subcontracts:**
- 41.8.1 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.
- 41.8.2 SUBRECIPIENT shall assume responsibility for all subcontracted services to assure CONTRACT compliance.
- 41.8.3 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.
- 41.8.4 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.
- 41.9 Relocation:**
- SUBRECIPIENT shall, in all matters relating to the project:
- 41.9.1 Take all reasonable steps to minimize displacement by providing tenants reasonable opportunity to lease and occupy dwelling units in the project being improved; and,
- 41.9.2 Submit to COUNTY a Plan outlining financial and advisory assistance in securing temporary housing for any eligible tenant who is temporarily or permanently relocated due to the project.
- 41.9.3 Comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended by the Uniform Relocation Act/URA, 49 CFR Part 24 and 24 CFR 570.606 for persons displaced by the project; and

- 41.9.4 Have in effect and follow a residential anti-displacement and relocation plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in conjunction with any activity assisted with funding under the subject project.

42. 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.

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 A, B, C, D, and E and Exhibits 1, 2, 3 and 4 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 COUNTY's Purchasing Agent or his designee, hereinafter "Purchasing Agent."
- 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 INDEMNITEES 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:

Insurance Provisions

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. If no SIRs or deductibles apply, indicate this on the Certificate of Insurance with a zero (0) by the appropriate line of coverage. Any self-insured retention (SIR) or deductible in an amount in excess of \$25,000 (\$5,000 for automobile

liability), which shall specifically be approved by the COUNTY Executive Office (CEO)/Office of Risk Management upon review of SUBRECIPIENT's current audited financial report.

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
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 2010 or CG 2033 or a form at least as broad naming the State of California, County of Orange, its elected and appointed officials, officers, agents and employees as Additional Insureds.

- 2) A primary 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.

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 Professional Liability is a "claims made" policy, SUBRECIPIENT shall agree to maintain Professional Liability coverage for two (2) years following 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 address listed on the solicitation.

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.

***Certificate Holder Information**

The County of Orange has contracted with Ebix RCS to monitor insurance certificates and endorsements for compliance with the above requirements. Upon initial award of a CONTRACT, the certificate(s) and endorsements(s) should be forwarded to the agency/department address listed on the solicitation. The COUNTY will forward these documents to Ebix RCS on your behalf. Ebix RCS may contact you to advise you of deficiencies and request corrected documents. Please cooperate with their request for information or corrections in order for the COUNTY to continue your CONTRACT through the expiration date.

- 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. Destination):** SUBRECIPIENT assumes full responsibility for all transportation, transportation scheduling, packing, handling, insurance, and other services associated with delivery of all products deemed necessary under this CONTRACT.
- 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 three 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: <u>Bruce E. Channing</u>	Name: _____
Title: <u>City Manager</u>	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: _____
Steve Franks, 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: _____
Steve Franks, Director OC Community Resources	

**APPROVED AS TO FORM
DEPUTY COUNTY COUNSEL**

By: 	Dated: <u>03.23.2016</u>
DEPUTY COUNTY COUNSEL	



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 remodel the Center's restrooms to bring the restrooms 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.

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

ATTACHMENT A

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

1. Construction

Outputs

2 Restrooms

Performance Objectives

1. Suitable Living Environment
2. Suitable Living Environment
3. Suitable Living Environment

Performance Outcomes

Availability/Accessibility
Availability/Accessibility
Availability/Accessibility

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

Outcomes

1 Public Facility



COMPENSATION/PAYMENT PUBLIC FACILITIES & IMPROVEMENTS

1. COMPENSATION:

This is a fixed fee price CONTRACT between the COUNTY and the SUBRECIPIENT for **\$60,000** 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 the fixed cost of the services shall be submitted to the address specified below upon the completion of the engagement 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.

ATTACHMENT B

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, 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.



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	\$5,109.81	\$5,109.81
Acquisition	N/A	N/A	N/A
Construction	\$60,000	0	\$60,000
Total Project Cost	\$60,000	\$5,109.81	\$65,109.81

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; and installing hands-free components.



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 Assistant
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 2016-17 has been responsible for the implementation of the City's past grant monies for

ATTACHMENT D

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 36 years in Public Administration, 23 years in City Management experience, 11 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 and FY 2015-16 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.



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	\$30,000
	50% of Proposed Accomplishments Achieved	Design and/or installation
March 15th	70% of Contracted Amount Expended	\$42,000
	70% of Proposed Accomplishments Achieved	Construction and/or installation
April 15th	80% of Contracted Amount Expended	\$48,000
	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 # 16-23-0008-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 # 16-23-0008-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.

	Bruce E. Channing	City Manager
Authorized Signature	Print Name	Title



**Subject: OC Community Resources
Contract Reimbursement Policy**

Effective: July 1, 2010
Revised: January 26, 2016

PURPOSE:

This policy contains updated fiscal documentation requirements for contract reimbursement for OC Community Services. The procedures provide instructions for submitting reimbursement demand letter or invoice.

EFFECTIVE DATE:

July 1, 2010

REVISION DATE:

January 26, 2016

REFERENCES:

Executed Board of Supervisors approved contract
Budget included in contract or presented as an exhibit
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.

Pre December 26, 2014

OMB Circular A-21 Cost Principles for Educational Institutions
OMB Circular A-87 Cost Principles for State, Local, and Indian Tribal Governments
OMB Circular A-122 Cost Principles for Non-Profit Organizations

Post December 26, 2014

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 OMB Circulars 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' reimbursement policy for the services described and is not intended to address every aspect of a reimbursement situation. Accordingly, OC Community Services 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 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 OMB Circular or CFR. 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 the following:

- Susan Long: (714) 480-6532 or Susan.Long@occr.ocgov.com
- Eric Takanishi: (714) 480-6531 or Eric.Takanishi@occr.ocgov.com

Certification for a Drug-Free Workplace

U.S. Department of Housing
and Urban Development

City of Laguna Hills Contract # 16-23-0008-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 ---

(1) 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 ---

(1) 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 ---

(1) 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

Bruce E. Channing

Title

City Manager

Signature

Date

X

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 the 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	13. Type of Payment (check all that apply) a. retainer b. one-time free c. commission d. contingent fee e. deferred f. other specify: _____	
12. Form of Payment (check all that apply): a. cash b. in-kind: specify: nature: _____ value: _____		
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: Bruce E. Channing Title: City Manager 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 2016/2017
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 remodeling the Center's restrooms to bring the restrooms into compliance with American with Disabilities Act (ADA) requirements, which includes the following improvements: a) enlarge stalls; b) installing high-base toilets; c) modifying countertops; d) replacing hardware, tile, flashing, and plumbing; and e) 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 2016/2017) (hereinafter, "Agreement"), Contract No. 16-23-0008-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 Center's restrooms to bring into compliance with ADA requirements and other improvements to the restrooms.	\$ 60,000

Milestones

MILESTONE DATE	MINIMUM REQUIRED EXPENDITURE THRESHOLD
January 15, 2017	50% of Contracted Amount Expended
March 15, 2017	70% of Contracted Amount Expended
April 15, 2017	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, 2017.

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

Volume: 3

Date: 2013-04-01

Original Date: 2013-04-01

Title: Subpart K - Other Program 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 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-128² (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

Volume: 3

Date: 2013-04-01

Original Date: 2013-04-01

Title: Section 570.200 - General policies.

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 C - Eligible Activities.

§ 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

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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

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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. 16-23-0008-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:

<u>Coverage</u>	<u>Minimum Limits</u>
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
Notice of Policy Termination

Certificate of Liability Form 25-S(7/97)
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: Melissa Au-Yeung, Assistant to the City Manager
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: October 25, 2016
TO: Chair and Agency Members
FROM: Cindy Sands
Admin. Assistant to City Manager
ISSUE: Approval of Minutes for October 11, 2016, Regular Meeting

RECOMMENDATION: That the Planning Agency approve the Minutes of the October 11, 2016, Regular Meeting.

ATTACHMENTS:

- PA Minutes 101116

Council Member Blount removed Item No. 3.6 due to his absence at the September 13, 2016, Regular Meeting.

Recommendation: That the City Council Adopt Ordinance No. 2016-4, An Ordinance of the City of Laguna Hills, California, Adopting Zoning Code Text Amendment No. 8-16-3624 Adding Chapter 9-103, Marijuana Businesses, to the Laguna Hills Municipal Code to Prohibit All Marijuana Businesses in All Zoning Districts, including an Exemption from the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15061(B)(3).

RESULT:	APPROVED [4 TO 0]
MOVER:	Melody Carruth, Council Member
SECONDER:	Dore J. Gilbert, M.D., Council Member
AYES:	Barbara D. Kogerman, Don Sedgwick, Melody Carruth, Dore J. Gilbert, M.D.
ABSTAIN:	Andrew Blount

4. PLANNING AGENCY

Mayor Kogerman 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 7:44 p.m.

4.1 ROLL CALL OF PLANNING AGENCY MEMBERS

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

4.2 PUBLIC COMMENTS

There were no Public Comments

4.3 APPROVAL OF MINUTES FOR SEPTEMBER 13, 2016, REGULAR MEETING

Recommendation: That the Planning Agency Approve the Minutes of the September 13, 2016, Regular Meeting.

RESULT:	APPROVED [4 TO 0]
MOVER:	Melody Carruth, Agency Member
SECONDER:	Dore J. Gilbert, M.D., Agency Member
AYES:	Barbara D. Kogerman, Don Sedgwick, Melody Carruth, Dore J. Gilbert, M.D.
ABSTAIN:	Andrew Blount

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 Kogerman reconvened the City Council meeting at 7:45 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

City Manager Channing informed the City Council of the update to the agenda management software system and stated that the City is planning to move to a paperless system. He also informed the City Council that the California Transportation Commission may no longer be supporting the La Paz Sidewalk Widening Project.

6.2 Assistant City Manager

6.2.1 2015-17 Biennial Budget Mid-Cycle Review

Recommendation: That the City Council Receive and File the Report.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Andrew Blount, Council Member
SECONDER:	Don Sedgwick, Mayor Pro Tempore
AYES:	Kogerman, Sedgwick, Blount, Carruth, Gilbert



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: October 25, 2016

TO: Chair and Agency Members

FROM: David Chantarangsu
Community Development Director

ISSUE: Conditional Use Permit (CUP) No. 7-14-2917, a Request by Core Development Services, on Behalf of Verizon Wireless, to Establish and Operate a New Wireless Communications Facility (WCF) on Property Owned by the City of Laguna Hills and Constructed on an Existing SCE Lattice Tower that is Located Southwest of El Conejo Park, APN 625-121-16 (Known as Luna Bonita) in the OS-3 Zone.

RECOMMENDATION: That the Planning Agency continue CUP No. 7-14-2917 to a date certain of December 13, 2016.

SUMMARY:

Since the project proposal is located on City-owned property, outstanding items related to a separate agreement between the carrier, Southern California Edison, and the City of Laguna Hills are still under review. Due to the ongoing work, staff recommends that the item be continued to December 13, 2016.



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: October 25, 2016

TO: Mayor and Council Members

FROM: David Chantarangsu
Community Development Director

ISSUE: First Reading and Introduction of an Ordinance Amending and Restating Chapter 4-28 of Title 4 of the Laguna Hills Municipal Code Relating to the Regulation of Massage Establishments

RECOMMENDATION: That the City Council introduce for first reading, read by title only, and waive further reading an Ordinance entitled: "An Ordinance of the City of Laguna Hills, California, amending and restating Chapter 4-28 of Title 4 of the Laguna Hills Municipal Code relating to the regulation of massage establishments."

SUMMARY:

The proposed Ordinance would amend and restate Chapter 4-28 (Massage Establishments) of Title 4 (Business Regulations) of the Laguna Hills Municipal Code. Revisions to existing Chapter 4-28 are recommended in response to Senate Bill 731 and Assembly Bill 1147 regarding regulations and licensing for massage therapists and massage establishments. The proposed Ordinance would impose permit requirements and restrictions that are reasonably necessary to protect the health, safety, and welfare of the citizens of the City and would facilitate meaningful and effective regulation of massage establishments.

BACKGROUND:

In 2008, the state legislature adopted Senate Bill 731, Section 4600 *et seq.* of the Business and Professions Code (SB 731). SB 731 created the California Massage Therapy Council (CAMTC) to oversee the certification of massage therapists. This legislation effectively limited the ability of local governments to regulate massage services. In substantive part, SB 731:

- Prohibited the City from adopting ordinances, regulations, rules, requirements, restrictions, or land use and zoning regulations applicable to massage establishments that varied from the requirements applicable to other businesses providing professional services; and
- Prohibited the City from regulating massage businesses that utilized CAMTC-certified massage therapists exclusively to provide massage services.

Since the enactment of SB 731, the City has experienced a proliferation of massage establishments. In 2008, there were twelve (12) massage establishments located in the City; presently there are twenty-nine (29). Reports from other California cities show that the enactment of SB 731 has had an unintended consequence of causing the proliferation of illicit massage establishments that are fronts for prostitution and may also be involved in human trafficking. Numerous massage establishments commonly advertise their services on adult-only websites using suggestive language and provocative photographs of scantily-clad women. Additionally, numerous massage establishments generate reviews on websites where patrons can post reviews and information regarding the sexual services provided at these establishments.

Responding to the concerns of local governments, the state legislature adopted Assembly Bill 1147 (AB 1147 also known as "the Massage Therapy Act"). AB 1147 restores local regulatory authority over massage establishments by allowing local governments to impose reasonable conditions on the operation of massage establishments. Under AB 1147 responsibility for massage regulation is divided between CAMTC, which regulates the practice of massage and certifies individual massage therapists, and local governments, which are now once again expressly authorized to regulate massage establishments through land use, business licensing, and permitting requirements.

Massage Ordinance

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The proposed Ordinance would amend and restate Chapter 4-28 (Massage Establishments) of Title 4 (Business Regulations) of the Laguna Hills Municipal Code in accordance with the Massage Therapy Act. The proposed changes would: (1) eliminate existing municipal code provisions requiring local massage technician permits, which are preempted by state law; (2) require all persons providing massage services in the City to be CAMTC certified; (3) require all existing and new massage establishments to obtain a City massage establishment operator's permit; and (4) impose operational standards for massage establishments concerning facilities, operations, and prohibited conduct. Significant elements of the proposed Ordinance include:

1. No massage establishment may be conducted as a home occupation within a residential zone. (4-28.050(E) and 4-28.090)
2. No new massage establishment may open for business at a location for a period of twelve (12) months where either: (a) the City has revoked or refused to renew an operator's permit for a massage establishment previously operating at the same address following the issuance of a notice of intent to revoke the operator's permit or a notice of intent to refuse to renew the operator's permit and a timely appeal was not filed by the permittee; (b) the City has revoked or refused to renew an operator's permit for a massage establishment previously operating at the same address following the issuance of a notice of intent to revoke the operator's permit or a notice of intent to refuse to renew the operator's permit, which revocation or refusal to renew decision was upheld by an administrative hearing officer on appeal; or (c) a massage establishment previously operating at the same address was voluntarily closed and/or the provision of massage services at the address discontinued after the issuance of a notice of intent to revoke the operator's permit or a notice of intent to refuse to renew the operator's permit and a timely appeal was not filed by the permittee. (4-28.050(F)-(H))
3. A notice regarding patron privacy must be posted in every massage establishment. (4-28.060(A)(4))
4. No part of a massage establishment may be used for residential or sleeping purposes. (4-28.060(A)(13))

Massage Ordinance

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5. A notice regarding slavery and human trafficking must be posted in every massage establishment. (4-28.060(A)(14))
 6. Hours of operation are limited to 7:00 a.m. to 10:00 p.m. (4-28.060(B)(1))
 7. No massage establishment may be open for business without having at least one CAMTC-certified massage therapist and a designated manager present. (4-28.060(B)(6) and (8))
 8. Each massage therapist must carry and have on their persons, visible for the patron to see, a valid CAMTC-issued identification card. (4-28.060(B)(9))
 9. No alcoholic beverages or controlled substances may be sold, served, furnished, kept, consumed, or possessed on the premises of a massage establishment. (4-28.060(B)(16))
 10. Each owner, operator, and manager is responsible for the conduct of all employees on the premises of the massage establishment for purposes of determining whether to suspend, revoke, or refuse to renew an operator's permit. (4-28.060(C)(1))
 11. No employee may engage in any form of "unprofessional conduct" as defined by the Massage Therapy Act, including prohibition against engaging in any form of sexual activity while providing massage services for compensation. (4-28.030(C)(5))
 12. Dress attire restrictions consistent with the Massage Therapy Act. (4-28.030(C)(6))
 13. City officials may make reasonable inspections of massage establishments. (4-28.070)

Since 2008, when AB 731 preempted local regulation of massage services, the number of massage establishments in the City has more than doubled. The proposed Ordinance, inclusive of the provisions outlined above, is intended to provide the City with tools that are reasonably necessary to protect the health, safety, and welfare of the citizens of the City. The proposed Ordinance would facilitate meaningful and effective regulation of massage establishments while, at the same time, updating Chapter 4-28 of Title 4 of the Laguna Hills Municipal Code in accordance with the Massage Therapy Act.

CEQA FINDINGS:

Environmental review is not required under the California Environmental Quality Act (CEQA) pursuant to California Code of Regulations, Title 14, Chapter 3, Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. If approved, the proposed Ordinance would regulate massage establishments in accordance with state law and would not have a significant or indirect effect on the environment.

FISCAL IMPACT:

Enforcement of the Ordinance may have fiscal implications related to the expenditure of staff time and resources toward the enforcement of this Ordinance, particularly in the first year of implementation.

ATTACHMENTS:

- Attachment 1 - Proposed Ordinance

Attachment 1 – Proposed Ordinance



ORDINANCE NO.

AN ORDINANCE OF THE CITY OF LAGUNA HILLS,
CALIFORNIA, AMENDING AND RESTATING CHAPTER 4-
28 OF TITLE 4 OF THE LAGUNA HILLS MUNICIPAL CODE
RELATING TO THE REGULATION OF MASSAGE
ESTABLISHMENTS

THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA,
HEREBY FINDS AND DETERMINES AS FOLLOWS:

WHEREAS, Article XI, Section 7 of the California Constitution authorizes the City of Laguna Hills ("City") to make and enforce within its limits all ordinances and regulations not in conflict with general laws; and

WHEREAS, in 2008, the state legislature adopted Senate Bill 731 ("SB 731"), Section 4600 *et seq.* of the Business and Professions Code, relating to voluntary statewide certification of massage practitioners and therapists, and restricting local control of massage establishments; and

WHEREAS, SB 731 precluded cities from imposing local licensing and regulatory requirements on massage establishments that utilized state-certified massage therapists and practitioners exclusively; and

WHEREAS, the enactment of SB 731 has had an unintended consequence of causing the proliferation of illicit massage establishments that are fronts for prostitution and may also be involved in human trafficking; and

WHEREAS, like most cities in California, since the enactment of SB 731 the City has experienced a proliferation of massage establishments. In 2008, twelve (12) massage establishments were located within the City; there are presently twenty-nine (29) massage establishments in the City, some of which are suspected allowing sexually explicit activity to occur on the premises, including prostitution and that commonly advertise their services online using suggestive language and provocative photographs of scantily-clad women; and

WHEREAS, Assembly Bill 1147, signed by Governor Jerry Brown, and referred to as the "Massage Therapy Act", was enacted in response to criticism against SB 731 and restores local regulatory authority over massage establishments by allowing cities to impose reasonable conditions on the operation of massage establishments; and

WHEREAS, the City seeks to amend the Laguna Hills Municipal Code to conform to the requirements of the Massage Therapy Act and to regulate the business of massage to the extent authorized by the Massage Therapy Act by imposing permit

requirements and restrictions that are reasonably necessary to protect the health, safety and welfare of the citizens of the City; and

WHEREAS, it has been the experience of the City that illicit massage establishment operators have repeatedly evaded meaningful and effective regulation by simply transferring ownership of a massage business following the City's commencement of operator's permit revocation or non-renewal proceedings for cause, with a continuation of illicit services being provided thereafter at the same location and often with the same management and staff; and

WHEREAS, this Ordinance will facilitate meaningful and effective regulation of massage establishments by prohibiting any new massage establishment from opening for business at a location for a period of twelve (12) months where either: (1) the City has revoked or refused to renew an operator's permit for a massage establishment previously operating at the same address following the issuance of a notice of intent to revoke the operator's permit or a notice of intent to refuse to renew the operator's permit and a timely appeal was not filed by the permittee; (2) the City has revoked or refused to renew an operator's permit for a massage establishment previously operating at the same address following the issuance of a notice of intent to revoke the operator's permit or a notice of intent to refuse to renew the operator's permit, which revocation or refusal to renew decision was upheld by an administrative hearing officer on appeal; or (3) a massage establishment previously operating at the same address was voluntarily closed and/or the provision of massage services at the address discontinued after the issuance of a notice of intent to revoke the operator's permit or a notice of intent to refuse to renew the operator's permit and a timely appeal was not filed by the permittee; and

WHEREAS, the permit requirements and restrictions imposed by this Ordinance are reasonably necessary to protect the health, safety and welfare of the citizens of the City; and

WHEREAS, there is a significant risk of injury to massage clients by improperly trained and/or educated massage therapists and this Ordinance provides reasonable safeguards against injury and economic loss; and

WHEREAS, the regulations and restrictions contained in this Ordinance reduce the burdens on the City's police personnel and permit the deployment of the police personnel such that more serious crimes may be prevented and more important laws be enforced.

THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA,
DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Chapter 4.28 (Massage Establishments) of Title 4 (Business Regulations) of the Laguna Hills Municipal Code is hereby amended and restated in its entirety to read as follows:

Chapter 4-28 MESSAGE ESTABLISHMENTS

Sections:

<u>4-28.010</u>	Findings and purpose.
<u>4-28.020</u>	Definitions.
<u>4-28.030</u>	State certification and operator's permit required.
<u>4-28.040</u>	Application for operator's permit.
<u>4-28.050</u>	Operator's permit issuance and denial.
<u>4-28.060</u>	Operational requirements.
<u>4-28.070</u>	Inspection by city official.
<u>4-28.080</u>	Out-call massage.
<u>4-28.090</u>	Home occupation prohibited.
<u>4-28.100</u>	Exemptions.
<u>4-28.110</u>	Transfer and duration of operator's permits.
<u>4-28.120</u>	Suspension, revocation, denial and appeal.
<u>4-28.130</u>	Application to existing massage establishment.
<u>4-28.140</u>	Violation—Penalty.

4-28.010 Findings and purpose.

The City Council finds and declares as follows:

- A. The permit requirements and restrictions imposed by this chapter are reasonably necessary to protect the health, safety and welfare of the citizens of the city.
- B. The city is authorized, by virtue of Section 7 of Article XI of the California Constitution, California Business and Professions Code Sections 460(c), 4612(b) and 16000, and California Government Code Section 51030 *et seq.*, as may be amended from time to time, to regulate massage establishments by imposing reasonable conditions on the operation of massage establishments.
- C. There is a significant risk of injury to massage clients by improperly trained and/or educated massage technicians and this chapter provides reasonable safeguards against injury and economic loss.
- D. Massage establishments present an opportunity for acts of prostitution, human trafficking, and the use and sale of illegal drugs. Such illegal activity has been documented by police reports in cities in Orange County, including but not limited to Garden Grove, Huntington Beach, and Lake Forest, which have several massage establishments. Courts have long recognized massage as a pervasively regulated activity and that some massage establishments are brothels in disguise. The enactment of reasonable standards and restrictions on the operation of massage establishments will serve to reduce the risk of illegal activity.

E. The regulations and restrictions contained in this chapter reduce the burdens on the city's police personnel and permit the deployment of the police personnel such that more serious crimes may be prevented and more important laws be enforced.

F. The regulations and restrictions contained in this chapter tend to discourage massage establishments from degenerating into houses of prostitution or sites for illegal drug use and sales; the means utilized in this chapter bear a reasonable and rational relationship to the goals sought to be achieved.

4-28.020 Definitions.

Unless the particular provision or the context otherwise requires, the definitions and provisions contained in this section shall govern the construction, meaning, and application of words and phrases used in this chapter.

"Acupressure" means the act of applying manual pressure to parts of the body with the intention of treating illness and/or disease or relieving pain.

"Application Filing Fees" means (1) the appropriate filing fee(s) established by the City Council, which represents the city's reasonable cost to process an application for a new or renewed massage establishment operator's permit and provide regulatory functions necessary to enforce this chapter, including without limitation inspections of massage establishments, and (2) the appropriate filing fee(s) as established by resolution of the Orange County Board of Supervisors, which represents the Orange County Sheriff's Department's cost to conduct an investigation in connection with an application for a new or renewed massage establishment operator's permit.

"CAMTC" means the California Massage Therapy Council, a non-profit organization formed pursuant to California Business and Professions Code Section 4600 *et seq.*

"Certified massage practitioner" means any individual certified by CAMTC as a certified massage practitioner or as a certified massage therapist pursuant to California Business and Professions Code Section 4600 *et seq.*

"Chief of Police Services" means the Chief of Police Services of the city of Laguna Hills or the member of the Orange County Sheriff's Department who serves as the commanding officer for the area of Orange County which includes the city of Laguna Hills, or his or her designee.

"City Council" means the City Council of the city of Laguna Hills.

"City Manager" means the City Manager of the city of Laguna Hills, or the City Manager's designee.

"Conviction" and "convicted" means a plea or verdict of guilty or a conviction following a plea of *nolo contendere*.

"Director" means the Community Development Director or the Community Development Director's designee.

"Employee" includes every owner, partner, operator, manager, supervisor, person and worker, whether paid or not, full-time or part-time, who renders personal services of any nature or is otherwise employed or retained in support of the operation of a massage establishment. For purposes of this chapter, the term "employee" includes independent contractors. Additionally, the term "employee" shall also include certified massage practitioners who provide massage, whether as independent contractors or otherwise, in or for a massage establishment.

"Manager" means a person or persons designated or authorized by the owner or operator of the massage establishment to act as the representative and agent of the owner or operator in managing day-to-day operations with the same liabilities and responsibilities. Evidence of management may include, but is not limited to, evidence that the individual has power to direct or hire and dismiss employees, control hours of operation, create policy or rules, or purchase supplies. A manager may also be an owner or operator. A massage establishment may have more than one manager.

"Massage" or "massage services" means any method of applying pressure on, causing friction against, stroking, kneading, rubbing, tapping, pounding, vibrating, acupressure, or bodywork, stimulating, compression on or movement of the external parts of the human body of another, either directly with the hands or some other body part, with or without the aid of or by means of any mechanical or electrical apparatus, hot stones, or other appliance or device, for money or any form of consideration. Massage may incorporate supplementary aids such as rubbing alcohol, liniment, antiseptic, oil, powder, cream, lotion, ointment or other similar preparations commonly used in this practice.

"Massage establishment" means any business or establishment with a fixed location within the city of Laguna Hills where any individual, firm, association, partnership, limited liability company, corporation, or combination of individuals, offers, engages in, conducts, carries on or permits to be engaged in, conducted or carried on, massage services within the city, including the business office of a sole provider who provides massage services at such business office. Any type of business or establishment at which massage services are provided shall be considered a massage establishment for purposes of this chapter, regardless if the business holds itself out as something other than a massage establishment and/or also offers or provides other types of products or services. Any business or establishment that offers any combination of massage services and sauna facilities, including, but not limited to, showers, baths, wet and dry heat rooms, pools and hot tubs, shall be deemed a massage establishment under this chapter.

"Operator's permit" means the permit required pursuant to the provisions of this chapter to operate a massage establishment.

"Out-call massage" means the provision of massage at a location other than at a massage establishment. Such locations may include, but are not limited to, hotel rooms, offices, business establishments, or patron residences.

"Owner" or "operator" means any and all persons who have an ownership interest in a massage establishment who are responsible, in whole or in part, for its day-to-day operations including, but not limited to, any of the following persons: the sole proprietor of a sole proprietorship, any general or limited partner of a general or limited partnership, any shareholder of a corporation, any member or manager of a limited liability company.

"Person" means any individual or combination of individuals, sole proprietor, firm, association, partnership, corporation, limited liability company, joint venture, or other entity.

"Police Services Department" means the Police Services Department of the city of Laguna Hills, under contract with the Orange County Sheriff's Department.

"Seated massage" means any massage of the neck, arms, hands, shoulders, head, scalp and back area above the waist where the patron is fully clothed, sitting in a special chair designed for upper body massage and performed without the use of supplementary aids such as rubbing alcohol, liniment, antiseptic, oil, powder, cream, lotion, ointment or other similar preparations commonly used in the practice of massage.

"Sole provider" means any legal form of business organization where the business owner owns 100% of the business, is the only person who provides massage services for compensation for that business pursuant to a valid and active state certificate, and has no other employees or independent contractors.

"State certification" or "state certificate" means a valid and current certificate issued by CAMTC pursuant to California Business and Professions Code Section 4600 *et seq.*, as may be amended from time to time.

4-28.030 State certification and operator's permit required.

A. Except as otherwise provided in Section 4-28.100, no individual shall engage in, conduct, carry on, administer, provide, practice or perform massage services within the city of Laguna Hills without first obtaining and thereafter maintaining state certification and presenting proof of such state certification, in accordance with the provisions of this chapter.

B. Except as otherwise provided in Section 4-28.100, no person shall engage in, conduct or carry on, or permit to be engaged, conducted, or carried on in or upon any premises within the city of Laguna Hills, the operation of a massage establishment without first obtaining and thereafter maintaining an operator's permit pursuant to this chapter, and without otherwise complying with the provisions of this chapter and Title 9 of this code.

C. No owner, operator or manager shall employ as an employee or otherwise retain any individual to conduct, carry on, administer, provide, practice or perform massage services within the city of Laguna Hills unless such individual has a state certificate. For

purposes of this chapter, an owner, operator or manager employs or retains an individual if: (1) that individual is a directly paid employee of the massage establishment; (2) that individual's association with the massage establishment is that of an independent contractor who receives compensation for massage services provided to patrons of the massage establishment; or (3) that individual receives a patron referral(s) from the massage establishment and arranges in any way for compensation to flow to such owner, operator, manager or massage establishment.

D. No operator's permit shall be issued to a person pursuant to this chapter unless: (1) the massage establishment is located and conducted within a zoning district that permits such uses; and (2) a certificate of use and occupancy permit ("COUO") has been issued for the by the city for the massage establishment, and all applicable COUO fees, established by resolution of City Council, have been paid.

4-28.040 Application for operator's permit.

A. Any person desiring an operator's permit for a massage establishment business shall file a written application on the required form with the Director, who shall process the application. The application shall be accompanied by an appropriate filing fee established by the City Council, which represents the city's reasonable cost to process the application and provide regulatory functions necessary to enforce this chapter, including without limitation inspections of massage establishment, and an appropriate filing fee as established by resolution of the Orange County Board of Supervisors, which represents the Orange County Sheriff's Department's costs to conduct an investigation, collectively referred to herein as the "Application Filing Fees". The application shall be completed and signed by the operator of the proposed massage establishment, if a sole proprietorship; one general partner, if the operator is a partnership; one officer or one director, if the operator is a corporation; one member or one manager, if the operator is a limited liability company; and one participant, if the operator is a joint venture. The application for an operator's permit does not authorize operation of a massage establishment unless and until such permit has been properly granted. The application shall contain or be accompanied by the following:

1. The type of legal entity or entities owning the proposed massage establishment, i.e., whether a sole proprietorship, partnership, limited liability company, corporation, or otherwise. If the applicant is a corporation, the name of the corporation shall be set forth exactly as shown in its articles of incorporation or charter together with the state and date of incorporation and the names and residence addresses of each of its current officers and directors, and of each shareholder holding more than five (5) percent of the stock of that corporation. If the applicant is a limited liability company, the name of the limited liability company shall be set forth exactly as shown in its articles of organization or other organizational document together with the state and date of organization and the names and residence addresses of each of its current officers and directors, and of each member or other person who has an ownership interest in the limited liability company. If the applicant is a partnership, the application shall set forth the name and residence addresses of each of the partners, including limited partners. If it is a limited partnership, it shall furnish a copy of its certificate of limited partnership

filed with the Secretary of State. If one or more of the partners is a corporation or limited liability company, the provisions of this subsection pertaining to corporations and limited liability companies shall apply. An applicant that is a corporation, limited liability company or partnership shall designate one of its officers, members, managers, or general partners to act as its responsible managing officer. Such designated individual shall complete and sign all application forms required for an individual applicant under this chapter, but the Application Filing Fees shall only be charged once in connection with the application.

2. The precise name under which the massage establishment is to be conducted.
3. The present or proposed address and telephone numbers of the massage establishment.
4. A complete list of the names and residence addresses of all current or proposed employees of the massage establishment and the name and residence address of each manager proposed to be principally in charge of the operation of the massage establishment.
5. True and correct copies of a valid and current state certificate and CAMTC-issued identification card for each employee proposed to provide massage services at the massage establishment.
6. A description of any other business to be operated on the same premises as the massage establishment.
7. The name, address, and description of any other business within the city or the state, which is owned or operated by the applicant.
8. The following personal information concerning the applicant:
 - a. Full complete name and all aliases used by the applicant.
 - b. A valid and current driver's license and/or identification card issued by a state or federal government agency or other photographic identification bearing a bona fide seal by a foreign government.
 - c. Current residential address and all previous residential addresses for eight years immediately preceding prior to the present address of the applicant.
 - d. Date of birth.
 - e. Height, weight, color of hair, eyes, and sex.

- f. Two front faced portrait photographs at least two inches by two inches in size taken within thirty (30) days of submission of the application.
 - g. The applicant's complete business, occupation, and employment history for eight years preceding the date of application, including, but not limited to, the massage or similar business history and experience of the applicant.
 - h. The complete massage permit history of the applicant; whether such person has ever had any permit or license issued by any agency, board, city, county, territory, or state; the date of issuance of such a permit or license; whether any such permit or license was ever denied, revoked, or refused to be renewed and the reason therefore.
 - i. All criminal convictions, including pleas of nolo contendere, within the last ten (10) years including those dismissed or expunged pursuant to Penal Code Section 1203.4, but excluding minor traffic violations, and the date and place of each such conviction and reason therefor.
 - j. A complete set of fingerprints taken by the Police Services Department.
9. The name and address of the owner and lessor of the real property upon or in which the massage establishment is to be conducted. In the event the applicant is not the legal owner of the property, the application must be accompanied by a copy of the lease and a notarized acknowledgment from the owner of the property that a massage establishment will be located on his or her property, and that the massage establishment shall be subject to this chapter.
10. A statement signed by the applicant authorizing the city, its officers, agents and employees, to seek information and conduct an investigation into the truth of the statements set forth in the application and to ensure compliance with the provisions of this chapter.
11. A statement signed by the applicant confirming that the massage establishment shall only employ as employees certified massage practitioners to provide, perform, and administer massage services at the massage establishment.
12. A statement signed by the applicant acknowledging that the applicant, owner(s), operator(s) and manager(s) shall each be responsible for the conduct of all employees on the premises of the massage establishment, and that failure to comply with this chapter, or any local, state, or federal law, including California Business and Professions Code section 4600 et seq. (Massage Therapy Act), may result in the suspension, revocation, or non-renewal of the operator's permit and civil, administrative, or criminal penalties.
13. Such other identification and information as the Director and/or Chief of Police Services may require in order to discover the truth of the matters herein specified and as required to be set forth in the application.

14. A statement signed by the applicant that he or she certifies under penalty of perjury that all information contained in the application is true and correct.

B. If, during the term of an operator's permit, the permittee has any change in information submitted on the original or renewal application, the permittee shall notify the Director in writing of such change within ten (10) business days thereafter.

4-28.050 Operator's permit issuance and denial.

Upon receipt of a complete application for an operator's permit the Chief of Police Services shall conduct an investigation to ascertain whether such permit should be issued as requested. The Chief of Police Services shall report his or her findings to the Director and the Director shall make a recommendation to the City Manager for action on the permit. The City Manager shall, within sixty (60) days of receipt of a complete application, approve, conditionally approve, or deny the application. The sixty (60) day period shall not commence unless and until the Director deems the application complete. The sixty (60) day period may be extended by the City Manager at the request of the Chief of Police Services for up to thirty (30) additional days, to complete the investigation. The City Manager shall issue such permit as requested, unless he or she makes any of the following findings:

A. The applicant, if an individual; any of the officers or directors of the corporation, if the applicant is a corporation; any of the managers or officers of the company, if the applicant is a limited liability company; any partner, if the applicant is a partnership; or any manager or employee of the massage establishment, has within eight (8) years preceding the date of the application:

1. Been convicted of a violation of Sections 236.1 (Human trafficking), 266h (Pimping and pimping of a minor), 266i (Pandering and pandering with a minor), 314 (Lewd or obscene conduct; indecent exposure), 315 (Keeping or residing in a house of ill-fame), 316 (Keeping of disorderly houses), 318 (Place of illegal gambling or prostitution), Subsections (a) or (b) of Section 647 (Solicitation of lewd conduct or prostitution) of the California Penal Code, or any other provision of law pursuant to which a person is required to register under the provisions of Section 290 (Sex Offender Registration Act) of the California Penal Code, or being required to register as a sex offender in any other state, or when the prosecution accepted a plea of guilty or nolo contendere to a charge or violation of any lesser included or lesser related offense, in satisfaction of or as a substitute for, any of the previously listed crimes.

2. Been convicted of a felony offense involving the sale of a controlled substance specified in California Health and Safety Code Sections 11054 (Schedule I), 11055 (Schedule II), 11056 (Schedule III), 11057 (Schedule IV), or 11058 (Schedule V), or has been convicted in any other state of any offense that, if committed or attempted in the State of California, would have been punishable as one or more of the aforementioned offenses.

3. Been convicted of any offense in any other state that is the equivalent of any of the offense set forth in this Section 4-28.050.
 4. Engaged in conduct in another jurisdiction which, if it had occurred within the city, would constitute grounds for denial, revocation or non-renewal of an operator's permit under this chapter.
 5. Been subjected to a permanent injunction against the conducting or maintaining of nuisance pursuant to Sections 11225 through 11235 of the California Penal Code (Red Light Abatement Law), or any similar provisions of law in a jurisdiction outside the state.
 6. Engaged in conduct which would constitute an offense as described in subsection (A)(1) of this section.
 7. Committed an act in another jurisdiction which if committed in this state would have been a violation of law and/or, which, if done by a permittee under this chapter, would be grounds for denial, revocation or non-renewal of the operator's permit.
 8. Committed any act involving fraud, deceit, dishonesty, corruption, moral turpitude or violence, which act or acts are substantially related to the qualifications, functions, or duties of a massage establishment operator.
 9. Has had a massage operator's permit or other similar license or permit denied, revoked, or refused to be renewed for cause by a licensing authority or by any other city, county, or state.
 10. Been convicted of any felony, misdemeanor, infraction, or municipal code violation, or held liable in any administrative or civil action for an act, that is substantially related to the qualifications, functions, or duties of a massage establishment operator.
- B. The applicant has made a false, misleading, or fraudulent statement or omission of fact to the city in the permit application process.
- C. The application does not contain all of the information required by Section 4-28.040 of this chapter.
- D. The massage establishment as proposed does not comply with all applicable laws, including, but not limited to, health, zoning, fire and safety requirements and standards.
- E. The massage establishment is proposed to be conducted as a home occupation within a residential zone.
- F. Within a twelve (12) month period prior to the submittal of the application, the city has revoked or refused to renew an operator's permit for a massage establishment previously operating at the same address following the issuance of a notice of intent to

revoke the operator's permit or a notice of intent to refuse to renew the operator's permit and a timely appeal was not filed by the permittee in accordance with the appeal procedures set forth in this chapter.

G. Within a twelve (12) month period prior to the submittal of the application, the city has revoked or refused to renew an operator's permit for a massage establishment previously operating at the same address following the issuance of a notice of intent to revoke the operator's permit or a notice of intent to refuse to renew the operator's permit, which revocation or refusal to renew decision was upheld by an administrative hearing officer on appeal in accordance with the appeal procedures set forth in this chapter.

H. Within a twelve (12) month period prior to the submittal of the application, a massage establishment previously operating at the same address was voluntarily closed and/or the provision of massage services at the address discontinued after the issuance of a notice of intent to revoke the operator's permit or a notice of intent to refuse to renew the operator's permit and a timely appeal was not filed by the permittee in accordance with the appeal procedures set forth in this chapter.

I. The application was filed within six (6) months from the date a previous application by the applicant that was denied for failure to comply with subsections (B) or (C) of this section.

4-28.060 Operational requirements.

Each owner, operator and manager shall be responsible for ensuring compliance with the following operational requirements, which shall apply to all massage establishments:

A. Facilities

1. No massage establishment shall, during business hours, block visibility into the interior reception and waiting area through the use of curtains, closed blinds, shades or any other material that obstructs, blurs or darkens the view into the massage establishment.
2. The hours of operation shall be displayed in a conspicuous place in the reception area and in any front window clearly visible from outside of the massage establishment. Patrons and visitors shall be permitted in the massage establishment only during the posted hours of operation.
3. Front doors used for patron access shall remain unlocked during business hours unless the massage establishment is a business entity owned by one individual with only one or no employees. All doors leading into rooms where massage is performed shall remain unlocked during business hours. Internal offices or areas where cash or valuables are stored may be locked.

4. The following notice in a minimum 16-point font shall be displayed in an accessible and conspicuous public place in the reception area of the massage establishment and in each room where massage is performed:

NOTICE TO ALL PATRONS: THIS MASSAGE ESTABLISHMENT AND THE MASSAGE ROOMS DO NOT PROVIDE COMPLETE PRIVACY AND ARE SUBJECT TO INSPECTION BY LAW ENFORCEMENT AND AUTHORIZED CITY OF LAGUNA HILLS PERSONNEL WITHOUT PRIOR NOTICE.

5. Minimum lighting shall be provided in accordance with the city's electrical code and, in addition, at least one artificial light of not less than 40 watts shall be provided in each room or enclosure where massage is performed and shall be activated at all times while a patron is in such room or enclosure.

6. Closed cabinets or other covered space shall be provided and utilized for the storage of clean linens, and receptacles acceptable to the city shall be provided for the deposit of soiled linen.

7. The walls in all rooms where water or steam baths are given shall have a washable, mold-resistant surface.

8. A minimum of one toilet and one separate wash basin shall be provided for patrons in each massage establishment, which basin shall provide soap or detergent and hot running water at all times. A permanently installed soap dispenser, filled with soap, and a single service towel dispenser shall be provided at the restroom hand wash sink. A trash receptacle shall be provided in each toilet room. Showers may be provided at the operator's option.

9. All massage establishments shall have clean and sanitary towels, sheets and linens in sufficient quantity to meet the requirements of this chapter. Reuse of towels, sheets and linens is prohibited unless the same have first been laundered. Heavy white paper may be substituted for sheets, provided that such paper is used only once and then discarded into a sanitary receptacle.

10. All walls, ceilings, floors, pools, showers, bathtubs, steam rooms and all other physical facilities including appliances and apparatuses for the massage establishment shall be in good repair and maintained in a clean and sanitary condition. Wet and dry heat rooms, steam or vapor rooms, or steam or vapor cabinets, shower compartments and toilet rooms shall be thoroughly cleaned and disinfected each day the business is in operation. Bathtubs shall be thoroughly cleaned and disinfected after each use.

11. Disinfecting agents and sterilizing equipment shall be provided for any instruments used in the performance of massage and the instruments shall be disinfected and sterilized after each use.

12. A massage table shall be provided in each massage room or enclosure and the massage shall be performed on this massage table. The tables shall have a minimum height of eighteen (18) inches. Two-inch thick foam pads with a maximum width of four feet may be used on a massage table and must be covered with durable, washable plastic or other waterproof material. Beds, mattresses, waterbeds, futons, sofa beds, or any type of portable or convertible beds are not permitted on the premises.

13. No part of the massage establishment shall be used for residential or sleeping purposes.

14. A sign, measuring at least 8.5 inches by 11 inches in size, containing the following written notice in minimum 16-point font, shall be posted in a conspicuous place near the public entrance of the massage establishment or in another conspicuous location in clear view of the public and employees where similar notices are customarily posted, displayed in English, Vietnamese, Mandarin, Spanish, Cantonese, and Korean:

SLAVERY AND HUMAN TRAFFICKING NOTICE (Cal. Civil Code § 52.6)

If you or someone you know is being forced to engage in any activity and cannot leave – whether it is commercial sex, housework, farm work, construction, factory, retail, or restaurant work, or any other activity – call the National Human Trafficking Resource Center at 1-888-373-7888 or the California Coalition to Abolish Slavery and Trafficking (CAST) at 1-888-KEY-2-FRE(EDOM) or 1-888-539-2373 to access help and services.

Victims of slavery and human trafficking are protected under United States and California Law.

The hotlines are:

- **Available 24 hours a day, 7 days a week.**
- **Toll-free.**
- **Operated by nonprofit, nongovernmental organizations.**
- **Anonymous and confidential.**
- **Accessible in more than 160 languages.**
- **Able to provide help, referral to services, training, and general information.**

B. Operations

1. No massage establishment shall be kept open for business or operated between the hours of ten (10:00) p.m. and seven (7:00) a.m.

2. A register of all certified massage practitioners who are currently providing, or who have previously provided, massage services on the premises, showing the names, nicknames, and aliases used by such employees, along with the dates of

their employment and termination, if applicable, and copies of each certified massage practitioner's current state certificate and CAMTC-issued identification card, shall be maintained on file on the premises of each massage establishment, and shall be made available upon request to any individual, including but not limited to, any regulatory official of the city.

3. Within ten (10) business days of a massage establishment hiring or contracting with a new certified massage practitioner to provide massage services, written notice of the name and residential address of the new employee and copies of his or her current state certificate and CAMTC identification card shall be filed with the Director.

4. Written notice shall be provided to the Director within ten (10) business days of the expiration, revocation, suspension, or surrender of an employee's state certification, and no employee whose state certification is expired, revoked, suspended, or surrendered shall be permitted to provide massage at the massage establishment until and unless valid state certification has been reestablished and notice and copies of such employee's current state certificate and CAMTC identification card have been provided to the Director.

5. All documents or information pertaining to a certified massage practitioner that is required to be maintained or provided pursuant to this Section 4-28.060(B) shall be maintained at the massage establishment for a minimum of two years following the date that a certified massage practitioner ceases providing massage at the massage establishment; such documents or information shall be provided to city regulatory officials upon demand.

6. A manager shall be present on the premises during all times that the massage establishment is open. A written statement designating the person or persons authorized to act as a manager shall be filed with the Director prior to commencement of operation of the massage establishment and within ten (10) business days of any managerial change.

7. The name of each on-duty manager and each on-duty certified massage practitioner shall be posted daily in an accessible and conspicuous public place in the reception area of the massage establishment.

8. No massage establishment shall be open for business without having at least one certified massage practitioner on the premises and on-duty.

9. Any and all employees providing massage services shall carry and have on their persons, visible for the patron to see, a current and valid CAMTC-issued identification card that was issued to them; such identification card shall be provided to city regulatory officials upon demand.

10. Any and all changes of address or ownership of a massage establishment shall be reported immediately to the Director. Operator's permits are issued to specific owners and for specific fixed locations only. A new operator's permit shall

be obtained prior to the proposed relocation of a massage establishment, opening of another location, or change in ownership of the massage establishment.

11. No massage establishment shall operate as a massage school, or use the same facilities as that of a massage school.

12. Each service offered, the price thereof, and the minimum length of time such service shall be performed shall be posted in an open and conspicuous public location in each massage establishment. All letters and numbers shall be capitals, and not less than one inch in height. No services shall be performed and no sums shall be charged for such services other than those posted. Nothing herein prohibits a voluntary tip from being paid by the patron. All arrangements for services to be performed shall be made in a room in the massage establishment which is not used for administration of massages, baths or health treatments, unless no other room exists in the massage establishment.

13. Any posted signs which are in a language other than English shall also be posted in English.

14. The operator's permit issued to the massage establishment shall at all times be displayed in an accessible and conspicuous public place in the reception area of the massage establishment.

15. Copies of the current state certificates held by the employees providing massage services at the massage establishment shall at all times be displayed in an accessible and conspicuous public place in the reception area of the massage establishment; such copies shall be provided to city regulatory officials upon demand.

16. No alcoholic beverages or controlled substances shall be sold, served, furnished, kept, consumed, or possessed on the premises of any massage establishment.

C. Prohibited Conduct

1. Each owner, operator and manager shall be responsible for the conduct of all employees on the premises of the massage establishment. Any act or omission of any employee constituting a violation of any provision of this chapter shall be deemed the act or omission of each of the owners, operators and managers for purposes of determining: (a) compliance with this chapter; and (b) whether the operator's permit shall be suspended, revoked or renewed.

2. No owner, operator or manager shall hire, employ or allow any person to perform massage services unless such person possesses a valid and current state certificate. Each owner, operator and manager of a massage establishment shall have a continuing obligation to verify that all employees providing massage services hold the state certification required by this chapter.

3. No electrical, mechanical or artificial device shall be used by any massage establishment employee for audio and/or video recording or for monitoring the performance of a massage, of the conversation or of other sounds in the massage rooms or enclosures, without the prior written consent of the patron.
4. No employee shall violate the provisions of Section 647(b) of the California Penal Code (Solicitation of prostitution), or any other state law involving a crime of moral turpitude.
5. No employee shall engage in any form of unprofessional conduct as defined by Section 4609(a)(1) of the California Business and Professions Code, as may be amended from time to time, including without limitation:
 - a. Engaging in any form of sexual activity on the premises of a massage establishment.
 - b. Engaging in sexual activity while providing massage services for compensation.
 - c. Providing massage of the genitals or anal region.
 - d. Providing massage of female breasts without the written consent of the person receiving the massage and a referral from a licensed California health care provider for such massage.
6. No employee shall dress, while engaged in the practice of massage, or while visible to patrons in the massage establishment, in any of the following:
 - a. Attire that is transparent, see-through, or substantially exposes the person's undergarments.
 - b. Swim attire, if not providing a water-based massage modality approved by CAMTC.
 - c. A manner that exposes the employee's breast, buttocks, or genitals.
 - d. A manner that constitutes indecent exposure in violation of Section 314 (Lewd or obscene conduct; indecent exposure) of the California Penal Code.
7. No employee shall expose their genitals, pubic region, buttocks, anus, or in the case of a female, her breasts below a point immediately above the top of the aureole, to the view of a massage establishment patron.
8. A massage establishment patron's genitals, anus, and in the case of a female, her breasts, except as may be permitted by subsection (C)(5)(d) of this section, must be fully covered at all times while a certified massage practitioner or other employee is present in the same room as the patron.

4-28.070 Inspection by city official.

Any duly authorized official of the city, including but not limited to, representatives of the Police Services Department, code enforcement officers, health officials and building and fire inspectors, shall have the right to enter any massage establishment premises from time to time during regular business hours prior to the issuance of an operator's permit and subsequently thereafter for the purposes of making reasonable inspections to ensure compliance with this chapter and any other applicable laws, including building, fire, electrical, plumbing or health and safety regulations.

4-28.080 Out-call massage.

No person shall perform an out-call massage in the city without possessing a valid and current state certificate.

4-28.090 Home occupation prohibited.

No person shall operate a massage establishment as a home occupation within any residential zone in the city.

4-28.100 Exemptions.

This chapter shall not apply to the following:

A. Healing arts professionals duly licensed pursuant to Division 2 (commencing with Section 500) of the California Business and Professions Code, including but not limited to physicians, surgeons, chiropractors, osteopaths, acupuncturists, physical therapists, physician assistants, or nurses while performing activities encompassed by such professional licenses and when other individuals under their direction and as an adjunct to their practice are engaging in any act, providing any treatment, or performing any procedure that falls within the professionally recognized scope of practices authorized by their respective professional licenses; however,

1. Massage technicians are required to be certified by CAMTC,
2. If the licensed healing arts professional's facility is used for the purpose of providing nonmedical massage, and/or an employee of the licensed healing arts professional is engaged in the business of massage on the same premises as the professional, the facility itself shall be licensed as a massage establishment pursuant to this chapter;

B. Cosmetologists, barbers, estheticians, or manicurists that are duly licensed pursuant to the California Barbering and Cosmetology Act, California Business and Professions Code Section 7300 et seq. while performing activities encompassed by such professional licenses, except that this exemption applies solely for the massaging of the neck, face, head and/or scalp of the customer or client of a barber, cosmetologist, or esthetician, or in the case of a licensed manicurist, the massaging of the forearms, hands, calves and/or feet;

C. Hospitals, nursing homes, sanatoriums, or other health facilities duly licensed by the State of California, or activities engaged in by employees of such facilities in the

course of their employment while working on the premises of such State-licensed facilities;

D. Coaches or trainers employed by accredited junior high schools, high schools, junior colleges, colleges, or universities, while acting within the scope of such employment, as well as trainers of amateur, semi-professional or professional athletes or athletic teams while acting in that capacity;

E. Schools of cosmetology or barbering which comply with the requirements of California Business and Professions Code Section 7362 et seq.;

F. Schools of massage approved by CAMTC pursuant to Business and Professions Code Section 4601(a); and

G. Any business where only seated massage is administered, subject to the following conditions:

1. Seated massage shall only be performed by a certified massage practitioner,
2. Seated massage shall only be performed in areas open to the public view,
3. Seated massage shall not be performed as a home occupation within any residential zone in the city.

4-28.110 Transfer and duration of operator's permits.

No operator's permit may be sold, transferred, or assigned by a permittee, or by operation of law, to any other person. Any attempt to sell, transfer, or assign an operator's permit shall be deemed to constitute a voluntary surrender of such permit and such permit shall thereafter be null and void; provided and excepting, however, that if the permittee is a partnership and one or more of the partners should die, one or more of the surviving partners may acquire, by purchase or otherwise, the interest of the deceased partner or partners without effecting a surrender or termination of such permit, and in such case, the permit, upon notification to the City Manager, shall be placed in the name of the surviving partners. An operator's permit issued to a corporation or limited liability company shall be deemed terminated and void when either any outstanding stock or membership interest of the corporation or limited liability company is sold, transferred, or assigned after the issuance of a permit, or any stock or membership interest authorized but not issued at the time of the granting of a permit is thereafter issued or sold, transferred, or assigned.

A. An operator's permit shall be valid for and expire in twelve (12) months from the date of issuance, unless earlier suspended or revoked.

B. An application for renewal of an operator's permit shall be filed with the Director no later than sixty (60) days prior to the expiration of the twelve-month permit term to prevent lapse of the permit. The renewal application shall be accompanied by an appropriate filing fee established by the City Council, which represents the city's reasonable cost to process the renewal application and provide regulatory functions

necessary to enforce this chapter, including without limitation inspections of massage establishment, and an appropriate filing fee as established by resolution of the Orange County Board of Supervisors, which represents the Orange County Sheriff's Department's costs to conduct an investigation.

C. Each applicant for renewal of an operator's permit shall provide such information as may be required by the Director and/or Chief of Police Services to update the information contained in the original permit application.

4-28.120 Suspension, revocation, denial and appeal.

Violation and Noncompliance. After an investigation, notice and opportunity to be heard, the City Manager may refuse to renew an operator's permit or may revoke or suspend an existing operator's permit on the grounds that the permittee has failed to comply with the requirements of this chapter. If the term of a suspended permit expires during the suspension period, a new application must be made at the end of the suspension period. In any such case, the permittee shall have the right to appeal a decision of the City Manager in the time and manner set forth in this section.

A. Revocation and Suspension of Operator's Permit.

1. The City Manager may revoke or refuse to renew an operator's permit if he or she makes any of the findings for denial of a permit under Section 4-28.050, upon any violation of subsections (A) or (C) of Section 4-28.030, upon any violation of subsections (B)(8) or (B)(16) of Section 4-28.060, upon any violation of Section 4-28.060(C), or upon any subsequent violation of any provision of this chapter within one (1) year following prior suspension under subsection (B)(2) of this section, or upon demonstrated inability to operate or manage the massage establishment in a law abiding manner, thus necessitating action by law enforcement officers.

2. The City Manager may suspend an operator's permit for a period of ninety (90) days for each violation of Section 4-28.060 of this chapter not listed in subsection B(1) above.

B. Notice.

When the City Manager concludes that grounds for denial, suspension, revocation, or refusal to renew an operator's permit exist, the City Manager shall serve the operator, either personally or by certified mail, with proof of service, addressed to the business or residence address of the operator, with a notice of denial or notice of intent to suspend, revoke or refuse to renew the operator's permit. This notice shall state the reasons for the proposed action, the effective date of the decision, the right of the applicant or permittee to appeal the decision of the City Manager, and that the decision will be final, if no appeal is filed within the time permitted.

C. Appeal.

1. The right to appeal the decision of the City Manager to deny, suspend, revoke, or refuse to renew an operator's permit shall terminate upon the expiration

of fifteen (15) days from the date of mailing of the notice of intent to suspend, revoke or refuse to renew the operator's permit.

2. Requests for appeal must be in writing and filed with the City Manager. If an appeal is timely filed by the applicant or permittee, the matter will be scheduled for a hearing before a city-appointed administrative hearing officer within sixty (60) days. In any such event, the suspension, revocation or refusal to renew shall not be in effect until a final decision has been rendered by the hearing officer. If no appeal is filed, the suspension, revocation or refusal to renew shall become effective upon expiration of the period for filing appeals.

3. The appellant shall be entitled to notice of the basis for the proposed action, a copy of the documents upon which the City Manager's decision was based, and the opportunity to present contrary evidence at the hearing.

4. Notice of the date, time, and place of the hearing shall be mailed at least ten (10) days prior to the date of the hearing, by the U.S. Mail, with proof of service attached, addressed to the address listed on the massage establishment application, or, the address given in the request for appeal, as the case may be.

5. The city-appointed administrative hearing officer shall conduct the hearing on appeal, receive relevant evidence, and shall decide whether to uphold the City Manager's decision to refuse to renew, revoke, or suspend the operator's permit. Within forty-five (45) days after the conclusion of the hearing, the hearing officer shall file with the City Manager, a written decision, supported by written findings based on the evidence submitted, and a statement of his/her decision. A copy of such report shall be mailed to the appellant on the same day it is filed with the City Manager. The decision of the hearing officer shall become effective three (3) days after its mailing to the appellant. The decision of the hearing officer shall be final.

6. The following rules of evidence shall apply:

a. Oral evidence shall be taken only under oath or affirmation. The hearing officer shall have authority to administer oaths, and to receive and rule on admissibility of evidence.

b. Each party shall have the right to call and examine witnesses, to introduce exhibits, and to cross-examine opposing witnesses who have testified under direct examination. The hearing officer may call and examine any witness.

c. Technical rules relating to evidence and witnesses shall not apply to administrative hearings provided for in this chapter. Any relevant evidence may be admitted if it is material and is evidence customarily relied upon by responsible persons in the conduct of their affairs regardless of the existence of any common law or statutory rule which might make admission of such evidence improper over objection in civil actions. Hearsay testimony may be admissible and used for the purpose of supplementing or explaining any

evidence given in direct examination, but shall not be sufficient in itself to support a finding unless such testimony would be admissible over objection in civil actions. The rules of privilege shall be applicable to the extent they are now, or are hereafter permitted in civil actions. Irrelevant, collateral, undue, and repetitious testimony shall be excluded.

7. No operator's permit granted herein shall confer any vested right to any person or business for more than the permit period. All massage establishment owners, operators, managers, and employees subject to this chapter shall comply with the provisions of this chapter as they may be amended hereafter.

4-28.130 Application to existing massage establishment.

Each owner or operator of a massage establishment doing business in the city on the effective date of this chapter is subject to the licensing and operational standards set forth in this chapter.

A. Each owner or operator of a massage establishment doing business in the city with an operator's permit on the effective date of this chapter may continue under its current operator's permit unless otherwise revoked or suspended pursuant to the provisions of this chapter.

B. Each owner or operator of a massage establishment doing business in the city without an operator's permit on the effective date of this chapter shall file an application for an operator's permit no later than one hundred twenty (120) days following the effective date of this chapter.

4-28.140 Violation—Penalty.

A. Violators of this chapter may be cited and enforcement action taken pursuant to the provisions of Chapter 1-32 of this code.

B. Any massage establishment operated, conducted, or maintained contrary to the provisions of this chapter shall be, and the same is hereby declared to be, unlawful and a public nuisance, and the city may, in addition to or in lieu of prosecuting a criminal action hereunder, commence an action or actions, proceeding or proceedings, for the abatement, removal, and enjoinder thereof, in the manner provided by law, and shall take such other steps and shall apply to such court or courts as may have jurisdiction to grant such relief as will abate or remove such massage establishments and restrain and enjoin any person from operating, conducting, or maintaining a massage establishment contrary to the provisions of this chapter.

SECTION 2. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more section, subsection, subdivision, sentence, clause, phrase, or portion thereof be

declared invalid or unconstitutional.

SECTION 3. The City Council finds that the proposed Ordinance is not subject to the California Environmental Quality Act ("CEQA") Cal. Pub. Resources Code Section 21000 et seq.) pursuant to Section 15061(b)(3) of the State CEQA Guidelines (Cal. Code of Regs., Title 14, Section 15000 et seq.) because it can be seen with certainty that there is no possibility that this ordinance may have a significant effect on the environment.

SECTION 4. The City Clerk shall certify to the adoption of this Ordinance and cause the same to be posted at the duly designated posting places within the City and published once within fifteen days after passage and adoption as may be required by law; or, in the alternative, the City Clerk may cause to be published a summary of this Ordinance and a certified copy of the text of this Ordinance shall be posted in the Office of the City Clerk five days prior to the date of adoption of this Ordinance; and, within fifteen days after adoption, the City Clerk shall cause to be published, the aforementioned summary and shall post a certified copy of this Ordinance, together with the vote for and against the same, in the Office of the City Clerk.

PASSED, APPROVED, AND ADOPTED this _____ day of _____ 2016

BARBARA D. KOGERMAN, MAYOR

ATTEST:

MELISSA AU-YEUNG, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LAGUNA HILLS)

I, Melissa Au-Yeung, City Clerk of the City of Laguna Hills, California, DO
HEREBY CERTIFY that the foregoing Ordinance No. _____ was duly introduced
and placed upon its first reading at a Regular Meeting of the City Council on the
_____ day of _____ 2016, and that thereafter, said Ordinance
was duly adopted and passed at a Regular Meeting of the City Council held on the
_____ day of _____ 2016, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

MELISSA AU-YEUNG, CITY CLERK

Attachment: Attachment 1 - Proposed Ordinance (1103 : Massage Ordinance)

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LAGUNA HILLS)

AFFIDAVIT OF POSTING
AND PUBLICATION

MELISSA AU-YEUNG, being first duly sworn, deposes and says:

That she is the duly appointed and qualified City Clerk of the City of Laguna Hills;

That in compliance with State Laws of the State of California, ORDINANCE NO. _____, being:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA AMENDING AND RESTATING CHAPTER 4-28 OF TITLE 4 OF THE LAGUNA HILLS MUNICIPAL CODE RELATING TO THE REGULATION OF MASSAGE ESTABLISHMENTS

on the _____ day of _____ 2015, was published in the Saddleback Valley News; and was, in compliance with City Resolution No. 2004-05-25-2, on the _____ day of _____ 2015, caused to be posted in three places in the City of Laguna Hills, to wit:

Laguna Hills City Hall
Laguna Hills Community Center
La Paz Center

MELISSA AU-YEUNG, CITY CLERK
Laguna Hills, California

Attachment: Attachment 1 - Proposed Ordinance (1103 : Massage Ordinance)



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: October 25, 2016
TO: Mayor and Council Members
FROM: David Chantarangsu
Community Development Director
ISSUE: 2016 Building Standards Code Adoption - First Reading

RECOMMENDATION: That the City Council: (1) Introduce for first reading, read by title only, and waive further reading of the Ordinances entitled: "An Ordinance of the City of Laguna Hills, California, amending Title 10 of the Laguna Hills Municipal Code (Buildings and Construction) and adopting by reference the 2016 Edition of the California Building Standards Code (California Code of Regulations, Title 24), consisting of the 2016 California Building Code; the 2016 California Mechanical Code; the 2016 California Electrical Code; the 2016 California Plumbing Code; the 2016 California Residential Code; the 2016 California Green Building Standards Code; the 2016 California Energy Code; the 2016 Building Reference Standards Code; and the 2016 California Existing Building Code, together with certain amendments, additions, and deletions thereto" and "An Ordinance of the City of Laguna Hills, California, amending Chapter 5-16 (Fire Code) of Title 5 (Health and Sanitation) of the Laguna Hills Municipal Code and adopting by reference the 2016 Edition of the California Fire Code including Appendices B, BB, C, CC, and H, together with certain amendments, additions, and deletions thereto;" (2) Direct that the Ordinances be placed on the November 22, 2016, meeting agenda for a Public Hearing and second reading; and (3) Direct staff to prepare and publish the appropriate hearing notices.

SUMMARY:

Every three years the State of California updates its building codes for the purpose of promoting safe building construction, energy efficiency, and sustainability. For 2016, the code update encompasses the following codes:

2016 Building Standards Code Adoption - First Reading

October 25, 2016

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- California Fire Code
- California Building Code
- California Mechanical Code
- California Electrical Code
- California Plumbing Code
- California Residential Code
- California Green Building Standards Code
- California Energy Code
- California Referenced Standards Code

In addition, the state has adopted a new code known as the “Existing Buildings Code” which replaces the “Existing Standards Code.” While the existing regulations focus on mitigation and repair of unreinforced masonry buildings and seismic resistance, the new regulations address a broad variety of topics dealing with the construction, alteration, movement, repair, equipment, use and occupancy, location, maintenance, removal, and demolition of every existing building or structure, or any appurtenances connected or attached to such buildings or structures in the City.

Collectively these codes are referred to as the “Building Standards Code” and are contained in the California Code of Regulations, Title 24. The Building Standards Code establishes the minimum requirements for new construction. The City has the ability to adopt more restrictive measures based on unique physical circumstances that a community may be subject to including climate, topography, and geology. Based on these local conditions, the Orange County Fire Authority (OCFA) has recommended several modifications to the California Building Code, California Residential Code, and California Fire Code for the City Council’s consideration. Staff has reviewed the requested changes and recommends they be incorporated as amendments to the City’s Municipal Code.

For the current update cycle there are hundreds of technical changes that have been made to the various state building codes. They address a broad range of topics including life safety, fire safety, energy efficiency, and construction techniques. The referenced codes are available in the Community Development Department for review as well as on line at the California Building Standards Commission website (www.bsc.ca.gov). The Building Standards Code is effective January 1, 2017.

2016 Building Standards Code Adoption - First Reading

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BACKGROUND:

The City is required by state law to adopt the 2016 Building Standards Code which can be found in Title 24 of the California Code of Regulations.

OCFA AMENDMENTS

In conjunction with the adoption of the Building Standards Code, OCFA also recommends the City Council adopt additional changes to enhance the design of building construction. The modifications recommended by OCFA are identified in the attached Ordinances. Most amendments are technical in nature and carry over amendments from previous code adoption cycles. The City Council is authorized to adopt the additional, more restrictive codes proposed by OCFA in accordance with the authority granted by state law provided the changes are deemed necessary based on climate, topography, or geologic conditions. OCFA's reasoning for adoption of the more restrictive measures is also contained in the attached Ordinances.

ADOPTION PROCESS

Due to the manner in which state law mandates adoption of the Building Standards Code, the public hearing process is slightly different than if the City was adopting an ordinance. While the City's process for adopting an ordinance typically consists of conducting a public hearing, the first reading of the ordinance, and then conducting a second reading two weeks from the first reading of the proposed ordinance, the Building Standards Code adoption process is somewhat reversed with the public hearing conducted at the second reading. Therefore, the City Council should anticipate conducting a public hearing for the second reading and adoption of the Ordinances at the November 22, 2016, City Council meeting.

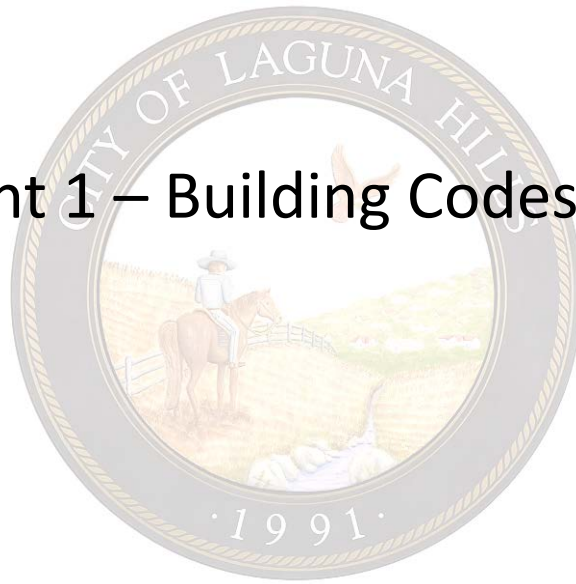
CEQA FINDINGS:

The City Council finds that this Ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to California Code of Regulations Title 14, Chapter 3, Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15371), because it has no potential for resulting in physical change to the environment, directly or indirectly.

ATTACHMENTS:

- Attachment 1 - Building Codes Ordinance
- Attachment 2 - Fire Code Ordinance

Attachment 1 – Building Codes Ordinance



ORDINANCE NO. 2016-

AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, AMENDING TITLE 10 OF THE LAGUNA HILLS MUNICIPAL CODE (BUILDINGS AND CONSTRUCTION) AND ADOPTING BY REFERENCE THE 2016 EDITION OF THE CALIFORNIA BUILDING STANDARDS CODE (CALIFORNIA CODE OF REGULATIONS, TITLE 24), CONSISTING OF THE 2016 CALIFORNIA BUILDING CODE; THE 2016 CALIFORNIA MECHANICAL CODE; THE 2016 CALIFORNIA ELECTRICAL CODE; THE 2016 CALIFORNIA PLUMBING CODE; THE 2016 CALIFORNIA RESIDENTIAL CODE; THE 2016 CALIFORNIA GREEN BUILDING STANDARDS CODE; THE 2016 CALIFORNIA ENERGY CODE; THE 2016 BUILDING REFERENCE STANDARDS CODE; AND THE 2016 CALIFORNIA EXISTING BUILDING CODE, TOGETHER WITH CERTAIN AMENDMENTS, ADDITIONS, AND DELETIONS THERETO.

WHEREAS, pursuant to California Government Code Section 50022.1 *et seq.*, the City of Laguna Hills ("City") may adopt by reference the California Building Standards Code, 2016 Edition, as provided in Title 24 of the California Code of Regulations; and

WHEREAS, the California Building Standards Commission ("Commission") recently adopted new amendments to the California Building Standards Code; and

WHEREAS, California Health & Safety Code Section 17958.5 *et seq.*, and 18941.5 authorize cities to modify the California Building Standards Code by adopting more restrictive standards and modifications if such standards and modifications are accompanied by express findings that they are reasonably necessary because of local climatic, geological or topographical conditions; and

WHEREAS, based upon the recommendations of the Building Official, the City Council finds the proposed amendments to the 2016 California Building Standards Code ("amendments") set forth in this ordinance, which are more restrictive than the standards adopted by the California Building Standards Commission, would decrease the potential incidence of property damage, injury, and death due to fires and earthquakes, and are reasonable and necessary to mitigate local climatic, geological or topographical conditions; and

WHEREAS, on October 25, 2016, the City Council introduced this Ordinance for first reading at a regular meeting of the City Council, and set a public hearing and second reading of the Ordinance for November 22, 2016; and

WHEREAS, the City Council held a public hearing on November 22, 2016, at which time all interested persons had the opportunity to appear and be heard on the matter of adopting the 2016 California Building Standards Code as amended herein; and

WHEREAS, pursuant to California Government Code Section 6066, the City published notice of the aforementioned public hearing; and

WHEREAS, any and all other legal prerequisites relating to the adoption of this Ordinance have occurred.

THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, DOES ORDAIN AS FOLLOWS:

SECTION 1. Findings. The City Council hereby finds that the amendments to the 2016 California Building Code and 2016 California Residential Code are reasonably necessary because of local climatic, geological or topographic conditions, and adopts the findings provided below to support the modifications to the 2016 California Building Code and 2016 California Residential Code.

1. Climatic Conditions

A. Orange County and the City of Laguna Hills are located in a semi-arid Mediterranean type climate. It annually experiences extended periods of high temperatures with little or no precipitation. Hot, dry (Santa Ana) winds, which may reach speeds of 70 M.P.H. or greater, are also common to the area. These climatic conditions cause extreme drying of vegetation and common building materials. Frequent periods of drought and low humidity add to the fire danger. This predisposes the area to large destructive fires (conflagration). In addition to directly damaging or destroying buildings, these fires are also prone to disrupt utility services throughout the County. Obstacles generated by a strong wind, such as fallen trees, street lights and utility poles greatly impact the response time to reach an incident scene.

B. The climate alternates between extended periods of drought and brief flooding conditions. Flood conditions may affect the Orange County Fire Authority's ability to respond to a fire or emergency condition. Floods also disrupt utility services to buildings and facilities within the County.

C. Water demand in this densely populated area far exceeds the quantity supplied by natural precipitation; and although the population continues to grow, the already-taxed water supply does not. California is projected to increase in population by nearly 10 million over the next quarter of a century with 50 percent of that growth centered in Southern California. Due to storage capacities and consumption, and a limited amount of rainfall future water allocation is not fully dependable. This necessitates the need for additional and on-site fire protection features

D. These dry climatic conditions and winds contribute to the rapid spread of even small fires originating in high-density housing or vegetation. These fires spread very quickly and create a need for increased levels of fire protection. The added protection of fire sprinkler systems and other fire protection features will supplement normal fire department response by providing immediate protection for the building occupants and by containing and controlling the fire spread to the area of origin. Fire sprinkler systems will also reduce the use of water for firefighting by as much as 50 to 75 percent.

2. Topographical Conditions

A. Natural slopes of 15 percent or greater generally occur throughout the foothills of Orange County. The elevation change caused by the hills creates the geological foundation on which communities within Orange County are built and will continue to build. With much of the populated flatlands already built upon, future growth will occur on steeper slopes and with greater constraints in terrain.

B. Traffic and circulation congestion is an artificially created, obstructive topographical condition, which is common throughout Orange County.

C. These topographical conditions combine to create a situation that places fire department response time to fire occurrences at risk, and makes it necessary to provide automatic on-site fire-extinguishing systems and other protection measures to protect occupants and property.

3. Geological Conditions

The Orange County region is a densely populated area that has buildings constructed over and near a vast and complex network of faults that are believed to be capable of producing future earthquakes similar or greater in size than the 1994 Northridge and the 1971 Sylmar earthquakes. Earthquake faults run along the northeast and southwest boundaries of Orange County. The Newport-Inglewood Fault,

located within Orange County was the source of the destructive 1933 Long Beach earthquake (6.3 magnitude) which took 120 lives and damaged buildings in an area from Laguna Beach to Marina Del Rey to Whittier. In December 1989, another earthquake occurred in the jurisdiction of Irvine at an unknown fault line. Regional planning for reoccurrence of earthquakes is recommended by the state of California, Department of Conservation.

A. Previous earthquakes have been accompanied by disruption of traffic flow and fires. A severe seismic event has the potential to negatively impact any rescue or fire suppression activities because it is likely to create obstacles similar to those indicated under the high wind section above. The October 17, 1989, Santa Cruz earthquake resulted in one major fire in the Marina District (San Francisco). When combined with the 34 other fires locally and over 500 responses, the department was taxed to its fullest capabilities. The Marina fire was difficult to contain because mains supplying water to the district burst during the earthquake. This situation creates the need for both additional fire protection and automatic on-site fire protection for building occupants. State Department of Conservation noted in their 1988 report (Planning Scenario on a Major Earthquake on the Newport-Inglewood Fault Zone, page 59), “unfortunately, barely meeting the minimum earthquake standards of building codes places a building on the verge of being legally unsafe.”

B. Road circulation features located throughout the County also make amendments reasonably necessary. Located through the County are major roadways, highways and flood control channels that create barriers and slow response times. Hills, slopes, street and storm drain design, accompanied by occasional heavy rainfall, causes roadway flooding and landslides and at times may make an emergency access route impassable. There are areas in Orange County that naturally have extended emergency response times that exceed the 5 minute goal.

C. Soils throughout the County possess corrosive properties that reduce the expected usable life of water services when metallic pipes are in contact with soils.

Due to the topographical conditions of sprawling development separated by waterways and narrow and congested streets and the expected infrastructure damage inherent in seismic zone 5 described above, it is prudent to rely on automatic fire sprinkler systems to mitigate extended fire department response time and keep fires manageable with reduced fire flow (water) resources available for a given structure. Additional fire protection is also justified to match the current resources of firefighting equipment and personnel within the Orange County Fire Authority.

Additional amendments have been made to the 2016 California Building Standards Code. Such amendments are hereby found to be either administrative or procedural in nature or concern themselves with subjects not covered in such codes. The changes made include provisions making each of said codes compatible with other codes enforced by the City.

The findings above are applicable to amendments to the 2016 California Building Code as follows:

CODE SECTION	TITLE (Clarification)	FINDINGS
202	General definitions	Administrative
701A.3	Construction methods requirements for the addition and remodeling requirements of building in wildfire areas located within 100 feet of a fuel modification zone.	I & II
701A.3.2	Construction methods requirements for the detached accessory structures in wildfire areas.	I & II
701A.4	Construction material requirements for the accessory structures in wildfire areas.	I & II
903.2	Where required (Sprinklers)	I, II & III
903.2.8	Group R (Sprinklers)	I, II & III
903.3.5.3	Hydraulically calculated systems	I & II
Chapter 35	Reference Standards	N/A
	2016 NFPA 13 (Sprinkler Systems)	Administrative, II & III
	2016 NFPA 13-D (Single Family Sprinkler Systems)	I & II
	2013 NFPA 14 (Standpipe Systems)	Administrative
	2016 NFPA 24 (Underground Water Supply Systems)	Administrative & III

The findings above are applicable to amendments to the 2016 California Residential Code as follows:

CODE SECTION	TITLE (Clarification)	FINDINGS
202	General definitions	Administrative
R301.9	Construction methods requirements for the addition and remodeling requirements of building in wildfire areas located within 100 feet of a fuel modification zone.	I & II
R309.6	Group R-3 fire sprinkler requirements in attached garages, carports with habitable spaces in accordance with CFC Section 903.2.8	I, II & III
R313.1	Group R-3 Townhome fire sprinkler requirements for additions	I, II & III

	and alterations in accordance with CFC Section 903.2.8	
R313.2	Group R One- and two-family fire sprinkler requirements for additions and alterations in accordance with CFC Section 903.2.8	I, II & III
R313.3.6.2.2	Hydraulically calculated systems	I & II
R1001.13	Fire Pits, Fire Rings, & Outdoor Fireplaces	Administrative
R1001.13.1	Gas-fueled devices	I & II
R1001.13.2	Devices using wood or fuels other than natural gas or LPG	I & II
R1001.13.3	Where prohibited	I & II
Chapter 44	Reference Standards	N/A
	2016 NFPA 13-D (Single Family Sprinkler Systems)	I & II

SECTION 2. Chapter 10.28 of the Laguna Hills Municipal Code is hereby amended and restated in its entirety to read as follows:

Chapter 10-28 CALIFORNIA BUILDING CODE

10-28-010 Adoption of the California Building Code.

The California Building Code, 2016 Edition, based on the 2015 Edition of the International Building Code as published by the International Code Council, together with the amendments provided in this chapter, is hereby adopted and incorporated by reference, as if set forth at length herein, as the Building Code of the City of Laguna Hills, regulating the construction, alteration, movement, repair, equipment, use and occupancy, location, maintenance, removal and demolition of every building or structure or any appurtenances connected or attached to such buildings or structures in the City. Not less than one copy of said code has been filed in the office of the City Clerk and shall be made available for public inspection.

10-28.030 Amendments to the California Building Code.

Chapter 2 Definitions.

Section 202 Definitions is hereby revised by adding “Spark Arrester” as follows:

SPARK ARRESTER. A listed device constructed of noncombustible material specifically for the purpose of meeting one of the following conditions:

1. Removing and retaining carbon and other flammable particles/debris from the exhaust flow of an internal combustion engine in accordance with California Vehicle Code Section 38366.
2. Fireplaces that burn solid fuel in accordance with California Building Code Chapter 28.

Chapter 7A Materials and Construction Methods for Exterior Wildfire Exposure.

Section 701A.3 Application is hereby revised to read as follows:

701A.3 Application. New buildings located in any Fire Hazard Severity Zone or any Wildland-Urban Interface Fire Area designated by the enforcing agency constructed after the application date, and additions to and remodel of buildings constructed before 2012 located in areas currently designated as such, shall comply with the provisions of this chapter. The provisions shall also apply to additions, remodels, and accessory structures located within 100 feet of a fuel modification zone, vegetation management area, or similar area containing hazardous combustible vegetation, regardless of whether the property is currently located in a designated Fire Hazard Severity Zone or Wildland-Urban Interface Fire Area, when materials and/or construction methods for exterior wildfire exposure were previously required at the property by the Building or Fire Code Official.

Exceptions:

1. Buildings of an accessory character classified as a Group U occupancy and not exceeding 120 square feet in floor area, when located at least 30 feet from the applicable building.
2. Buildings of an accessory character classified as a Group U occupancy of any size located least 50 feet from an applicable building.
3. Buildings classified as a Group U Agricultural Building, as defined in Section 202 of this code (see also Appendix C – Group U Agricultural Buildings), when located at least 50 feet from an applicable building.

Section 710A.3.2 is hereby revised to read as follows:

710A.3.2 Detached accessory structures within 50 feet of an applicable building shall comply with the requirements of this section.

Section 710A.4 Requirements is hereby revised to read as follows:

710A.4 Requirements. Accessory structures shall be constructed of non-combustible or ignition-resistant materials.

Chapter 9 Fire Protection Systems.

Section 903.2 Where required is hereby revised to read as follows:

903.2 Where required. Approved automatic sprinkler systems in buildings and structures shall be provided when one of the following conditions exists:

1. **New buildings:** Notwithstanding any applicable provisions of Sections 903.2.1 through 903.2.19, an automatic fire-extinguishing system shall also be installed in all occupancies when the total building area exceeds 5,000 square feet as defined in Section 202, regardless of fire areas or allowable area, or is more than two stories in height.

Exception: Subject to approval by the Fire Code Official, open parking garages in accordance with Section 406.5 of the California Building Code.

2. **Existing Buildings:** Notwithstanding any applicable provisions of this code, an automatic sprinkler system shall be provided in an existing building when an addition occurs and one of the following conditions exists:
 - a. When an addition is 33% or more of the existing building area, and the resulting building area exceeds 5000 square feet
 - b. When an addition exceeds 2000 square feet and the resulting building area exceeds 5000 square feet.
 - c. An additional story is added above the second floor regardless of fire areas or allowable area.

Exception: Additions to Group R-3 occupancies shall comply with Section 903.2.8 (2).

Section 903.2.8 Group R is hereby revised to read as follows:

903.2.8 Group R. An automatic sprinkler system installed in accordance with Section 903.3 shall be provided throughout all buildings with a Group R fire area as follows:

1. **New Buildings:** An automatic sprinkler system shall be installed throughout all new buildings.
2. **Existing R-3 Buildings:** An automatic sprinkler system shall be installed throughout when one of the following conditions exists:
 - a. When an addition is 33% or more of the existing building area as defined in Section 202, and greater than 1000 square feet within a two year period; or,
 - b. An addition when the existing building is already provided with automatic sprinklers; or,
 - c. When an existing Group R Occupancy is being substantially renovated, and where the scope of the renovation is such that the Building Code Official determines that the complexity of installing a sprinkler system would be similar as in a new building.

Exceptions:

1. Existing Group R-3 occupancies converted to Group R-3.1 occupancies and not housing bedridden clients, not housing nonambulatory clients above the first floor, and not housing clients above the second floor.
2. Existing Group R-3 occupancies converted to Group R-3.1 occupancies housing only one bedridden client and complying with Section 435.8.3.3 of the California Building Code.
3. Pursuant to Health and Safety Code, Section 13113, occupancies housing ambulatory children only, none of whom are mentally ill children or children with intellectual disabilities, and the buildings or portions thereof in which such children are housed are not more than two stories in height, and building or portions thereof housing such children have an automatic fire alarm system activated by approved smoke detectors.
4. Pursuant to Health and Safety Code, Section 13143.6, occupancies licensed for protective social care which house ambulatory clients only, none of whom is a child (under the age of 18 years), or who is elderly (65 years of age or over).

When not used in accordance with Section 504.2 or 506.3 of the California Building Code, an automatic sprinkler system installed in accordance with Section 903.3.1.2 shall be allowed in Group R-2.1 occupancies.

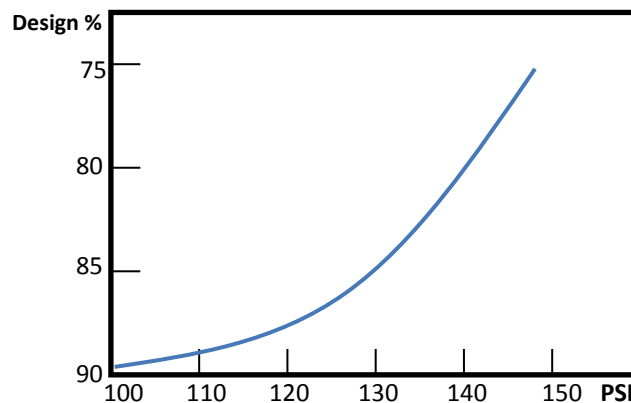
An automatic sprinkler system designed in accordance with Section 903.3.1.3 shall not be utilized in Group R-2.1 or R-4 occupancies.

Section 903.3.5.3 Hydraulically calculated systems is hereby added as follows:

903.3.5.3 Hydraulically calculated systems. The design of hydraulically calculated fire sprinkler systems shall not exceed 90% of the water supply capacity.

Exception: When static pressure exceeds 100 psi, and when required by the fire code official, the fire sprinkler system shall not exceed the water supply capacity specified by Table 903.3.5.3.

TABLE 903.3.5.3
Hydraulically Calculated Systems



Chapter 35 Referenced Standards.

NFPA 13, 2016 Edition, Standard for the Installation of Sprinkler Systems is hereby amended as follows:

Section 6.7.3 is hereby revised to read as follows:

6.7.3 Fire department connections (FDC) shall be of an approved type. The location shall be approved and be no more than 150 feet from a public hydrant. The FDC may be located within 150 feet of a private fire hydrant when approved by the fire code official. The size of piping and the number of 2½"

inlets shall be approved by the fire code official. If acceptable to the water authority, it may be installed on the backflow assembly. Fire department inlet connections shall be painted OSHA safety red or as approved. When the fire sprinkler density design requires more than 500 gpm (including inside hose stream demand), or a standpipe system is included, four 2½" inlets shall be provided.

Section 8.3.3.1 is hereby revised to read as follows:

8.3.3.1 When fire sprinkler systems are installed in shell buildings of undetermined use (Spec Buildings) other than warehouses (S occupancies), fire sprinklers of the quick-response type shall be used. Use is considered undetermined if a specific tenant/occupant is not identified at the time the fire sprinkler plan is submitted. Sprinklers in light hazard occupancies shall be one of the following:

1. Quick-response type as defined in 3.6.4.8
2. Residential sprinklers in accordance with the requirements of 8.4.5
3. Quick response CMSA sprinklers
4. ESFR sprinklers
5. Standard-response sprinklers used for modifications or additions to existing light hazard systems equipped with standard-response sprinklers
6. Standard-response sprinklers used where individual standard-response sprinklers are replaced in existing light hazard systems

Section 11.1.1.1 is hereby added as follows:

11.1.1.1 When fire sprinkler systems are required in buildings of undetermined use other than warehouses, they shall be designed and installed to have a fire sprinkler density of not less than that required for an Ordinary Hazard Group 2 use, with no reduction(s) in density or design area. Warehouse fire sprinkler systems shall be designed to Figure 16.2.1.3.2 (d) curve "G". Use is considered undetermined if a specific tenant/occupant is not identified at the time the sprinkler plan is submitted. Where a subsequent use or occupancy requires a system with greater capability, it shall be the responsibility of the occupant to upgrade the system to the required density for the new use or occupancy.

Section 11.2.3.1.1.1 is hereby added as follows:

11.2.3.1.1.1 The available water supply for fire sprinkler system design shall be determined by one of the following methods, as approved by the fire code official:

1. Subtract the project site elevation from the low water level for the appropriate pressure zone and multiply the result by 0.433;
2. Use a maximum of 40 psi, if available;
3. Utilize the OCFA water-flow test form/directions to document a flow test conducted by the local water agency or an approved third party licensed in the State of California.

NFPA 13D 2016 Edition, Standard for the Installation of Sprinkler Systems in One- and Two-Family Dwellings and Manufactured Homes is hereby amended as follows:

Section 7.1.2 is hereby revised to read as follows:

7.1.2 The sprinkler system piping shall not have separate control valves installed unless supervised by a central station, proprietary, or remote station alarm service.

NFPA 14, 2013 Edition, Installation of Standpipe and Hose Systems is hereby amended as follows:

Section 7.3.1.1 is hereby revised to read as follows:

7.3.1.1 Class I and III Standpipe hose connections shall be unobstructed and shall be located not less than 18 inches or more than 24 inches above the finished floor. Class II Standpipe hose connections shall be unobstructed and shall be located not less than 3 feet or more than 5 feet above the finished floor.

NFPA 24, 2016 Edition, Standard for the Installation of Private Fire Service Mains and Their Appurtenances is hereby amended as follows:

Section 6.2.8.1 is hereby added as follows:

6.2.8.1 All indicating valves controlling fire suppression water supplies shall be painted OSHA red.

Exceptions:

1. Brass or bronze valves on sprinkler risers mounted to the exterior of the building may be left unpainted.
2. Where OS&Y valves on the detector check assembly are the only control valves, at least one OS&Y valve shall be painted red.

Section 6.2.9 is hereby revised to read as follows:

All connections to private fire service mains for fire protection systems shall be arranged in accordance with one of the following so that they can be isolated:

- (1) A post indicator valve installed not less than 40 ft (12 m) from the building
 - (a) For buildings less than 40 ft (12 m) in height, a post indicator valve shall be permitted to be installed closer than 40 ft (12 m) but at least as far from the building as the height of the wall facing the post indicator valve.
- (2) A wall post indicator valve
- (3) An indicating valve in a pit, installed in accordance with Section 6.4
- (4) A backflow preventer with at least one indicating valve not less than 40 ft (12 m) from the building
 - (a) For buildings less than 40 ft (12 m) in height, a backflow preventer with at least one indicating valve shall be permitted to be installed closer than 40 ft (12 m) but at least as far from the building as the height of the wall facing the backflow preventer.
- (5) Control valves installed in a fire-rated room accessible from the exterior
- (6) Control valves in a fire-rated stair enclosure accessible from the exterior

Section 10.1.5 is hereby added as follows:

10.1.5 All ferrous pipe and joints shall be polyethylene encased per AWWA C150, Method A, B, or C. All fittings shall be protected with a loose 8-mil polyethylene tube or sheet. The ends of the tube or sheet shall extend past the

joint by a minimum of 12 inches and be sealed with 2 inch wide tape approved for underground use. Galvanizing does not meet the requirements of this section.

Exception: 304 or 316 Stainless Steel pipe and fittings.

Section 10.4.1.1 is hereby revised to read as follows:

10.4.1.1 All bolted joint accessories shall be cleaned and thoroughly coated with asphalt or other corrosion-retarding material after installation.

Exception: Bolted joint accessories made from 304 or 316 stainless steel.

Section 10.4.1.1.1 is hereby added as follows:

10.4.1.1.1 All bolts used in pipe-joint assembly shall be 316 stainless steel.

Section 10.4.3.2 is hereby revised to read as follows:

10.4.3.2 Where fire service mains enter the building adjacent to the foundation, the pipe may run under a building to a maximum of 24 inches, as measured from the interior face of the exterior wall to the center of the vertical pipe. The pipe under the building or building foundation shall be 304 or 316 stainless steel and shall not contain mechanical joints or it shall comply with 10.4.3.2.1 through 10.4.3.2.4.

SECTION 3. Chapter 10-32 of the Laguna Hills Municipal Code is hereby amended and restated in its entirety to read as follows:

Chapter 10-32 CALIFORNIA MECHANICAL CODE

10-32.010 Adoption of the California Mechanical Code.

The California Mechanical Code, 2016 Edition, based on the 2015 Uniform Mechanical Code as published by the International Association of Plumbing and Mechanical Officials, is hereby adopted and incorporated by reference, as if set forth at length herein, as the Mechanical Code of the City of Laguna Hills, regulating and controlling the design, construction, installation, quality of materials, location, operation and maintenance of heating, ventilating, cooling, refrigeration systems, incinerators and other miscellaneous heat producing appliances. Not less than one copy of said code

has been filed in the office of the City Clerk and shall be made available for public inspection.

SECTION 4. Chapter 10-36 of the Laguna Hills Municipal Code is hereby amended and restated in its entirety to read as follows:

Chapter 10-36 CALIFORNIA ELECTRICAL CODE

10-36.010 Adoption of the California Electrical Code.

The California Electrical Code, 2016 Edition, based on the 2014 National Electrical Code as published by the National Fire Protection Association, is hereby adopted and incorporated by reference, as if set forth at length herein, as the Electrical Code of the City of Laguna Hills, regulating all installation, arrangement, alteration, repair, use and other operation of electrical wiring, connections, fixtures and other electrical appliances on premises within the City. Not less than one copy of said code has been filed in the office of the City Clerk and shall be made available for public inspection.

SECTION 5. Chapter 10-40 of the Laguna Hills Municipal Code is hereby amended and restated in its entirety to read as follows:

Chapter 10-40 CALIFORNIA PLUMBING CODE

10-40.010 Adoption of the California Plumbing Code.

The California Plumbing Code, 2016 Edition, based on the 2015 Uniform Plumbing Code as published by the International Association of Plumbing and Mechanical Officials, is hereby adopted and incorporated by reference, as if set forth at length herein, as the Plumbing Code of the City of Laguna Hills, regulating erection, installation, alteration, repair, relocation, replacement, maintenance or use of plumbing systems within the City. Not less than one copy of said code has been filed in the office of the City Clerk and shall be made available for public inspection.

SECTION 6. Chapter 10-48 of the Laguna Hills Municipal Code is hereby amended and restated in its entirety to read as follows:

Chapter 10-48 CALIFORNIA RESIDENTIAL CODE

10-48.010 Adoption of the California Residential Code.

The California Residential Code, 2016 Edition, based on the 2015 International Residential Code as published by the International Code Council together with the

amendments provided in this chapter, is hereby adopted and incorporated by reference, as if set forth at length herein, as the Residential Code of the City of Laguna Hills regulating the construction, alteration, movement, repair, equipment, use and occupancy, location, maintenance, removal and demolition of every building or structure or any appurtenances connected or attached to such buildings or structures in the City. Not less than one copy of said code has been filed in the office of the City Clerk and shall be made available for public inspection.

10-48.020 Amendments to the Residential Code.

Chapter 2 Definitions.

Section 202 Definitions is hereby revised by adding “OCFA” and “Spark Arrester” as follows:

OCFA: Orange County Fire Authority, fire authority having jurisdiction.

SPARK ARRESTER. A listed device constructed of noncombustible material specifically for the purpose of meeting one of the following conditions:

3. Removing and retaining carbon and other flammable particles/debris from the exhaust flow of an internal combustion engine in accordance with California Vehicle Code Section 38366.
4. Fireplaces that burn solid fuel in accordance with California Building Code Chapter 28.

Chapter 3 Building Planning.

Section R301.9 Fuel Modification Requirements for New Construction is hereby added as follows:

R301.9 Fuel Modification Requirements for New Construction. All new structures and facilities adjoining land containing hazardous combustible vegetation shall be approved and in accordance with the requirements of OCFA Guideline C-05 “Vegetation Management Guideline – Technical Design for new Construction Fuel Modification Plans and Maintenance Program.”

Section R309.6 Fire sprinkler attached garages, and carports with habitable space above is hereby amended by modifying the exception to read as follows:

Exception: An automatic residential fire sprinkler system shall not be required when additions or alterations are made to existing carports and/or garages that do not have an automatic fire sprinkler system installed unless a sprinkler system is required in accordance with California Fire Code Section 903.2.8.

Section R313.1 Townhouse automatic fire sprinkler systems is hereby amended by modifying the exception to read as follows:

Exception: An automatic residential fire sprinkler system shall not be required when additions or alterations are made to existing townhouses that do not have an automatic fire sprinkler system installed unless a sprinkler system is required in accordance with California Fire Code Section 903.2.8.

Section R313.2 One- and two-family dwellings automatic fire sprinkler systems is hereby amended by modifying the exception to read as follows:

Exception: An automatic residential fire sprinkler system shall not be required for additions or alterations to existing buildings that are not already provided with an automatic sprinkler system unless a sprinkler system is required in accordance with California Fire Code Section 903.2.8.

Section R313.3.6.2.2 Calculation procedure is hereby revised to read as follows:

R313.3.6.2.2 Calculation procedure. Determination of the required size for water distribution piping shall be in accordance with the following procedure and California Fire Code Section 903.3.5.3.

(The remainder of the section is unchanged)

Chapter 10 Chimneys and Fireplaces.

Section R1001.13 Outdoor Fireplaces, Fire Pits, Fire Rings, or similar devices is hereby added as follows:

R1001.13 Outdoor Fireplaces, Fire Pits, Fire Rings, or similar devices.

Outdoor fireplaces, fire pits, fire rings, or similar exterior devices shall comply with this section.

Exception: Barbeques, grills, and other portable devices intended solely for cooking

Section R1001.13.1 Gas-fueled devices is hereby added as follows:

R1001.13.1 Gas-fueled devices. Outdoor fireplaces, fire pits and similar devices fueled by natural gas or liquefied-petroleum gas are allowed when approved by the Building Department and the device is designed to only burn a gas flame and not wood or other solid fuel. At R-3 occupancies, combustible construction shall not be located within three feet of an atmospheric column that extends vertically from the perimeter of the device. Where a permanent Building Department approved hood and vent is installed, combustible construction may encroach upon this column between the bottom of the hood and the vent opening. Where chimneys or vents are installed, they shall have a spark arrester in accordance with Section R1003.9.2.

Section R1001.13.2 Devices using wood or fuels other than natural gas or liquefied-petroleum gas is hereby added as follows:

R1001.13.2 Devices using wood or fuels other than natural gas or liquefied-petroleum gas. Fireplaces burning wood or other solid fuel shall be constructed in accordance with Section R1001. Fires in a fireplace shall be contained within a firebox with an attached chimney. The opening in the face of the firebox shall have an installed and maintained method of arresting sparks. The burning of wood or other solid fuel in a device is not allowed within 15 feet of combustible structures, unless within a permanent or portable fireplace.

Section R1001.13.3 Devices using wood or fuels other than natural gas or liquefied-petroleum gas is hereby added as follows:

R1001.13.3 Where prohibited. The burning of wood and other solid fuels shall not be conducted within a fuel modification zone. Wood and other solid fuel burning fires in devices other than permanent fireplaces are not allowed within Wildfire Risk Areas (WRA) and adopted Fire Hazard Severity Zones

(FHSZ) or in locations where conditions could cause the spread of fire to the WRA or FHSZ, unless determined by the Fire Code Official that the location or design of the device should reasonably prevent the start of a wildfire.

Chapter 44 Referenced Standards.

NFPA 13, 2016 Edition, Standard for the Installation of Sprinkler Systems is hereby amended as follows:

Section 6.7.3 is hereby revised to read as follows:

6.7.3 Fire department connections (FDC) shall be of an approved type. The location shall be approved and be no more than 150 feet from a public hydrant. The FDC may be located within 150 feet of a private fire hydrant when approved by the fire code official. The size of piping and the number of 2½" inlets shall be approved by the fire code official. If acceptable to the water authority, it may be installed on the backflow assembly. Fire department inlet connections shall be painted OSHA safety red or as approved. When the fire sprinkler density design requires more than 500 gpm (including inside hose stream demand), or a standpipe system is included, four 2½" inlets shall be provided.

Section 8.3.3.1 is hereby revised to read as follows:

8.3.3.1 When fire sprinkler systems are installed in shell buildings of undetermined use (Spec Buildings) other than warehouses (S occupancies), fire sprinklers of the quick-response type shall be used. Use is considered undetermined if a specific tenant/occupant is not identified at the time the fire sprinkler plan is submitted. Sprinklers in light hazard occupancies shall be one of the following:

1. Quick-response type as defined in 3.6.4.8
2. Residential sprinklers in accordance with the requirements of 8.4.5
3. Quick response CMSA sprinklers
4. ESFR sprinklers
5. Standard-response sprinklers used for modifications or additions to existing light hazard systems equipped with standard-response sprinklers
6. Standard-response sprinklers used where individual standard-response sprinklers are replaced in existing light hazard systems

Section 11.1.1.1 is hereby added as follows:

11.1.1.1 When fire sprinkler systems are required in buildings of undetermined use other than warehouses, they shall be designed and installed to have a fire sprinkler density of not less than that required for an Ordinary Hazard Group 2 use, with no reduction(s) in density or design area. Warehouse fire sprinkler systems shall be designed to Figure 16.2.1.3.2 (d) curve "G". Use is considered undetermined if a specific tenant/occupant is not identified at the time the sprinkler plan is submitted. Where a subsequent use or occupancy requires a system with greater capability, it shall be the responsibility of the occupant to upgrade the system to the required density for the new use or occupancy.

Section 11.2.3.1.1.1 is hereby added as follows:

11.2.3.1.1.1 The available water supply for fire sprinkler system design shall be determined by one of the following methods, as approved by the fire code official:

1. Subtract the project site elevation from the low water level for the appropriate pressure zone and multiply the result by 0.433;
2. Use a maximum of 40 psi, if available;
3. Utilize the OCFA water-flow test form/directions to document a flow test conducted by the local water agency or an approved third party licensed in the State of California.

NFPA 13D 2016 Edition, Standard for the Installation of Sprinkler Systems in One- and Two-Family Dwellings and Manufactured Homes is hereby amended as follows:

Section 7.1.2 is hereby revised to read as follows:

7.1.2 The sprinkler system piping shall not have separate control valves installed unless supervised by a central station, proprietary, or remote station alarm service.

SECTION 7. Chapter 10-52 of the Laguna Hills Municipal Code is hereby amended and restated in its entirety to read as follows:

Chapter 10-52 California Green Building Standards Code

10-52.010 Adoption of the California Green Building Standards Code.

The California Green Building Standards Code, 2016 Edition, is hereby adopted and incorporated by reference, as if set forth at length herein, as the green building standards code of the City of Laguna Hills regulating the construction, alteration, movement, repair, equipment, use and occupancy, location, maintenance, removal and demolition of every building or structure or any appurtenances connected or attached to such buildings or structures in the City. Not less than one copy of said code has been filed in the office of the City Clerk and shall be made available for public inspection.

SECTION 8. Title 10, of the Laguna Hills Municipal Code is hereby amended by adding a new Chapter 10-60 (California Energy Code) to read as follows:

Chapter 10-60 California Energy Code

10-60.010 Adoption of the California Energy Code.

The California Energy Code, 2016 Edition, is hereby adopted and incorporated by reference, as if set forth at length herein, as the energy code of the City of Laguna Hills regulating the construction, alteration, movement, repair, equipment, use and occupancy, location, maintenance, removal and demolition of every building or structure or any appurtenances connected or attached to such buildings or structures in the City. Not less than one copy of said code has been filed in the office of the City Clerk and shall be made available for public inspection.

SECTION 9. Title 10, of the Laguna Hills Municipal Code is hereby amended by adding a new Chapter 10-64 (California Referenced Standards Code) to read as follows:

Chapter 10-64 California Referenced Standards Code

10-64.010 Adoption of the California Referenced Standards Code.

The California Referenced Standards Code, 2016 Edition, is hereby adopted and incorporated by reference, as if set forth at length herein, as the referenced standards code of the City of Laguna Hills regulating the construction, alteration, movement, repair, equipment, use and occupancy, location, maintenance, removal and demolition of every building or structure or any appurtenances connected or attached to such buildings or structures in the City. Not less than one copy of said code has been filed in the office of the City Clerk and shall be made available for public inspection.

SECTION 10. Title 10, of the Laguna Hills Municipal Code is hereby amended by adding a new Chapter 10-68 (California Existing Building Code) to read as follows:

Chapter 10-68 California Existing Building Code

10-68.010 Adoption of the California Existing Building Code.

The California Existing Building Code, 2016 Edition, based on the 2015 International Existing Building Code as published by the International Code Council is hereby adopted and incorporated by reference, as if set forth at length herein, as the City of Laguna Hills existing building code regulating the construction, alteration, movement, repair, equipment, use and occupancy, location, maintenance, removal and demolition of every building or structure or any appurtenances connected or attached to such buildings or structures in the City. Not less than one copy of said code has been filed in the office of the City Clerk and shall be made available for public inspection.

SECTION 11. The City Council finds that this Ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to California Code of Regulations Title 14, Chapter 3, Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15371), because it has no potential for resulting in physical change to the environment, directly or indirectly.

SECTION 12. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more section, subsection, subdivision, sentence, clause, phrase, or portion thereof be declared invalid or unconstitutional.

SECTION 13. The City Clerk shall certify as to the adoption of this Ordinance and cause a summary thereof to be published within (15) days of the adoption and shall post a Certified copy of this Ordinance, including the vote for and against the same, in the Office of the City Clerk, in accordance with Government Code Section 36933.

PASSED, APPROVED, AND ADOPTED this 22nd DAY OF NOVEMBER, 2016.

BARBARA J. KOGERMAN , MAYOR

ATTEST:

MELISSA AU-YEUNG, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LAGUNA HILLS)

I, Melissa Au-Yeung, City Clerk of the City of Laguna Hills, California, DO HEREBY CERTIFY that the foregoing Ordinance No. 2016- was duly introduced and placed upon its first reading at a Regular Meeting of the City Council on the th day of November, 2016, and that thereafter, said Ordinance was duly adopted and passed at a Regular Meeting of the City Council held on the th day of November, 2016, by the following vote, to wit:

AYES:

NOES:

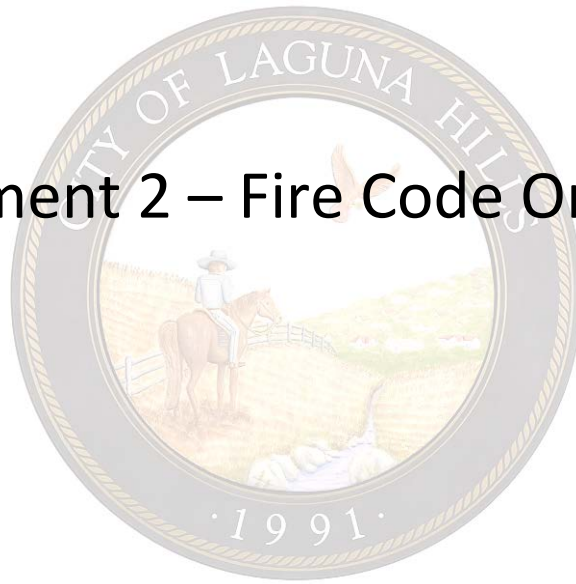
ABSENT:

ABSTAIN:

(SEAL)

MELISSA AU-YEUNG, CITY CLERK

Attachment 2 – Fire Code Ordinance



ORDINANCE NO. 2016-

AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, AMENDING CHAPTER 5-16 (FIRE CODE) OF TITLE 5 (HEALTH AND SANITATION) OF THE LAGUNA HILLS MUNICIPAL CODE AND ADOPTING BY REFERENCE THE 2016 EDITION OF THE CALIFORNIA FIRE CODE INCLUDING APPENDICES B, BB, C, CC, AND H, TOGETHER WITH CERTAIN AMENDMENTS, ADDITIONS, AND DELETIONS THERETO.

WHEREAS, pursuant to California Government Code Section 50022.1 *et seq.* the City of Laguna Hills ("City") may adopt by reference the 2016 California Fire Code, based on the International Fire Code, 2015 Edition (including appendices), published by the International Code Council (ICC), as adopted by the State of California pursuant to Title 24, Part 9 of the California Code of Regulations; and

WHEREAS, California Health & Safety Code Section 17958.5 authorizes cities to adopt the codes contained in Title 24 of the California Code of Regulations with changes and modifications determined to be reasonably necessary because of local climatic, topographic or geologic conditions; and

WHEREAS, the City desires to adopt the 2016 California Fire Code including Appendices B, BB, C, CC and H, based on the International Fire Code, 2015 Edition, published by International Code Council (ICC), as adopted by Title 24, Part 9 of the California Code of Regulations ("Fire Code") with necessary amendments to assure the Code is tailored to the particular fire protection needs of the City as required by local climatic, topographic and geologic conditions and assure that a maximum level of fire protection is provided to residents, businesses and other occupants; and

WHEREAS, on October ____, 2016, the City Council introduced this Ordinance for first reading at a regular meeting of the City Council, and set a public hearing and second reading fo the Ordinance for November ____, 2016e; and

WHEREAS, pursuant to California Government Code Section 6066, the City published notice of the aforementioned public hearing; and

WHEREAS, any and all other legal prerequisites relating to the adoption of this Ordinance have occurred;

THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, DOES ORDAIN AS FOLLOWS:

SECTION 1. Findings. The City Council hereby finds that the proposed amendments to the 2016 California Fire Code are reasonably necessary because of local climatic, geologic or topographic conditions, and adopts the findings provided below to support the modifications to the 2016 California Fire Code.

I. Climatic Conditions

A. Orange County located in a semi-arid Mediterranean type climate. It annually experiences extended periods of high temperatures with little or no precipitation. Hot, dry (Santa Ana) winds, which may reach speeds of 70 M.P.H. or greater, are also common to the area. These climatic conditions cause extreme drying of vegetation and common building materials. Frequent periods of drought and low humidity add to the fire danger. This predisposes the area to large destructive fires (conflagration). In addition to directly damaging or destroying buildings, these fires are also prone to disrupt utility services throughout the County. Obstacles generated by a strong wind, such as fallen trees, street lights and utility poles will greatly impact the response time to reach an incident scene.

B. The climate alternates between extended periods of drought and brief flooding conditions. Flood conditions may affect the Orange County fire Authority's ability to respond to a fire or emergency condition. Floods also disrupt utility services to buildings and facilities within the County.

C. Water demand in this densely populated area far exceeds the quantity supplied by natural precipitation; and although the population continues to grow, the already-taxed water supply does not. California is projected to increase in population by nearly 10 million over the next quarter of a century with 50 percent of that growth centered in Southern California. Due to storage capacities and consumption, and a limited amount of rainfall future water allocation is not fully dependable. This necessitates the need for additional and on-site fire protection features

D. These dry climatic conditions and winds contribute to the rapid spread of even small fires originating in high-density housing or vegetation. These fires spread very quickly and create a need for increased levels of fire protection. The added protection of fire sprinkler systems and other fire protection features will supplement normal fire department response by providing immediate protection for the building occupants and by containing and controlling the fire spread to the area of origin. Fire sprinkler systems will also reduce the use of water for firefighting by as much as 50 to 75 percent.

II. Topographical conditions

A. Natural; slopes of 15 percent or greater generally occur throughout the foothills of Orange County. The elevation change caused by the hills creates the geological foundation on which communities with Orange County is built and will continue to build. With much of the populated flatlands already built upon, future growth will occur on steeper slopes and with greater constraints in terrain.

B. Traffic and circulation congestion is an artificially created, obstructive topographical condition, which is common throughout Orange County.

C. These topographical conditions combine to create a situation that places fire department response time to fire occurrences at risk, and makes it necessary to provide automatic on-site fire-extinguishing systems and other protection measures to protect occupants and property.

III. Geological Conditions

A. The Orange County region is a densely populated area that has buildings constructed over and near a vast and complex network of faults that are believed to be capable of producing future earthquakes similar or greater in size than the 1994 Northridge and the 1971 Sylmar earthquakes. Earthquake faults run along the northeast and southwest boundaries of Orange County. The Newport-Inglewood Fault, located within Orange County was the source of the destructive 1933 Long Beach earthquake (6.3 magnitude) which took 120 lives and damaged buildings in an area from Laguna Beach to Marina Del Rey to Whittier. In December 1989, another earthquake occurred in the jurisdiction of Irvine at an unknown fault line. Regional planning for reoccurrence of earthquakes is recommended by the state of California, Department of Conservation.

B. Previous earthquakes have been accompanied by disruption of traffic flow and fires. A severe seismic event has the potential to negatively impact any rescue or fire suppression activities because it is likely to create obstacles similar to those indicated under the high wind section above. The October 17, 1989, Santa Cruz earthquake resulted in one major fire in the Marina District (San Francisco). When combined with the 34 other fires locally and over 500 responses, the department was taxed to its fullest capabilities. The Marina fire was difficult to contain because mains supplying water to the district burst during the earthquake. This situation creates the need for both additional fire protection and automatic on-site fire protection for building occupants. State Department of Conservation noted in their 1988 report (Planning Scenario on a Major Earthquake on the Newport-Inglewood Fault Zone, page 59), "unfortunately, barely meeting the minimum earthquake standards of building codes places a building on the verge of being legally unsafe."

C. Road circulation features located throughout the County also make amendments reasonably necessary. Located through the County are major roadways, highways and flood control channels that create barriers and slow response times. Hills, slopes, street and storm drain design, accompanied by occasional heavy rainfall, causes roadway flooding and landslides and at times may make an emergency access route impassable. There are areas in Orange County that naturally have extended emergency response times that exceed the 5 minute goal.

D. Soils throughout the County possess corrosive properties that reduce the expected usable life of water services when metallic pipes are in contact with soils.

Due to the topographical conditions of sprawling development separated by waterways and narrow and congested streets and the expected infrastructure damage inherent in seismic zones described above, it is prudent to rely on automatic fire sprinkler systems to mitigate extended fire department response time and keep fires manageable with reduced fire flow (water) resources available for a given structure. Additional fire protection is also justified to match the current resources of firefighting equipment and personnel within the Orange County Fire Authority.

The findings above are applicable to amendments to the 2016 California Fire Code and the International Fire Code, 2015 Edition as follows:

CODE SECTION	TITLE (Clarification)	FINDINGS
109.4	Violation penalties	Administrative
109.4.2	Infraction & Misdemeanor	Administrative
202	General definitions	Administrative
304.1.2	OCFA Vegetation Management	I
305.6	Hazardous conditions	I & II
305.7	Disposal of rubbish	I & II
307	Fire Pits, Fire Rings, & Outdoor Fireplaces	Administrative
307.6.1	Gas-fueled devices	I & II
307.6.2	Devices using wood or fuels other than natural gas or LPG	I & II
307.6.2.1	Where prohibited	I & II
309.2.1	Indoor charging of electric cars	Administrative
320	Fuel modification requirements for new construction	I
321	Clearance of brush or vegetation growth from roadways	I

322	Unusual circumstances	Administrative
323	Use of equipment	I
323.1	Spark arresters	I
324	Sky Lanterns or similar devices	I & II
407.5	Hazardous material inventory statement	I & II
501.1	Scope	Administrative, I, II & III
510.1	Emergency responder radio coverage	Administrative
510.4.2.2	Technical Criteria	Administrative
510.5.1	Approval prior to installation	Administrative
510.5.2	Minimum qualification of personnel	Administrative
510.5.3	Acceptance test procedure	Administrative
510.6.1	Testing and proof of compliance	Administrative
903.2	Where required (Sprinklers)	I, II & III
903.2.8	Group R (Sprinklers)	I, II & III
903.3.5.3	Hydraulically calculated systems	I & II
2801.2	Permit	Administrative
2808.2	Storage site	Administrative
2808.3	Size of piles	I
2808.4	Pile separation	I
2808.7	Pile fire protection	I
2808.9	Material-handling equipment	I
2808.11	Temperature control	I
2808.11.1	Pile temperature control	I
2808.11.2	New material temperature control	I
2808.12	Water availability for piles	I
2808.13	Tipping area	I
2808.14	Emergency contact	Administrative
4906.3	OCFA Vegetation Management Guideline	I
4908	Fuel modification requirements for new construction	I
5001.5.2	Hazardous materials inventory statement	Administrative
5003.1.1.1	Extremely hazardous substances	I & III
5608.2	Retail fireworks	Administrative
5608.3	Application for permit	Administrative
Chapter 80	Reference Standards	N/A
	2016 NFPA 13 (Sprinkler Systems)	Administrative, II & III
	2016 NFPA 13-D (Single Family Sprinkler Systems)	I & II
	2013 NFPA 14 (Standpipe Systems)	Administrative
	2016 NFPA 24 (Underground Water Supply	Administrative & III

	Systems)	
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SECTION 2. Section 5-16.010 of the Laguna Hills Municipal Code is hereby amended and restated in its entirety to read as follows:

5-16.010 Adoption of the California Fire Code and International Fire Code

The 2016 California Fire Code, including Appendices B, BB, C, CC, and H based on the International Fire Code, 2015 Edition, published by the International Code Council (ICC), and the whole of the International Fire Code, 2015 Edition, together with the amendments provided in this chapter, are hereby adopted and incorporated by reference, as though set forth at length herein, as the Fire Code of the City of Laguna Hills for the purpose of prescribing regulations governing conditions hazardous to life and property from fire, explosions.. Not less than one copy of said codes has been filed in the office of the City Clerk and shall be made available for public inspection.

SECTION 3. Section 5-16.030 of the Laguna Hills Municipal Code is hereby amended and restated in its entirety to read as follows:

5-16.030 Amendments to the California Fire Code

Chapter 1 Scope and Administration is adopted in its entirety with the following amendments:

Section 109.4 Violation penalties is hereby revised to read as follows:

109.4 Violation penalties. Persons who shall violate a provision of this code or shall fail to comply with any of the requirements thereof or shall fail to comply with any issued orders or notices or who shall erect, install, alter, repair or do work in violation of the approved construction documents or directive of the fire code official, or of a permit or certificate used under provisions of this code, shall result in penalties assessed as prescribed in the OCFA Prevention Field Services adopted fee schedule. Each day that a violation continues after due notice has been served shall be deemed a separate offense.

Section 109.4.2 Infraction and misdemeanor is hereby added as follows:

109.4.2 Infraction and misdemeanor. Persons operating or maintaining any occupancy, premises or vehicle subject to this code that shall permit any fire or life safety hazard to exist on premises under their control shall be guilty of an infraction. Persons who fail to take immediate action to abate a fire or life safety hazard when ordered or notified to do so by the chief or a duly authorized representative are guilty of a misdemeanor.

Chapter 2 Definitions is adopted in its entirety with the following amendments:

Section 202 General Definitions is hereby revised by adding “OCFA,” “Sky Lantern,” and “Spark Arrester” as follows:

202 General Definitions

OCFA: Orange County Fire Authority, fire authority having jurisdiction.

SKY LANTERN. An airborne lantern typically made of paper, Mylar, or other lightweight material with a wood, plastic, or metal frame containing a candle, fuel cell, or other heat source that provides buoyancy.

SPARK ARRESTER. A listed device constructed of noncombustible material specifically for the purpose of meeting one of the following conditions:

1. Removing and retaining carbon and other flammable particles/debris from the exhaust flow of an internal combustion engine in accordance with California Vehicle Code Section 38366.
2. Fireplaces that burn solid fuel in accordance with California Building Code Chapter 28.

Chapter 3 General Requirements is adopted in its entirety with the following amendments:

Section 304.1.2 Vegetation is hereby revised to read as follows:

304.1.2 Vegetation. Type, amount, or arrangement of weeds, grass, vines or other growth that is capable of being ignited and endangering property-needing to comply with OCFA Guidelines, shall be cut, thinned, and removed by the owner or occupant of the premises in accordance with OCFA Guideline C-05 “Vegetation Management Guideline—Technical Design for

New Construction, Fuel Modification Plans, and Maintenance Program. Vegetation clearance requirement in urban-wildland interface areas shall be in accordance with Chapter 49.

Section 305.6 Hazardous Conditions is hereby added as follows:

305.6 Hazardous conditions. Outdoor fires are not allowed when predicted sustained winds exceed 8 MPH during periods when relative humidity is less than 25%, or a red flag condition has been declared or public announcement is made, when an official sign was caused to be posted by the fire code official, or when such fires present a hazard as determined by the fire code official.

Section 305.7 Disposal of rubbish is hereby added as follows:

305.7 Disposal of rubbish. Rubbish, trash or combustible waste material shall be burned only within an approved incinerator and in accordance with Section 307.2.1.

Section 307 OPEN BURNING, RECREATIONAL FIRES AND PORTABLE OUTDOOR FIREPLACES is hereby revised to read as follows:

SECTION 307 OPEN BURNING, RECREATIONAL FIRES, FIRE PITS, FIRE RINGS, AND PORTABLE OUTDOOR FIREPLACES

Sections 307.6 Outdoor Fireplaces, Fire Pits, Fire Rings, or similar devices used at Group R Occupancies is hereby added as follows:

307.6 Outdoor Fireplaces, Fire Pits, Fire Rings, or similar devices used at Group R Occupancies. Outdoor fireplaces, fire pits, fire rings, or similar exterior devices used at Group R shall comply with this section.

Exception: Barbeques, grills, and other portable devices intended solely for cooking.

Section 307.6.1 Gas-fueled devices is hereby added as follows:

307.6.1 Gas-fueled devices. Outdoor fireplaces, fire pits and similar devices fueled by natural gas or liquefied-petroleum gas are allowed when approved by the Building Department and the device is designed to only burn a gas flame and not wood or other solid fuel. At R-3 occupancies, combustible

construction shall not be located within three feet of an atmospheric column that extends vertically from the perimeter of the device. At other R occupancies, the minimum distance shall be ten feet. Where a permanent Building Department approved hood and vent is installed, combustible construction may encroach upon this column between the bottom of the hood and the vent opening. Where chimneys or vents are installed, they shall have a spark arrester as defined in Section 202.

Section 307.6.2 Devices using wood or fuels other than natural gas or liquefied-petroleum gas is hereby added as follows:

307.6.2 Devices using wood or fuels other than natural gas or liquefied-petroleum gas. Fireplaces burning wood or other solid fuel shall be constructed in accordance with the California Building Code. Fires in a fireplace shall be contained within a firebox with an attached chimney. The opening in the face of the firebox shall have an installed and maintained method of arresting sparks. The burning of wood or other solid fuel in a device is not allowed within 15 feet of combustible structures, unless within a permanent or portable fireplace. Conditions which could cause a fire to spread within 25 feet of a structure or to vegetation shall be eliminated prior to ignition. Fires in devices burning wood or solid fuel shall be in accordance with Sections 305, 307, and 308.

Section 307.6.2.1 Where prohibited is hereby added as follows:

307.6.2.1 Where prohibited. The burning of wood and other solid fuels shall not be conducted within a fuel modification zone. Wood and other solid fuel burning fires in devices other than permanent fireplaces are not allowed within Wildfire Risk Areas (WRA) and Wildland-Urban Interface Areas (WUI) or in locations where conditions could cause the spread of fire to the WRA or WUI unless determined by the Fire Code Official that the location or design of the device should reasonably prevent the start of a wildfire.

Section 309.2.1 Indoor charging of electric carts/cars is hereby added as follows:

309.2.1 Indoor charging of electric carts/cars. Indoor charging of electric carts/cars where the combined volume of all battery electrolyte exceeds 50 gallons shall comply with following:

1. Spill control and neutralization shall be provided and comply with Section 608.5.
2. Room ventilation shall be provided and comply with Section 608.6.1
3. Signage shall be provided and comply with Section 608.7.1
4. Smoke detection shall be provided and comply with Section 608.9.

Section 320 Fuel Modification Requirements for New Construction is hereby added as follows:

320 Fuel Modification Requirements for New Construction. All new structures and facilities adjoining land containing hazardous combustible vegetation shall be approved and in accordance with the requirements of OCFA Guideline C-05 "Vegetation Management Guideline – Technical Design for New Construction Fuel Modification Plans and Maintenance Program."

Section 321 Clearance of brush or vegetation growth from roadways is hereby added as follows:

321 Clearance of brush or vegetation growth from roadways. The fire code official is authorized to cause areas within 10 feet (3048 mm) on each side of portions of highways and private streets which are improved, designed or ordinarily used for vehicular traffic, to be cleared of flammable vegetation and other combustible growth. Measurement shall be from the flow-line or the end of the improved edge of the roadway surfaces.

Exception: Single specimens of trees, ornamental shrubbery or cultivated ground cover such as green grass, ivy, succulents or similar plants used as ground covers, provided that they do not form a means of readily transmitting fire.

Section 322 Unusual Circumstances is hereby added as follows:

322 Unusual circumstances. The fire code official may suspend enforcement of the vegetation management requirements and require reasonable alternative measures designed to advance the purpose of this code if determined that in any specific case that any of the following conditions exist:

1. Difficult terrain.
2. Danger of erosion.
3. Presence of plants included in any state and federal resources agencies, California Native Plant Society and county-approved list of wildlife, plants, rare, endangered and/or threatened species.
4. Stands or groves of trees or heritage trees.

5. Other unusual circumstances that make strict compliance with the clearance of vegetation provisions undesirable or impractical.

Section 323 Use of Equipment is hereby added as follows:

323 Use of equipment. Except as otherwise provided in this section, no person shall use, operate, or cause to be operated in, upon or adjoining any hazardous fire area any internal combustion engine which uses hydrocarbon fuels, unless the engine is equipped with a spark arrester as defined in Section 202 maintained in effective working order, or the engine is constructed, equipped and maintained for the prevention of fire.

Exceptions:

1. Engines used to provide motor power for trucks, truck tractors, buses, and passenger vehicles, except motorcycles, are not subject to this section if the exhaust system is equipped with a muffler as defined in the Vehicle Code of the State of California.
2. Turbocharged engines are not subject to this section if all exhausted gases pass through the rotating turbine wheel, there is no exhaust bypass to the atmosphere, and the turbocharger is in good mechanical condition

Section 323.1 Spark Arresters is hereby added as follows:

323.1 Spark arresters. Spark arresters shall comply with Section 202, and when affixed to the exhaust system of engines or vehicles subject to Section 323 shall not be placed or mounted in such a manner as to allow flames or heat from the exhaust system to ignite any flammable material.

Section 324 Sky Lanterns or similar devices is hereby added as follows:

324 Sky Lanterns or similar devices. The ignition and/or launching of a Sky Lantern or similar device is prohibited.

Chapter 4: Emergency Planning and Preparedness. Only the following sections and subsections of Chapter 4 are enacted:

401

401.3.4

401.9

402

403.2

404.5 – 404.6.6

407

Section 407.5 is revised to read as follows:

407.5 Hazardous Materials Inventory Statement. Where required by the fire code official, each application for a permit shall include OCFA's Chemical Classification Packet in accordance with Section 5001.5.2.

Chapter 5 Fire Service Features is adopted in its entirety with the following amendments:

Section 501.1 Scope is revised to read as follows:

501.1 Scope. Fire service features for buildings, structures and premises shall comply with this chapter and, where required by the fire code official, with OCFA Guideline B-09, "Fire Master Plan for Commercial & Residential Development." Fire service features for buildings, structures and premises located in State Responsibility Areas shall also comply with OCFA Guideline B-09a, "Fire Safe Development in State Responsibility Areas."

Section 510.1 Emergency responder radio coverage is revised to read as follows:

510.1 Emergency responder radio coverage in new buildings. All new buildings shall have approved radio coverage for emergency responders within the building based upon the existing coverage levels of the public safety communication systems of the jurisdiction at the exterior of the building. This section shall not require improvement of the existing public safety communication systems. The Emergency Responder Radio Coverage System shall comply with the local authority having jurisdiction's ordinance and this code.

Exceptions:

1. Where it is determined by the fire code official that the radio coverage system is not needed.
2. In facilities where emergency responder radio coverage is required and such systems, components or equipment required could have a negative

impact on the normal operations of that facility, the fire code official shall have the authority to accept an automatically activated emergency radio coverage system.

This section shall not apply to the following:

1. Existing buildings or structures, unless required by the Building Official and OCFA for buildings and structures undergoing extensive remodel and/or expansion.
2. Elevators.
3. Structures that are three stories or less without subterranean storage or parking and that do not exceed 50,000 square feet on any single story.
4. Wood-constructed residential structures four stories or less without subterranean storage or parking that are not built integral to an above ground multi-story parking structure.
5. Should construction that is three stories or less that does not exceed 50,000 square feet on any single story include subterranean storage or parking, then this ordinance shall apply only to the subterranean areas.

Section 510.2 Emergency responder radio coverage in existing buildings is deleted without replacement:

Section 510.4.2.2 Technical criteria is revised to read as follows:

510.4.2.2 Technical criteria. The fire code official shall maintain a document providing the specific technical information and requirements for the emergency responder radio coverage system. This document shall contain, but not be limited to, the various frequencies required, the location of radio sites, effective radiated power of radio sites, and other supporting technical information.

1. The frequency range supported from the 800 MHz Countywide Communications System shall be 851-869 MHz (base transmitter frequencies).
2. The frequency range supported to the 800 MHz Countywide Communications System shall be 806-824 MHz (radio field transmit frequencies).
3. A public safety radio amplification system shall include filters to reject frequencies below 851 MHz and frequencies above 869 MHz by a minimum of 35dB.
4. All system components must be 100 percent compatible with analog and digital modulations after installation without adjustments or modifications. The systems must be capable of encompassing the frequencies stated

herein and capable of future modifications to a frequency range subsequently established by the jurisdiction.

5. Active devices shall have a minimum of -50 dB 3rd order intermodulation protection.
6. All active in-building coverage devices shall be FCC Part 90 Type Certified

Section 510.5.1 Approval prior to installation is revised to read as follows:

510.5.1 Approval prior to installation. Amplification systems capable of operating on frequencies licensed to any public safety agency by the FCC shall not be installed without prior plan submittal, coordination and approval from Orange County Communications and a copy of the approved plan provided to the fire and building code officials.

Section 510.5.2 Minimum qualification of personnel is revised to read as follows:

510.5.2 Minimum qualifications of personnel. The minimum qualifications of the system designer and lead installation personnel shall include both of the following:

1. A valid FCC-issued general radio operator's license.
2. Certification of in-building system training issued by a nationally recognized organization, school or a certificate issued by the manufacturer of the equipment being installed.

Section 510.5.3 Acceptance test procedure item 7 is revised to read as follows:

510.5.3 Acceptance test procedure. When an emergency responder radio coverage system is required, and upon completion of installation, the building owner shall have the radio system tested to ensure that two-way coverage on each floor of the building is not less than 90 percent. The test procedure shall be conducted as follows: ...

7. As part of the installation a spectrum analyzer or other suitable test equipment shall be utilized to ensure spurious oscillations are not being generated by the subject signal booster. This test shall be conducted at the time of installation and subsequent annual inspections by the FCC licensed technician hired by the property owner and an OCSD/Communications Division FCC-certified technician.

Section 510.6.1 Testing and proof of compliance is revised to read as follows:

510.6.1 Testing and proof of compliance.

The owner of the building or their representative shall have the emergency responder radio coverage system ~~shall be~~ inspected and tested annually or where structural changes occur including additions or remodels that could materially change the original field performance tests. Testing shall consist of the following:

1. In-building system components shall be tested to determine general functional operability.
2. Signal boosters shall be tested to ensure that the gain is the same as it was upon initial installation and acceptance.
3. Backup batteries and power supplies shall be tested under load of a period of one hour to verify that they will properly operate during an actual power outage. If within the 1-hour test period the battery exhibits symptoms of failure, the test shall be extended for additional 1-hour periods until the integrity of the battery can be determined.
4. Other active components shall be checked to verify operation within the manufacturer's specifications.
5. If noncompliance is found, the FCC licensed technician will assess improvements necessary and provide such information to OCSD Communications and the fire and building code officials.
6. At the conclusion of the testing, a certification report, which shall verify compliance with Section 510.5.3, shall be submitted to OCSD Communications and the fire and building code officials.

Chapter 9 Fire Protection Systems is adopted in its entirety with the following amendments:

Section 903.2 Where required is hereby revised to read as follows:

903.2 Where required. Approved automatic sprinkler systems in buildings and structures shall be provided when one of the following conditions exists:

1. **New buildings:** Notwithstanding any applicable provisions of Sections 903.2.1 through 903.2.19, an automatic fire-extinguishing system shall also be installed in all occupancies when the total building area exceeds 5,000 square feet as defined in Section 202, regardless of fire areas or allowable area, or is more than two stories in height.

Exception: Subject to approval by the Fire Code Official, open parking garages in accordance with Section 406.5 of the California Building Code.

2. **Existing Buildings:** Notwithstanding any applicable provisions of this code, an automatic sprinkler system shall be provided in an existing building when an addition occurs and one of the following conditions exists:
 - a. When an addition is 33% or more of the existing building area, and the resulting building area exceeds 5000 square feet
 - b. When an addition exceeds 2000 square feet and the resulting building area exceeds 5000 square feet.
 - c. An additional story is added above the second floor regardless of fire areas or allowable area.

Exception: Additions to Group R-3 occupancies shall comply with Section 903.2.8 (2).

Section 903.2.8 Group R is hereby revised to read as follows:

903.2.8 Group R. An automatic sprinkler system installed in accordance with Section 903.3 shall be provided throughout all buildings with a Group R fire area as follows:

1. **New Buildings:** An automatic sprinkler system shall be installed throughout all new buildings.
2. **Existing R-3 Buildings:** An automatic sprinkler system shall be installed throughout when one of the following conditions exists:
 - a. When an addition is 33% or more of the existing building area as defined in Section 202, and greater than 1000 square feet within a two year period; or,
 - b. An addition when the existing building is already provided with automatic sprinklers; or,
 - c. When an existing Group R Occupancy is being substantially renovated, and where the scope of the renovation is such that the Building Code Official determines that the complexity of installing a sprinkler system would be similar as in a new building.

Exceptions:

1. Existing Group R-3 occupancies converted to Group R-3.1 occupancies and not housing bedridden clients, not housing nonambulatory clients above the first floor, and not housing clients above the second floor.
2. Existing Group R-3 occupancies converted to Group R-3.1 occupancies housing only one bedridden client and complying with Section 435.8.3.3 of the California Building Code.
3. Pursuant to Health and Safety Code, Section 13113, occupancies housing ambulatory children only, none of whom are mentally ill children or children with intellectual disabilities, and the buildings or portions thereof in which such children are housed are not more than two stories in height, and building or portions thereof housing such children have an automatic fire alarm system activated by approved smoke detectors.
4. Pursuant to Health and Safety Code, Section 13143.6, occupancies licensed for protective social care which house ambulatory clients only, none of whom is a child (under the age of 18 years), or who is elderly (65 years of age or over).

When not used in accordance with Section 504.2 or 506.3 of the California Building Code, an automatic sprinkler system installed in accordance with Section 903.3.1.2 shall be allowed in Group R-2.1 occupancies.

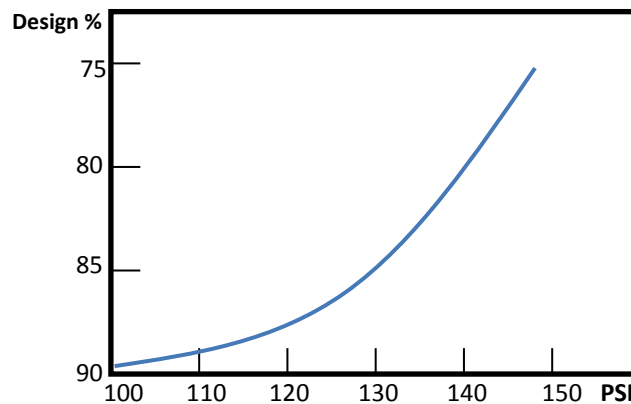
An automatic sprinkler system designed in accordance with Section 903.3.1.3 shall not be utilized in Group R-2.1 or R-4 occupancies.

Section 903.3.5.3 Hydraulically calculated systems is hereby added as follows:

903.3.5.3 Hydraulically calculated systems. The design of hydraulically calculated fire sprinkler systems shall not exceed 90% of the water supply capacity.

Exception: When static pressure exceeds 100 psi, and when required by the fire code official, the fire sprinkler system shall not exceed the water supply capacity specified by Table 903.3.5.3.

TABLE 903.3.5.3
Hydraulically Calculated Systems



Chapter 11 Construction Requirements for Existing Buildings. Only the following sections and subsections of Chapter 11 are enacted:

1103.7
 1103.7.3
 1103.7.3.1
 1103.7.8 – 1103.7.8.2
 1103.7.9 – 1103.7.9.10
 1103.8 – 1103.8.5.3
 1107
 1113
 1114
 1115
 1116

Chapter 20 Aviation Facilities is adopted in its entirety without amendments.

Chapter 21 Dry Cleaning is adopted in its entirety without amendments.

Chapter 22 Combustible Dust-Producing Operations is adopted in its entirety without amendments.

Chapter 23 Motor Fuel-Dispensing Facilities and Repair Garages is adopted in its entirety without amendments.

Chapter 24 Flammable Finishes is adopted in its entirety without amendments.

Chapter 25 Fruit and Crop Ripening is deleted in its entirety.

Chapter 26 Fumigation and Insecticidal Fogging is deleted in its entirety.

Chapter 27 Semiconductor Fabrication Facilities is adopted in its entirety without amendments.

Chapter 28 Lumber Yards and Agro-Industrial, Solid Biomass and Woodworking Facilities is adopted in its entirety with the following amendments:

Section 2801.2 Permit is hereby revised to read as follows:

2801.2 Permit. Permits shall be required as set forth in Section 105.6 and 105.6.29.

Section 2808.2 Storage site is hereby revised to read as follows:

2808.2 Storage site. Storage sites shall be level and on solid ground, elevated soil lifts or other all-weather surface. Sites shall be thoroughly cleaned and approval obtained from the fire code official before transferring products to the site.

Section 2808.3 Size of piles is hereby revised to read as follows:

2808.3 Size of piles. Piles shall not exceed 15 feet in height, 50 feet in width and 100 feet in length.

Exception: The fire code official is authorized to allow the pile size to be increased where a fire protection plan is provided for approval that includes, but is not limited to, the following:

1. Storage yard areas and materials-handling equipment selection, design and arrangement shall be based upon sound fire prevention and protection principles.
2. Factor that lead to spontaneous heating shall be identified in the plan, and control of the various factors shall be identified and implemented, including provisions for monitoring the internal condition of the pile.

3. The plan shall include means for early fire detection and reporting to the public fire department; and facilities needed by the fire department for fire extinguishment including a water supply and fire hydrants.
4. Fire apparatus access roads around the piles and access roads to the top of the piles shall be established, identified and maintained.
5. Regular yard inspections by trained personnel shall be included as part of an effective fire prevention maintenance program.

Additional fire protection called for in the plan shall be provided and shall be installed in accordance with this code. The increase of the pile size shall be based upon the capabilities of the installed fire protection system and features.

Section 2808.4 Pile Separation is hereby revised to read as follows:

2808.4. Pile separation. Piles shall be separated from adjacent piles by a minimum distance of 20 feet. Additionally, piles shall have a minimum separation of 100 feet from combustible vegetation.

Section 2808.7 Pile fire protection is hereby revised to read as follows:

2808.7 Pile fire protection. Automatic sprinkler protection shall be provided in conveyor tunnels and combustible enclosures that pass under a pile. Combustible conveyor systems and enclosed conveyor systems shall be equipped with an approved automatic sprinkler system. Oscillating sprinklers with a sufficient projectile reach are required to maintain a 40% to 60% moisture content and wet down burning/smoldering areas.

Section 2808.9 Material-handling equipment is hereby revised to read as follows:

2808.9 Material-handling equipment. All material-handling equipment operated by an internal combustion engine shall be provided and maintained with an approved spark arrester. Approved material-handling equipment shall be available for moving wood chips, hogged material, wood fines and raw product during fire-fighting operations.

Section 2808.11 Temperature control is hereby added as follows:

2808.11 Temperature control. The temperature shall be monitored and maintained as specified in Sections 2808.11.1 and 2808.11.2.

Section 2808.11.1 Pile temperature control is hereby added as follows:

2808.11.1 Pile temperature control. Piles shall be rotated when internal temperature readings are in excess of 165 degrees Fahrenheit.

Section 2808.11.2 New material temperature control is hereby added as follows:

2808.11.2 New material temperature control. New loads delivered to the facility shall be inspected and tested at the facility entry prior to taking delivery. Material with temperature exceeding 165 degrees Fahrenheit shall not be accepted on the site. New loads shall comply with the requirements of this chapter and be monitored to verify that the temperature remains stable.

Section 2808.12 Water availability is hereby added as follows:

2808.12 Water Availability. Facilities with over 2500 cubic feet shall provide a water supply. The minimum fire flow shall be no less than 500 GPM @ 20 psi for a minimum of 1 hour duration for pile heights up to 6 feet and 2 hour duration for pile heights over 6 feet. If there is no water purveyor, an alternate water supply with storage tank(s) shall be provided for fire suppression. The water supply tank(s) shall provide a minimum capacity of 2500 gallons per pile (maximum 30,000 gallons) for piles not exceeding 6 feet in height and 5000 gallons per pile (maximum 60,000) for piles exceeding 6 feet in height. Water tank(s) shall not be used for any other purpose unless the required fire flow is left in reserve within the tank at all times. An approved method shall be provided to maintain the required amount of water within the tank(s).

Section 2808.13 Tipping area is hereby added as follows:

2808.13 Tipping areas shall comply with the following:

1. Tipping areas shall not exceed a maximum area of 50 feet by 50 feet.
2. Material within a tipping area shall not exceed 5 feet in height at any time.
3. Tipping areas shall be separated from all piles by a 20 foot wide fire access lane.
4. A fire hydrant or approved fire water supply outlet shall be located within 150 feet of all points along the perimeter of the tipping area.

5. All material within a tipping area shall be processed within 5 days of receipt.

Section 2808.14 Emergency Contact is hereby added as follows:

2808.14 Emergency Contact. The contact information of a responsible person or persons shall be provided to the Fire Department and shall be posted at the entrance to the facility for responding units. The responsible party should be available to respond to the business in emergency situation.

Chapter 29 Manufacture of Organic Coatings is adopted in its entirety without amendments.

Chapter 30 Industrial Ovens is adopted in its entirety without amendments.

Chapter 31 Tents and Other Membrane Structures is adopted in its entirety without amendments.

Chapter 32 High-Piled Combustible Storage is adopted in its entirety without amendments.

Chapter 33 Fire Safety During Construction and Demolition is adopted in its entirety without amendments.

Chapter 34 Tire Rebuilding and Tire Storage is adopted in its entirety without amendments.

Chapter 35 Welding and Other Hot Work is adopted in its entirety without amendments.

Chapter 36 Marinas is adopted in its entirety without amendments.

Chapter 37 Combustible Fibers is adopted in its entirety without amendments.

Chapter 48 Motion Picture and Television Production Studio Sound Stages, Approved Production Facilities and Production Locations is adopted in its entirety without amendments.

Chapter 49 Requirements for Wildland-Urban Interface Fire Areas is adopted in its entirety with the following amendments:

Section 4906.3 Requirements is hereby revised to read as follows:

4906.3 Requirements. Hazardous vegetation and fuels around all applicable buildings and structure shall be maintained in accordance with the following laws and regulations:

1. Public Resources Code, Section 4291.
2. California Code of Regulations, Title 14, Division 1.5, Chapter 7, Subchapter 3, Section 1299 (see guidance for implementation “General Guideline to Create Defensible Space”).
3. California Government Code, Section 51182.
4. California Code of Regulations, Title 19, Division 1, Chapter 7, Subchapter 1, Section 3.07.
5. OCFA Guideline C-05 “Vegetation Management Guideline – Technical Design for New Construction Fuel Modification Plans and Maintenance Program.”

Section 4908 Fuel Modification Requirements for New Construction is hereby added as follows:

4908 Fuel Modification Requirements for New Construction. All new buildings to be built or installed in a Wildfire Risk Area shall comply with the following:

1. Preliminary fuel modification plans shall be submitted to and approved by the fire code official prior to or concurrently with the approval of any tentative map.
2. Final fuel modification plans shall be submitted to and approved by the fire code official prior to the issuance of a grading permit.
3. The fuel modification plans shall meet the criteria set forth in the Fuel Modification Section of OCFA Guideline C-05 “Vegetation Management Guideline – Technical Design for New Construction Fuel Modification Plans and Maintenance Program.”
 - 3.1 The fuel modification plan shall include provisions for the maintenance of the fuel modification in perpetuity.

4. The fuel modification plan may be altered if conditions change. Any alterations to the fuel modification areas shall have prior approval from the fire code official.
5. All elements of the fuel modification plan shall be maintained in accordance with the approved plan and are subject to the enforcement process outlined in the Fire Code.

Chapter 50 Hazardous Materials – General Provisions is adopted in its entirety with the following amendments.

Section 5001.5.2 Hazardous Materials Inventory Statement (HMIS) is hereby revised to read as follows:

5001.5.2 Hazardous Materials Inventory Statement (HMIS). Where required by the fire code official, an application for a permit shall include Orange County Fire Authority's Chemical Classification Packet, which shall be completed and approved prior to approval of plans, and/or the storage, use or handling of chemicals on the premises. The Chemical Classification Packet shall include the following information:

1. Product Name.
2. Component.
3. Chemical Abstract Service (CAS) number.
4. Location where stored or used.
5. Container size.
6. Hazard classification.
7. Amount in storage.
8. Amount in use-closed systems.
9. Amount in use-open systems.

Section 5003.1.1.1 Extremely Hazardous Substances is hereby added as follows:

5003.1.1.1 Extremely Hazardous Substances. No person shall use or store any amount of extremely hazardous substances (EHS) in excess of the disclosable amounts (see Health and Safety Code Section 25500 et al) in a residential zoned or any residentially developed property.

Chapter 51 Aerosols is adopted in its entirety without amendments.

Chapter 53 Compressed Gases is adopted in its entirety without amendments.

Chapter 54 Corrosive materials is adopted in its entirety without amendments.

Chapter 55 Cryogenic Fluids is adopted in its entirety without amendments.

Chapter 56 Explosives and Fireworks is adopted in its entirety with the following amendments:

Section 5608.2 Firing is hereby added as follows:

5608.2 Firing. All fireworks displays, regardless of mortar, device, or shell size, shall be electrically fired.

Section 5608.3 Application for Permit is hereby added as follows:

Section 5608.3 Application for Permit. A diagram of the grounds on which the display is to be held showing the point at which the fireworks are to be discharged, the fallout area based on 100 feet per inch of shell size, the location of all buildings, roads, and other means of transportation, the lines behind which the audience will be restrained, the location of all nearby trees, telegraph or telephone line, or other overhead obstructions shall be provided to OCFA.

Chapter 57 Flammable and Combustible Liquids is adopted in its entirety without amendments.

Chapter 58 Flammable Gases and Flammable Cryogenic Fluids is adopted in its entirety without amendments.

Chapter 59 Flammable Solids is adopted in its entirety without amendments.

Chapter 60 Highly Toxic and Toxic Materials is adopted in its entirety without amendments.

Chapter 61 Liquefied Petroleum Gases is adopted in its entirety without amendments.

Chapter 62 Organic Peroxides is adopted in its entirety without amendments.

Chapter 63 Oxidizers, Oxidizing Gases, and Oxiding Cryogenic Fluids is adopted in its entirety without amendments.

Chapter 64 Pyrophoric Materials is adopted in its entirety without amendments.

Chapter 65 Pyroxylin (Cellulose Nitrate) Plastics is adopted in its entirety without amendments.

Chapter 66 Unstable (Reactive) Materials is adopted in its entirety without amendments.

Chapter 67 Water-Reactive Solids and Liquids is adopted in its entirety without amendments.

Chapter 80 Referenced Standards is adopted in its entirety with the following amendments:

NFPA 13, 2016 Edition, Standard for the Installation of Sprinkler Systems is hereby amended as follows:

Section 6.7.3 is hereby revised to read as follows:

6.7.3 Fire department connections (FDC) shall be of an approved type. The location shall be approved and be no more than 150 feet from a public hydrant. The FDC may be located within 150 feet of a private fire hydrant when approved by the fire code official. The size of piping and the number of 2½" inlets shall be approved by the fire code official. If acceptable to the water authority, it may be installed on the backflow assembly. Fire department inlet connections shall be painted OSHA safety red or as approved. When the fire sprinkler density design requires more than 500 gpm (including inside hose stream demand), or a standpipe system is included, four 2½" inlets shall be provided.

Section 8.3.3.1 is hereby revised to read as follows:

8.3.3.1 When fire sprinkler systems are installed in shell buildings of undetermined use (Spec Buildings) other than warehouses (S occupancies), fire sprinklers of the quick-response type shall be used. Use is considered undetermined if a specific tenant/occupant is not identified at the time the fire sprinkler plan is submitted. Sprinklers in light hazard occupancies shall be one of the following:

1. Quick-response type as defined in 3.6.4.8
2. Residential sprinklers in accordance with the requirements of 8.4.5
3. Quick response CMSA sprinklers
4. ESFR sprinklers
5. Standard-response sprinklers used for modifications or additions to existing light hazard systems equipped with standard-response sprinklers
6. Standard-response sprinklers used where individual standard-response sprinklers are replaced in existing light hazard systems

Section 11.1.1.1 is hereby added as follows:

11.1.1.1 When fire sprinkler systems are required in buildings of undetermined use other than warehouses, they shall be designed and installed to have a fire sprinkler density of not less than that required for an Ordinary Hazard Group 2 use, with no reduction(s) in density or design area. Warehouse fire sprinkler systems shall be designed to Figure 16.2.1.3.2 (d) curve "G". Use is considered undetermined if a specific tenant/occupant is not identified at the time the sprinkler plan is submitted. Where a subsequent use or occupancy requires a system with greater capability, it shall be the responsibility of the occupant to upgrade the system to the required density for the new use or occupancy.

Section 11.2.3.1.1.1 is hereby added as follows:

11.2.3.1.1.1 The available water supply for fire sprinkler system design shall be determined by one of the following methods, as approved by the fire code official:

- 1) Subtract the project site elevation from the low water level for the appropriate pressure zone and multiply the result by 0.433;
- 2) Use a maximum of 40 psi, if available;
- 3) Utilize the OCFA water-flow test form/directions to document a flow test conducted by the local water agency or an approved third party licensed in the State of California.

NFPA 13D 2016 Edition, Standard for the Installation of Sprinkler Systems in One- and Two-Family Dwellings and Manufactured Homes is hereby amended as follows:

Section 7.1.2 is hereby revised to read as follows:

7.1.2 The sprinkler system piping shall not have separate control valves installed unless supervised by a central station, proprietary, or remote station alarm service:

NFPA 14, 2013 Edition, Installation of Standpipe and Hose Systems is hereby amended as follows:

Section 7.3.1.1 is hereby revised to read as follows:

7.3.1.1 Class I and III Standpipe hose connections shall be unobstructed and shall be located not less than 18 inches or more than 24 inches above the finished floor. Class II Standpipe hose connections shall be unobstructed and shall be located not less than 3 feet or more than 5 feet above the finished floor.

NFPA 24, 2016 Edition, Standard for the Installation of Private Fire Service Mains and Their Appurtenances is hereby amended as follows:

Section 6.2.8.1 is hereby added as follows:

6.2.8.1 All indicating valves controlling fire suppression water supplies shall be painted OSHA red.

Exceptions:

1. Brass or bronze valves on sprinkler risers mounted to the exterior of the building may be left unpainted.
2. Where OS&Y valves on the detector check assembly are the only control valves, at least one OS&Y valve shall be painted red.

Section 6.2.9 is hereby revised to read as follows:

All connections to private fire service mains for fire protection systems shall be arranged in accordance with one of the following so that they can be isolated:

(1) A post indicator valve installed not less than 40 ft (12 m) from the building

- (a) For buildings less than 40 ft (12 m) in height, a post indicator valve shall be permitted to be installed closer than 40 ft (12 m) but at least as far from the building as the height of the wall facing the post indicator valve.

- (2) A wall post indicator valve
- (3) An indicating valve in a pit, installed in accordance with Section 6.4
- (4) A backflow preventer with at least one indicating valve not less than 40 ft (12 m) from the building
 - (a) For buildings less than 40 ft (12 m) in height, a backflow preventer with at least one indicating valve shall be permitted to be installed closer than 40 ft (12 m) but at least as far from the building as the height of the wall facing the backflow preventer.
- (5) Control valves installed in a fire-rated room accessible from the exterior
- (6) Control valves in a fire-rated stair enclosure accessible from the exterior

Section 10.1.5 is hereby added as follows:

10.1.5 All ferrous pipe and joints shall be polyethylene encased per AWWA C150, Method A, B, or C. All fittings shall be protected with a loose 8-mil polyethylene tube or sheet. The ends of the tube or sheet shall extend past the joint by a minimum of 12 inches and be sealed with 2 inch wide tape approved for underground use. Galvanizing does not meet the requirements of this section.

Exception: 304 or 316 Stainless Steel pipe and fittings

Section 10.4.1.1 is hereby revised to read as follows:

10.4.1.1 All bolted joint accessories shall be cleaned and thoroughly coated with asphalt or other corrosion-retarding material after installation.

Exception: Bolted joint accessories made from 304 or 316 stainless steel.

Section 10.4.1.1.1 is hereby added as follows:

10.4.1.1.1 All bolts used in pipe-joint assembly shall be 316 stainless steel.

Section 10.4.3.2 is hereby revised to read as follows:

10.4.3.2 Where fire service mains enter the building adjacent to the foundation, the pipe may run under a building to a maximum of 24 inches, as measured from the interior face of the exterior wall to the center of the vertical pipe. The pipe under the building or building foundation shall be 304 or 316 stainless steel and shall not contain mechanical joints or it shall comply with 10.4.3.2.1 through 10.4.3.2.4.

Appendices

Appendix A is deleted in its entirety without amendments.

Appendix B is adopted in its entirety without amendments.

Appendix BB is adopted in its entirety without amendments.

Appendix C is adopted in its entirety without amendments.

Appendix CC is adopted in its entirety without amendments.

Appendix D is deleted in its entirety without amendments.

Appendix E is deleted in its entirety without amendments.

Appendix F is deleted in its entirety without amendments.

Appendix G is deleted in its entirety without amendments.

Appendix H is adopted in its entirety without amendments.

Appendix I is deleted in its entirety without amendments.

Appendix J is deleted in its entirety without amendments.

Appendix K is deleted in its entirety without amendments.

Appendix L is deleted in its entirety without amendments.

Appendix M is deleted in its entirety without amendments.

Appendix N is deleted in its entirety without amendments.

SECTION 4. The City Council finds that this Ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to California Code of Regulations Title 14, Chapter 3, Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15371), because it has no potential for resulting in physical change to the environment, directly or indirectly.

SECTION 5. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more section, subsection, subdivision, sentence, clause, phrase, or portion thereof be declared invalid or unconstitutional.

SECTION 6. The City Clerk shall certify to the adoption of this Ordinance and cause the same to be posted at the duly designated posting places within the City and published once within fifteen days after passage and adoption as may be required by law; or, in the alternative, the City Clerk may cause to be published a summary of this Ordinance and a certified copy of the text of this Ordinance shall be posted in the Office of the City Clerk five days prior to the date of adoption of this Ordinance; and, within fifteen days after adoption, the City Clerk shall cause to be published, the aforementioned summary and shall post a certified copy of this Ordinance, together with the vote for and against the same, in the Office of the City Clerk.

PASSED, APPROVED, AND ADOPTED this ___TH DAY OF NOVEMBER, 2016.

BARBARA KOGERMAN, MAYOR

ATTEST:

MELISSA AU-YEUNG, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LAGUNA HILLS)

I, Melissa Au-Yeung, City Clerk of the City of Laguna Hills, California, DO HEREBY CERTIFY that the foregoing Ordinance No. 2016- was duly introduced and placed upon its first reading at a Regular Meeting of the City Council on the th day of October, 2016, and that thereafter, said Ordinance was duly adopted and passed at a Regular Meeting of the City Council held on the th day of November, 2016, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

MELISSA AU-YEUNG, CITY CLERK