

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45

**COUNTY OF ORANGE
OC COMMUNITY RESOURCES
NEIGHBORHOOD STABILIZATION PROGRAM
(Program Year 2009-10)**

TITLE OF PROJECT: Mercy House Living Centers, Inc.

This agreement, hereinafter referred to as "CONTRACT", is entered into on _____,

BY AND BETWEEN Mercy House Living Centers, Inc., a Non-Profit Corporation in the State of California, and hereinafter referred to as "CONTRACTOR".

AND 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, hereinafter referred to as "COUNTY".

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", and/or the State of California Department of Housing and Community Development, hereinafter referred to as "HCD" 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, COUNTY and Participating Cities previously entered into a Cooperation Agreement dated July 1, 2008 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, CONTRACTOR has submitted to COUNTY an application for funding of a housing and community development activity under the Neighborhood Stabilization Program (NSP); and

WHEREAS, COUNTY adopted its Annual Action Plan, (hereinafter referred to as "ANNUAL ACTION PLAN"), including any mid-year substantial amendments, which sets forth the PROJECT 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 Neighborhood Stabilization Program (NSP) assisted activities in a timely manner and has significantly disbursed NSP funds within the mandated 18 months after receipt of NSP funds

1 from HUD; and

2 WHEREAS, COUNTY approved an allocation of ~~\$1,001,105.22~~ \$2,006,053.22 in NSP
3 funding to CONTRACTOR for the Fiscal Year 2009-10; and

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

5 WHEREAS, COUNTY engages CONTRACTOR to assist COUNTY in utilizing aforesaid
6 funds.

7 NOW, THEREFORE, the parties enter into the following:

8 I. CONTRACT FORM

9 This CONTRACT consists of:

10 A. The following provisions;

11 B. All applicable Federal Regulations, including Title III of Division B of the Housing
12 and Economic Recovery Act, 2008 (HERA) (Public Law 110-289, approved July 30, 2008);

13 C. Applicable State and COUNTY laws and regulations; and,

14 D. The attached CONTRACTOR *SCOPE OF SERVICES*, is incorporated as if fully set
15 forth herein;

16 E. The attached *Child Support and Non-Profit Status Provision(s)*, is incorporated
17 as if fully set forth herein; and

18 F. The attached Employment Development Department Reporting Requirements is
19 incorporated as if fully set forth herein.

20 II. DEFINITIONS

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

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

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

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

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

28 E. NSP GRANTEE PERFORMANCE REPORT "GPR": A PROJECT activity data
29 document provided by COUNTY to CONTRACTOR used to monitor and track the performance of
30 CONTRACTOR.

31 F. OC COMMUNITY RESOURCES POLICY ON DOCUMENTING CONTRACTOR COSTS:
32 A COUNTY document setting policies regarding types of documentation required to support the
33 costs incurred and paid (including but not limited to copies of paid invoices, certified payroll
34 registers, bank statements, etc.).

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

37 H. PROGRAM ADMINISTRATION: An activity relating to the general management,
38 oversight and coordination of community development programs. Costs directly related to

1 carrying out eligible activities are not included.

2 I. OMB: Federal Office of Management and Budget.

3 J. CAPER: Consolidated Annual Performance and Evaluation Report. An annual
4 published report to HUD and the public on all Housing and Community Development related
5 activities.

6 K. NSP: Neighborhood Stabilization Program funds

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

11 M. CONTRACTOR: A nonprofit that administers program for grantees. This agency
12 must follow NSP regulations and policies established by Congress and a Grantee.

13 III. CONDITIONS OF FUNDING

14 A. County advises CONTRACTOR that a change in NSP funding may result in a
15 change in the current process utilized by the COUNTY to determine funding allocations.
16 CONTRACTOR acknowledges that the obligation of the COUNTY is contingent upon the
17 availability of appropriated Federal, State or Local Government funds. If funding levels are
18 significantly affected by Federal budgeting or if funds are not allocated and available for the
19 continuance of the function performed by CONTRACTOR, the CONTRACT may be terminated by
20 the COUNTY at the end of the period for which funds are available. The COUNTY shall notify
21 CONTRACTOR at the earliest possible time of any service that may be affected by a shortage
22 of funds. No penalty shall accrue to the COUNTY in the event this provision is exercised and
23 the COUNTY shall not be obligated nor liable for any damages as a result of termination under
24 this provision of this CONTRACT, and nothing herein shall be construed as obligating the
25 COUNTY to obligate or as involving the COUNTY in any contract or other obligation for the
26 future payment of money in excess of appropriations authorized by law.

27 B. CONTRACTOR shall allow representatives of the County of Orange, or HUD to
28 inspect facilities, which are used in connection with the contracts, made to implement
29 programs funded under this contract.

30 C. CONTRACTOR shall maintain any applicable licenses or permits, and meet any
31 facility code regulations required for the program(s) funded under the contract.

32 IV. TERM

33 A. The term of the contract is February 9, 2010 to ~~February 9, 2013~~ March 16, 2014.
34 All obligations are to be made according to milestones set forth in Section VIII B.

35 B. Eligible costs related to services provided by CONTRACTOR must be incurred during
36 the period beginning February 9, 2010. The PROJECT shall be completed and all funds
37 provided through this CONTRACT shall be obligated on eligible PROJECT activities prior to
38 August 15, 2010. COUNTY shall reclaim any unused balance of funds.

1 C. CONTRACTOR may request additional funding up to the maximum set forth in the
2 RFP if CONTRACTOR meets or exceeds the Required Obligation Thresholds prior to the
3 milestone date established herein in Section VI.E.3. subject to availability of funds.

4 D. If additional funding is available for allocation to CONTRACTOR, CONTRACTOR and
5 COUNTY shall first amend the Contractor *Scope of Services* component of this CONTRACT.
6 Furthermore, CONTRACTOR shall demonstrate, to the satisfaction of DIRECTOR, that the
7 Required Obligation and Performance Obligations and Expenditure Thresholds set forth herein
8 Section VI.E.3. and Section VIII.B., as amended, will continue to be met before such extension
9 and additional allocation is granted.

10 V. AMENDMENTS

11 A. COUNTY, through its DIRECTOR and without further action by the COUNTY's
12 Board of Supervisors (hereinafter referred to as "BOARD") and CONTRACTOR may by mutual
13 agreement amend this CONTRACT and/or incorporated Scope of Services, at any time,
14 provided that the proposed action is (1) not a "Substantial Amendment" as defined by adopted
15 County Policy of this CONTRACT, (2) makes specific reference to this CONTRACT, (3) is
16 executed in writing and signed by a duly authorized representative of the CONTRACTOR 's
17 organization. CONTRACTOR 's written request to amend must include a revised budget for
18 funds being extended, if that scope of work is different in scope from the originally agreed
19 upon *SCOPE OF SERVICES*. CONTRACTOR must also comply with the original thresholds and
20 milestones outlined in Section VIII.B. herein. Any proposed amendment to this CONTRACT
21 shall be submitted to DIRECTOR, and approved by DIRECTOR in writing prior to
22 commencement of any activity covered by said amendment.

23 B. CONTRACTOR agrees that COUNTY may, at its sole discretion, amend this
24 CONTRACT to conform to federal, state or local governmental guidelines, policies, and
25 available funding amounts.

26 C. If any amendment results in a change in the funding amount, CONTRACTOR'S
27 SCOPE OF SERVICES, threshold and milestone dates or schedule of activities to be undertaken
28 as part of this CONTRACT, such modifications will be incorporated only by written amendment
29 executed by DIRECTOR and CONTRACTOR.

30 VI. PAYMENTS

31 A. CONTRACT Amount

32 It is expressly agreed and understood that the total amount to be paid by
33 COUNTY under this CONTRACT shall not exceed ~~\$1,001,105.22~~ \$2,006,053.22.
34 Reimbursement for the payment of eligible project expenses shall be made in accordance with
35 the budget specified in Section II. of *SCOPE OF SERVICES*.

36 B. Funds from COUNTY to CONTRACTOR shall be disbursed subsequent to
37 availability of funds from HUD/HCD to COUNTY. CONTRACTOR acknowledges that HUD funds
38 are not meant to replace or supplant other sources of funding.

1 C. Funds shall not be disbursed for any costs incurred prior to the certification by
2 COUNTY and/or HUD of Certificate(s) of Insurance and environmental compliance, as further
3 defined in Section VII and Section XIII of this CONTRACT. Additionally, when applicable, no
4 funds shall be disbursed prior to submittal of certified payroll documentation to COUNTY with
5 each invoice package/request for payment, as further defined in Section XII.

6 D. Readiness

7 CONTRACTOR shall be required to demonstrate to COUNTY its readiness to
8 immediately initiate its PROJECT upon execution of this CONTRACT by providing to the
9 COUNTY documentation including, but not limited to, the following: Board or Council
10 Minutes/Resolution; Awarded bid documents with timeline requirements; and, executed
11 Architect and Engineer (hereinafter referred to as "A&E") contracts, with specific project
12 timelines consistent with funding. CONTRACTOR shall provide COUNTY a Project Readiness
13 Checklist providing the status of the PROJECT. In the case of milestones not yet reached,
14 CONTRACTOR shall provide projected target dates for when said milestones will be met. The
15 Project Readiness Checklist shall clearly demonstrate that CONTRACTOR will meet the
16 "Required Obligation Thresholds" established herein Section VI. E. 3. CONTRACTOR
17 acknowledges that said Project Readiness Checklist may be considered to evaluate the
18 performance of the CONTRACTOR.

19 E. Payment of Project Activities

20 1. COUNTY will reimburse CONTRACTOR for eligible project-related costs
21 only. CONTRACTOR shall submit requests for reimbursement to COUNTY as needed, and must
22 provide the documentation required by COUNTY in accordance with the COUNTY's OC
23 Community Resources Policy for Documenting Costs. CONTRACTOR shall provide a progress
24 "GPR" report for the time period covered, as prescribed by COUNTY. Failure to provide any of
25 the required documentation and reporting shall cause COUNTY to withhold any
26 reimbursement, and return the entire reimbursement request to CONTRACTOR until the
27 required documentation has been received and approved by COUNTY.

28 2. If CONTRACTOR has no request for reimbursement during any quarter
29 during the term of this CONTRACT, a "GPR" report, including an explanation as to why no
30 invoices were being processed, shall be required in lieu of a request for reimbursement.

31 3. The following "Required Obligation¹ Threshold" criteria has been
32 established to guide the CONTRACTOR in scheduling their obligation of funds received through
33 this CONTRACT.

<u>Milestone Date</u>	<u>Minimum Required Obligation Threshold</u>
April 15, 2010	50% of Contracted Amount Obligated

¹ Funds are considered obligation when "orders are placed, contracts are awarded, services are received, and similar transactions have occurred that require payment by the state, unit of local government or subrecipient during the same or a future period." (Federal Register Notice, page 58332)

1 June 15, 2010 75% of Contracted Amount Obligated
2 August 15, 2010 100% of Contracted Amount Obligated
3 NSP3 Milestones: 50% Expended by March 16, 2013, 100% Expended by
4 March 16, 2014.

5 F. Program Income

6 1. CONTRACTOR shall comply with regulations set forth in Title III of
7 Division B of the Housing and Economic Recovery Act, 2008 (HERA) Public Law 110-289,
8 approved July 30, 2008 and all applicable State or COUNTY regulations concerning the
9 reporting and payment procedures for program income.

10 2. CONTRACTOR shall complete and submit a quarterly Program Income
11 report.

12 VII. GENERAL ADMINISTRATION

13 A. CONTRACTOR shall provide the oversight, administration, and project
14 management necessary to accomplish all contracted activities in a timely manner.
15 CONTRACTOR shall comply with all applicable federal, state, and local laws and regulations
16 governing the funds provided under this CONTRACT.

17 B. Independent Contractor

18 Nothing contained in this CONTRACT is intended to, or shall be construed in any
19 manner, as creating or establishing the relationship of employer/employee between the
20 parties. CONTRACTOR and its subcontractors shall at all times remain independent
21 contractors with respect to the services to be performed under this CONTRACT. COUNTY shall
22 be exempt from payment of any Unemployment Compensation, FICA, retirement, life and/or
23 medical insurance and Workers' Compensation Insurance as CONTRACTOR and its
24 subcontractors are independent contractors.

25 C. Assignability

26 CONTRACTOR shall not assign or transfer any interest in this CONTRACT without
27 the prior written consent of COUNTY.

28 D. Subcontracts

29 1. CONTRACTOR shall submit all subcontract agreements to COUNTY for
30 review and consent prior to entering into such agreements. For construction subcontracts,
31 CONTRACTOR shall submit the Construction Bid Package to COUNTY for review and written
32 approval by DIRECTOR prior to advertising for bids and award for the construction contract.
33 Unless prior written approval is received from DIRECTOR for modification, CONTRACTOR shall
34 construct project in accordance with the Construction Bid Package, which DIRECTOR approved.

35 2. CONTRACTOR shall assume responsibility for all subcontracted services
36 to assure CONTRACT compliance.

37 3. CONTRACTOR shall include this CONTRACT, in its entirety, and make it a
38 part of any subcontract executed in the performance of this CONTRACT.

1 4. CONTRACTOR shall monitor all subcontracted services on a monthly basis
2 to assure CONTRACT compliance. Results of said monitoring efforts shall be summarized in
3 written form, and supported with documented evidence of follow-up action(s) to correct any
4 area(s) of CONTRACT non-compliance. Documentation shall be made available for periodic
5 monitoring by representatives of COUNTY and HUD.

6 E. Relocation

7 CONTRACTOR shall:

8 1. Take all reasonable steps to minimize displacement by providing tenants
9 reasonable opportunity to lease and occupy dwelling units in the project being improved; and,

10 2. When applicable, submit to COUNTY a Plan outlining financial and
11 advisory assistance in securing temporary housing for any and all eligible tenants who are
12 temporarily or permanently relocated due to the project.

13 3. Comply with the Uniform Relocation Assistance and Real Property
14 Acquisition Policies Act of 1970, as amended by the Uniform Relocation Act/URA, 49 CFR Part
15 24 and 24 CFR 570.606 for persons displaced by the project; and,

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

19 F. Fair Housing

20 CONTRACTOR shall affirmatively further fair housing in accordance with 24 CFR
21 570.904.

22 G. Insurance

23 While any obligation of CONTRACTOR under any Loan Document remains
24 outstanding, CONTRACTOR shall maintain at CONTRACTOR's sole expense, the following
25 policies of insurance in form and substance as follows:

26 1. Commercial general liability insurance with a limit of \$1,000,000 per
27 occurrence and a \$2,000,000 aggregate.

28 2. Commercial auto liability insurance covering all owned, non-owned and hired
29 autos with a limit of \$1,000,000 per occurrence.

30 3. Statutory Workers' compensation insurance and Employer's Liability with a
31 minimum limit of \$1,000,000 per occurrence.

32 4. Professional liability insurance with a limit of \$1,000,000. If coverage is
33 written on a claims made basis, coverage shall be maintained for two years following the
34 completion of contract.

35 5. All such insurance shall be endorsed to provide that said insurance may not
36 be canceled or materially modified without 30 days' prior written notice to the County. The
37 County shall be an additional named insured as to the policies required pursuant to
38 subparagraph (1) and (2) above, and such insurance shall be primary and any insurance

1 maintained by the County shall be excess and non-contributing. All policies shall waive all
2 rights of subrogation against the County, its elected and appointed officials, officers, agents,
3 and employees. The general liability policy shall contain a severability of interests
4 endorsement. Certificates of insurance and endorsements for all of the above policies (and/or
5 original policies, if required by the County from time to time), showing the same to be in full
6 force and effect, shall be delivered to the County

7 6. Crime coverage may also be required if an exposure exists for employee
8 dishonesty. The limit of insurance will be adequate to cover the potential loss exposure and
9 the County of Orange shall be the Loss Payee. This shall be evidenced by an endorsement to
10 the policy.

11 7. No such insurance shall include deductible amounts to which the County has
12 not previously consented in writing. All insurance policies required by this Loan Agreement
13 shall declare any deductible or self-insured retention (SIR). Amounts in excess of \$25,000
14 shall specifically be approved by the County's Risk Manager, CEO/Risk Management. Borrower
15 shall be solely responsible for the reimbursement of any deductible to the insurer.

16 8. The policy or policies of insurance must be issued by an insurer licensed to
17 do business in the State of California (California Admitted Carrier). Minimum insurance
18 company ratings as determined by the most current edition of the Best's Key Rating
19 Guide/Property-Casualty/United States or by ambest.com shall be A- (Secure Best's Rating)
20 and VIII (Financial Size Category). If the proposed carrier is a non-admitted carrier in the
21 State of California, the County's Risk Manager, CEO/Risk Management reserves the right to
22 approve or reject said proposed carrier after a review of said carrier's performance and
23 financial ratings.

24 9. CONTRACTOR shall file with the County, prior to the funding of the Loan, an
25 original Certificate of Insurance together with all required endorsements evidencing that the
26 coverage required under this Loan Agreement is in full force and effect. If CONTRACTOR is
27 self-insured, CONTRACTOR shall provide County, before commencement of services under this
28 Loan Agreement, a letter of self-insurance verifying all the stated coverage minimums and
29 comparable terms.

30
31 **CONTRACTOR BORROWERS**

32 1. Fire and hazard "all risk" insurance with boiler and machinery coverage
33 (boiler and machinery coverage is only applicable to commercial properties), covering one
34 hundred percent (100%) of the replacement cost of the Project in the event of fire, lightning,
35 windstorm, vandalism, malicious mischief and all other risks normally covered by "all risk"
36 coverage policies in the locality where the Project is situated (including insurance against loss
37 by flood if the Project is located in an area now or hereafter designated as subject to the
38 danger of flood, but excluding insurance against loss by earthquake).

1 2. Rent loss insurance for repair or restoration for a period of at least one year
2 (applicable to commercial properties).

3
4 General Contractors hired by CONTRACTOR to perform new construction or major structural
5 renovations shall provide the following insurance:

6 1. Commercial general liability insurance with a limit of \$1,000,000 per
7 occurrence and a \$2,000,000 aggregate.

8 2. Commercial auto liability insurance covering all owned, non-owned and hired
9 autos with a limit of \$1,000,000 per occurrence.

10 3. Statutory Workers' compensation insurance and Employer's Liability with a
11 minimum limit of \$1,000,000 per occurrence.

12 4. Builder's all-risk insurance covering one hundred percent (100%) of the
13 replacement cost of the Project during the course of any construction or reconstruction in the
14 event of fire, lightning, windstorm, vandalism, malicious mischief, and all other risks normally
15 covered by all-risk policies in the locality where the Project is situated (including Insurance
16 against loss by flood if the Project is located in an area now or hereafter designated as subject
17 to the danger of flood, but excluding insurance against loss by earthquake);

18 5. The County retains the rights at any time to review the coverage, form and
19 amount of the insurance required hereby. If, in the opinion of the County, the insurance
20 provisions in this Loan Agreement do not provide adequate protection for the County, the
21 County may require CONTRACTOR to obtain insurance sufficient in coverage, form, and
22 amount to provide adequate protection. The County's said additional requirements shall be
23 reasonable and shall be designed to assure protection from and against the kind and extent of
24 risks that exist at the time a change in insurance is required. County shall notify
25 CONTRACTOR in writing of changes in the insurance requirements. If CONTRACTOR does not
26 deposit copies of acceptable certificates of insurance and endorsements with the County
27 incorporating such changes within thirty (30) days of receipt of such notice, said failure shall
28 constitute, at the option of County, an Event of Default (hereinafter defined in Article VIII) this
29 Loan Agreement without further notice to Sub-recipient.

30 The procuring of such required policy or policies of insurance shall not be
31 construed to limit CONTRACTOR's liability hereunder nor to fulfill the indemnification provisions
32 and requirements of this Loan Agreement.

33 11. INDEMNIFICATION PROVISIONS

34 CONTRACTOR agrees to indemnify, defend with counsel approved in writing to COUNTY, and
35 hold COUNTY, its elected and appointed officials, officers, employees, agents and those special
36 districts and agencies which COUNTY's Board of Supervisors acts as the governing Board
37 ("COUNTY INDEMNITEES") harmless from any claims, demands or liability of any kind or
38 nature, including but not limited to personal injury or property damage, arising from or related

1 to the services, products or other performance provided by CONTRACTOR pursuant to this
2 CONTRACT. If judgment is entered against CONTRACTOR and COUNTY by a court of
3 competent jurisdiction because of the concurrent active negligence of COUNTY or COUNTY
4 INDEMNITEES, CONTRACTOR and COUNTY agree that liability will be apportioned as
5 determined by the court. Neither party shall request a jury apportionment.

6 H. Grantor Recognition

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

14 I. Records to be Maintained

15 CONTRACTOR shall maintain all records required by the Federal regulations
16 specified in 24 CFR 570.503(b) (2), 570.506, 570.507 and 570.508 that are pertinent to the
17 activities to be funded under this CONTRACT. Such records shall include, but are not be
18 limited to:

- 19 1. Records providing a full description of each activity undertaken;
- 20 2. Records demonstrating that each activity undertaken meet one of the
21 National Objectives of the NSP program;
- 22 3. Records required to determine the eligibility of activities;
- 23 4. Records required to document the acquisition, use, or disposition of real
24 property acquired or improved with NSP assistance;
- 25 5. Records documenting compliance with the fair housing and equal
26 opportunity components of the NSP program;
- 27 6. Financial records as required by 24 CFR 570.502, and OMB Circular A-87;
- 28 and
- 29 7. Other records necessary to document compliance with Subpart K of 24
30 CFR 570.

31 8. Retention

32 CONTRACTOR shall retain all records pertinent to obligations incurred
33 under this CONTRACT for a period of five (5) years after the termination of all activities funded
34 under this CONTRACT, or after the resolution of all Federal audit findings, whichever occurs
35 later. Records for non-expendable property acquired with funds under this CONTRACT shall be
36 retained for five (5) years after final disposition of such property. Records for any displaced
37 person must be kept for five (5) years after s/he has received final payment.

38 9. Client Data

1 a. CONTRACTOR shall maintain client data demonstrating client
2 eligibility for services provided for a period of five (5) years after the termination of all
3 activities funded under this CONTRACT, or after the resolution of all Federal audit findings,
4 whichever occurs later. Such data shall be consistent and include, but not be limited to, client
5 name, address, verifiable income level (as documented by income tax returns, employee
6 payroll records, retirement statements, etc. or other third party documentation acceptable to
7 COUNTY, for determining eligibility), and description of service provided. Such information
8 shall be made available to HUD/HCD representatives, COUNTY monitors, or their designees,
9 for review upon request.

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

15 10. Property Records

16 CONTRACTOR shall maintain real property inventory records, which
17 clearly identify properties purchased, improved, or sold. Properties retained shall continue to
18 meet eligibility criteria, rental limitations, health, safety and building codes, etc., and shall
19 conform with 24 CFR 570.505.

20
21 J. Close-Out

22 CONTRACTOR obligation to COUNTY shall not end until all close-out
23 requirements are completed. Activities during this close-out period shall be completed in
24 accordance with 24 CFR 570.509 and shall include, but are not limited to: making final
25 payments; submitting final invoice(s), report(s), in accordance with the requirements of
26 paragraph VI.E.4 above, and documentation; disposing of program assets (including the return
27 to COUNTY of all unused materials and equipment); remitting, if applicable, any program
28 income balances and receivable accounts to COUNTY, and determining the custodianship of
29 records.

30 VIII. PERFORMANCE

31 A. CONTRACTOR shall comply with all applicable HUD regulations, as described in
32 Section XII of this CONTRACT, concerning administrative requirements and maintain records
33 as to services provided and total number of persons served through the project, including but
34 not limited to, population-served analysis (i.e., extremely-low income persons, very-low
35 income persons, and low-income persons as defined by HUD). Such information shall be
36 available for periodic monitoring by representatives of COUNTY or HUD and shall be submitted
37 by CONTRACTOR in "GPR" report form to COUNTY by dates specified by COUNTY.

38 B. The following "Performance Threshold" criteria shall be used to assess the level

1 of performance of the CONTRACTOR. Furthermore, the criteria will be considered by OC
 2 Community Resources when determining future funding. In order to be considered in
 3 compliance with the following performance criteria, the CONTRACTOR must, on or before the
 4 required milestone date, submit to OC Community Resources a request for reimbursement
 5 which demonstrates that CONTRACTOR has obligated funds and met their proposed
 6 accomplishment goals at the required levels, unless exempted in writing by the DIRECTOR.

<u>Milestone Date</u>	<u>Minimum Performance Obligation and Expenditure Threshold(s)</u>
April 15, 2010	50% of Contracted Amount Obligated
June 15, 2010	75% of Contracted Amount Obligated
August 15, 2010	100% of Contracted Amount Obligated
August 15, 2014	100% of Contracted Expenditures Met
NSP3 Milestones: <u>50% Expended by March 16, 2013, 100% Expended by March 16, 2014.</u>	

19 Failure to achieve the aforementioned drawdown, without written exemption
 20 approved by the DIRECTOR, may cause any remaining balance in this CONTRACT to be
 21 reclaimed by the COUNTY.

22 C. CONTRACTOR shall complete and submit monthly "GPR" reports until all funds
 23 are obligated and shall complete quarterly "GPR" reports until project-related accomplishments
 24 relative to the attached *SCOPE OF SERVICES* are completed.

25 D. Should the activity being funded through this CONTRACT be completed,
 26 cancelled or terminated prior to the termination date set forth herein in Section IV. A.,
 27 CONTRACTOR shall complete and submit a "GPR" report at the time of the completion,
 28 cancellation or termination. Said "GPR" Information Form shall consist of a cumulative
 29 reporting of project-related obligations and accomplishments relative to the attached *SCOPE*
 30 *OF SERVICES*.

31 E. CONTRACTOR shall complete and submit a monthly "GRP" report in support of
 32 all requests for reimbursement. Said "GPR" shall consist of a cumulative report of project-
 33 related accomplishments relative to attached *SCOPE OF SERVICES* for the subject.

34 F. CONTRACTOR acknowledges that the "GPR" report is a monitoring tool that will
 35 be reviewed and evaluated to determine CONTRACTOR level of performance relative to this
 36 CONTRACT.

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

1 IX. PERFORMANCE MONITORING

2 A. Performance monitoring of CONTRACTOR by COUNTY and/or HUD shall consist
3 of requested and/or required written reporting, as well as onsite monitoring by COUNTY or
4 HUD representatives.

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

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

15 X. MODIFICATIONS/TRANSFERS OF REAL PROPERTY

16 A. Any proposed modification or change in use of real property acquired in whole or
17 in part, by NSP funds from the use planned at the time of the acquisition, including disposition,
18 is expressly prohibited.

19 B. CONTRACTOR shall ensure that any real property under CONTRACTOR control
20 that was acquired in whole or in part with NSP funds shall be:

21 1. Used to meet one of the national objectives contained in Title III of
22 Division B of the Housing and Economic Recovery Act, 2008 (HERA) (Public Law 110-289,
23 approved July 30, 2008) for a period not less than fifteen years, or for such period of time as
24 determined to be appropriate by COUNTY, after expiration of the CONTRACT and close-out of
25 CONTRACTOR's participation in the NSP Program, or, until fifteen years after the close-out of
26 the grant from which the assistance to the property was provided, whichever occurs first; or,

27 2. Disposed of in a manner that results in COUNTY being reimbursed in an
28 amount equal to the NSP investment in the property less any portion of the value attributable
29 to obligations of non-NSP funds for acquisition of the property. Such reimbursement is not
30 required after the period of time specified in accordance with X. B. 1. above.

31 XI. AUDITS

32 If CONTRACTOR obligates Federal funds in a fiscal year which equals or exceeds
33 \$500,000 (five hundred thousand dollars and no cents) as specified in OMB Circular A-133-
34 Revised, CONTRACTOR shall cause an audit at CONTRACTOR's expense to be prepared by a
35 Certified Public Accountant (CPA) who is a member in good standing with the American
36 Institute of Certified Public Accountants (AICPA) of the California Society of CPA's. The audit
37 must be performed annually in accordance with Generally Accepted Auditing Standards (GAAS)
38 authorized by the AICPA and Federal laws and regulations governing the programs in which it

1 participates. Furthermore, COUNTY retains the authority to require CONTRACTOR to submit
2 similarly prepared audit at CONTRACTOR's expense even in instances when CONTRACTOR's
3 obligations is less than \$500,000. CONTRACTOR will be required to identify corrective action
4 taken in response to any findings identified by CPA related to their funded activity or program.

5 CONTRACTOR shall submit two (2) copies of such audit report, including a copy of the
6 management letter, to COUNTY within six (6) months of the end of each CONTRACT year in
7 which CONTRACTOR has received federal funding (i.e., July 1 – June 30). Failure to meet
8 this requirement may result in COUNTY denying reimbursement of funds to CONTRACTOR, as
9 well as future funding qualification. CONTRACTORS, which are exempt from statutory audit
10 requirements, shall maintain records, which are available for review by COUNTY or Federal
11 officials. CONTRACTOR acknowledges that any and all "Financial Statements" submitted to
12 COUNTY pursuant to this COUNTY become Public Records and are subject to public inspection
13 pursuant to Sec.6250 et seq. of the California Government Code.

14 XII. FEDERAL ADMINISTRATIVE REQUIREMENTS

15 A. Financial Management

16 1. Accounting Standards

17 CONTRACTOR agrees to comply with OMB Circular A-87 and agrees to
18 adhere to the accounting principles and procedures required therein, utilize adequate internal
19 controls, and maintain necessary source documentation for all costs incurred.

20 2. Cost Principles

21 CONTRACTOR shall administer its program in conformance with OMB
22 Circulars A-122, "Cost Principles for Non-Profit Organizations," or A-21, "Cost Principles for
23 Educational Institutions," (and if CONTRACTOR is a governmental or quasi-governmental
24 agency, the applicable sections of 24 CFR 85, "Uniform Administrative Requirements for
25 Grants and Cooperative Contracts to State and Local Governments,") as applicable. These
26 principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

27 B. Civil Rights

28 1. Compliance

29 CONTRACTOR agrees to comply with Title VI of the Civil Rights Act of
30 1964, as amended, Title VIII of the Civil Rights Act of 1968, as amended, Section 109 of the
31 Title I of the Housing and Community Development Act of 1974, Section 504 of the
32 Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination
33 Act of 1975, Executive Order 11063, and with Executive Order 11246, as amended by
34 Executive Orders 11375 and 12086.

35 2. Nondiscrimination

36 CONTRACTOR shall not discriminate against any employee or applicant
37 for employment because of race, color, creed, religion, ancestry, national origin, sex, disability
38 or other handicap, age, marital status, or status with regard to public assistance.

1 CONTRACTOR will take affirmative action to insure that all employment practices are free from
2 hiring, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, and
3 termination discrimination. Such employment practices include but are not limited to the
4 following: rates of pay or other forms of compensation, and selection for training, including
5 apprenticeship. CONTRACTOR agrees to post in conspicuous places, available to employees
6 and applicants for employment, notices to be provided by the COUNTY setting forth the
7 provisions of this nondiscrimination clause.

8 3. Rehabilitation Act

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

14 C. Drug-Free Workplace

15 CONTRACTOR shall continue to provide a drug free workplace by:

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

20 2. Establishing an ongoing drug-free awareness program to inform
21 employees about:

- 22 a. The dangers of drug abuse in the workplace;
23 b. The CONTRACTOR's policy of maintaining a drug-free workplace;
24 c. Any available drug counseling, rehabilitation, and employee
25 assistance programs;
26 d. The penalties that may be imposed upon employees for drug
27 abuse violations occurring in the workplace;

28 3. Making it a requirement that each employee engaged in the performance
29 of the grant be given a copy of the statement required by paragraph C.1;

30 4. Notifying the employee in the statement required by paragraph C.1. that,
31 as a condition of employment under the grant, the employee will:

- 32 a. Abide by the terms of the statement;
33 b. Notify the employer in writing of his or her conviction for a
34 violation of a criminal drug statute occurring in the workplace, no later than five (5) calendar
35 days after such conviction;

36 5. Notifying COUNTY in writing, within ten (10) calendar days after
37 receiving such notice as stated under paragraph C.4 (b) from an employee or otherwise
38 receiving actual notice of such conviction. Employers of convicted employees must provide

1 notice, including position title, to every grant officer or other designee on whose grant activity
2 the convicted employee was working, unless COUNTY has designated a central point for the
3 receipt of such notices. Notice shall include the identification number(s) of each affected
4 grant; and,

5 6. Taking one of the following actions, within thirty (30) calendar days of
6 receiving notice, as stated under paragraph C.4 (b), with respect to any employee who is so
7 convicted:

8 a. Taking appropriate personnel action against such an employee, up
9 to and including termination, consistent with the requirements of the Rehabilitation Act of
10 1973, as amended; or,

11 b. Requiring such employee to participate satisfactorily in a drug
12 abuse assistance or rehabilitation program for such purposes by Federal, State, or local health,
13 law enforcement, or other appropriate agency.

14 D. Affirmative Action

15 CONTRACTOR agrees that it shall be committed to carry out an Affirmative
16 Action Program that encompasses the principles provided in President's Executive Order
17 11246, as revised on January 4, 2002.

18 E. Americans with Disabilities Act

19 CONTRACTOR agrees to comply with any federal regulations issued pursuant to
20 compliance with the Americans with Disabilities Act which prohibits discrimination and ensures
21 equal opportunity for persons with disabilities in employment, State and local government
22 services and public accommodations.

23 F. Employment Restrictions

24 1. Prohibited Activity

25 CONTRACTOR is prohibited from using funds provided herein, or
26 personnel employed in the administration of the program, for: political activities, sectarian or
27 religious activities, lobbying, political patronage, and nepotism activities.

28 2. OSHA

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

33 3. Labor Standards

34 a. CONTRACTOR agrees to contact COUNTY no less than fourteen
35 (14) days prior to bid opening date to seek consultation regarding application of requirements
36 per federal labor standards regulations or Davis-Bacon related Acts.

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

1 c. CONTRACTOR agrees to comply with all applicable requirements
2 of the Secretary of Labor in accordance with the Davis-Bacon Act, the provisions of Contract
3 Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act (40 U.S.C. 276, 327-
4 333), and all other applicable federal, state and local laws and regulations pertaining to labor
5 standards. CONTRACTOR shall maintain all applicable documentation, which demonstrates
6 compliance with hour and wage requirements of this part. Such documentation shall be made
7 available to COUNTY for review upon request.

8 d. CONTRACTOR agrees that, except with respect to the
9 rehabilitation or construction of residential property designed for residential use for less than
10 eight (8) units, all contractors engaged in contracts of \$2,000.00 or more for construction,
11 renovation or repair of any building or work financed in whole or in part with assistance
12 provided under this CONTRACT, shall comply with all applicable federal requirements including
13 Department of Labor regulations, under 29 CFR, Parts 3, 1, 5, 7 and 1926 governing the
14 payment of wages and ratio of apprentices and trainees to journeymen. Nothing hereunder is
15 intended to relieve CONTRACTOR of its obligation, if any, to require payment of the higher rate
16 under state or local laws, CONTRACTOR insert provisions meeting the requirements of this
17 paragraph in all such contracts.

18 e. In cases where the Davis-Bacon Act applies, CONTRACTOR agrees
19 to submit the Construction Bid Package for this project to DIRECTOR for review and written
20 approval prior to advertising for bids and award of the construction Contract. Unless prior
21 written approval is received from DIRECTOR for modification CONTRACTOR shall construct
22 project in accordance with the approved Construction Bid Package.

23 4. California Labor Code Compliance

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

30 5. Payroll Records

31 CONTRACTOR agrees that:

32 Certified copies of all payroll records for this project shall be required
33 pursuant to the provisions of California Labor Code "Section 1776". The reporting format and
34 words of certification shall be as indicated in Title 8 of the California Code of Regulations
35 Section 16401. Certified copies of payroll records of all subcontractors working on this project
36 are required. It shall be the responsibility of the prime contractor to ensure subcontractor
37 compliance. Certified copies of all payroll records shall be submitted on a weekly basis to
38 COUNTY through the duration of this CONTRACT. CONTRACTOR acknowledges that failure to

1 comply with Section 1776 may result in a forfeiture of twenty-five dollars (\$25) for each
2 calendar day, or portion thereof, for each worker, until strict compliance is effectuated, and it
3 should be recognized that a contractor or subcontractor, or agent or representative thereof
4 who neglects to comply is guilty of a misdemeanor pursuant to California Labor Code Section
5 1777.

6 6. Economic Opportunities Compliance

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

14 The Contractor agrees to abide by 24 CFR, 135.38, below and will insert
15 the following clause in any subcontracts executed with third parties for work covered by this
16 Contract:

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

24 *The parties to this contract agree to comply with HUD's regulations in 24 CFR part*
25 *135, which implement Section 3. As evidenced by their execution of this contract,*
26 *the parties to this contract certify that they are under no contractual or other*
27 *impediment that would prevent them from complying with the part 135*
28 *regulations.*

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

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

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

6 *Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions,*
7 *termination of this contract for default, and debarment or suspension from future*
8 *HUD assisted contracts.*

9 *With respect to work performed in connection with section 3 covered Indian*
10 *housing assistance, section 7(b) of the Indian Self-Determination and Education*
11 *Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under*
12 *this contract. Section 7(b) requires that to the greatest extent feasible (1)*
13 *preference and opportunities for training and employment shall be given to*
14 *Indians, and (ii) preference in the award of contracts and subcontracts shall be*
15 *given to Indian organizations and Indian-owned Economic Enterprises. Parties to*
16 *this contract that are subject to the provisions of section 3 and section 7(b) agree*
17 *to comply with section 3 to the maximum extent feasible, but not in derogation of*
18 *compliance with section 7(b)."*

19 7. Hatch Act

20 CONTRACTOR agrees that no funds provided, nor personnel employed
21 under this CONTRACT, shall be in any way or to any extent engaged in the conduct of political
22 activities in violation of the Hatch Act, 5 U.S.C. Section 1501 et seq.

23 8. Conflict of Interest

24 CONTRACTOR agrees to abide by the provisions of 24 CFR 570.611, OMB
25 Circulars 102 and 110, as applicable, with respect to conflicts of interest, and covenants that it
26 presently has no financial interest and shall not acquire any financial interest, direct or
27 indirect, which would conflict in any manner or degree with the performance of services
28 required under this CONTRACT. CONTRACTOR further covenants that in the performance of
29 this CONTRACT no person having such a financial interest shall be employed or retained by
30 CONTRACTOR hereunder. These conflict of interest provisions apply to any person who is an
31 employee, agent, consultant, officer, or elected official or appointed official of COUNTY or
32 CONTRACTOR, or any designated public agencies which are receiving funds under the NSP
33 program.

34 G. Copyright

35 If this CONTRACT results in any copyrightable material, COUNTY and/or grantor
36 agency reserves the right to royalty-free, non-exclusive, and irrevocable license to reproduce,
37 publish or otherwise use and to authorize others to use, the work (i.e., photographs and the
38 like) for government purposes.

39 H. Religious Organization

40 In accordance with 24 CFR 570.200(j), CONTRACTOR shall not discriminate
41 against faith-based organizations in administering its federal HUD activities. However,
42 CONTRACTOR agrees that funds provided under this CONTRACT will not be utilized for
43 religious activities, to promote religious interest, or for the benefit of a religious organization in

1 accordance with 24 CFR 570.200(j)(2).

2 I. Excessive Force

3 CONTRACTOR shall adopt:

4 1. A policy prohibiting the use of excessive force by law enforcement agencies
5 within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations;
6 and

7 2. A policy of enforcing applicable State and local laws against physically
8 barring entrance to, or exit from, a facility or location which is the subject of such non-violent
9 civil rights demonstrations within jurisdictions.

10 J. Anti-Lobbying

11 CONTRACTOR certifies that:

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

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

22 3. CONTRACTOR shall include subject anti-lobbying certification in award
23 documents for all sub-subrecipients at all tiers (including sub-subcontracts, sub-subgrants,
24 and Contracts under grants, loans, and Cooperative Agreements) and that all sub-
25 subrecipients shall certify and disclose accordingly.

26 XIII. ENVIRONMENTAL CONDITIONS

27 A. CONTRACTOR shall comply with HUD Environmental Review under HUD
28 regulations at 24 CFR 58 et seq., which implement the National Environmental Policy Act
29 (NEPA); and, the California Environmental Quality Act (CEQA). No costs shall be incurred and
30 no funds shall be disbursed prior to certification by COUNTY and/or HUD of environmental
31 compliance.

32 B. CONTRACTOR shall incur no costs for any project-related activity defined in
33 *SCOPE OF SERVICES* and COUNTY shall not disburse funds prior to certification by COUNTY
34 and/or HUD for environmental compliance.

35 C. CONTRACTOR shall provide requested materials to COUNTY for the
36 Environmental Review process required by applicable regulations.

37 D. Air and Water

38 CONTRACTOR agrees to comply with the following regulations insofar as they

1 apply to the performance of this CONTRACT:

- 2 1. Clean Air Act, 42 U.S.C., 1857, et seq.
- 3 2. Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251, et seq.
- 4 3. Environmental Protection Agency (EPA) regulations pursuant to 40 CFR
- 5 50 and 40 CFR 58.

6 E. Flood Disaster Protection

7 CONTRACTOR agrees to comply with the requirements of the Flood Disaster Protection Act of
8 1973, including as applicable any regulations set forth in 24 CFR 55, in regard to the sale,
9 lease or other transfer of land acquired, cleared, or improved under the terms of this
10 CONTRACT, as it may apply to the provisions of this CONTRACT.

11 F. Lead-Based Paint

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

19 G. Historic Preservation

20 CONTRACTOR agrees to comply with the Historic Preservation requirements set
21 forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the
22 procedures set forth in 36 CFR 800, Protection of Historic Properties, insofar as they apply to
23 the performance of this CONTRACT.

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

27 H. Energy Efficiency Standards

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

32 XIV. NOTICES

33 Any communication with COUNTY and CONTRACTOR concerning this CONTRACT shall
34 be directed as follows:

35 COUNTY:

36 County of Orange
37 OC Community Resources
38 1770 North Broadway
39 Santa Ana, California 92706-2642

1
2
3
4
5
6
7
8
9
10
11
12
13

Attention: Chief, Community Development

CONTRACTOR:

Mercy House Living Centers, Inc.
P.O. Box 1905
Santa Ana, CA 92701
Attention: Linda Wilson

///
///
///

1 IN WITNESS WHEREOF, CONTRACTOR has caused this CONTRACT to be executed by its Title
2 of First Signer and its Title of Second Signer; COUNTY has caused this CONTRACT to be
3 executed by the DIRECTOR of OC Community Resources; all having been duly authorized by
4 the Governing Authority, of CONTRACTOR and the Orange County Board of Supervisors,
5 respectively.

6
7 CONTRACTOR *:

8
9 Mercy House Living Centers, Inc.
10 a Non-Profit Corporation,
11 in the State of California
12

13	By: _____	By: _____
14	Name:	Name:
15	Title:	Title:
16	Date:	Date

17
18 *For Contractors/Vendors that are a corporation. Signature requirements are as follows:

- 19 1) One signature by the Chairman of the Board, the President or any Vice President,
20 And
21 2) One signature by the Secretary, any Assistant Secretary, the Chief Financial Officer
22 or an Assistant Treasurer.

23 For Contractors/Vendors that are **not a corporation**, the person who has authority to bind the
24 Contractor/Vendor to a CONTRACT must sign on one of the lines above.
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53

COUNTY OF ORANGE, a political
subdivision of the State of California

By: _____
DIRECTOR, OC Community Resources

Date: _____

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44

COUNTY COUNSEL,

APPROVAL AS TO FORM:

**NEIGHBORHOOD STABILIZATION PROGRAM
CONTRACTOR SCOPE OF SERVICES
(Program Year 2009-10)**

This Scope of Services is part of the Contract between the County of Orange ("COUNTY") and Mercy House Living Centers, Inc. ("CONTRACTOR") dated _____. It is incorporated into that Contract as though fully set forth therein:

TITLE OF PROJECT: Mercy House South Coast Communities
 CONTRACTOR: Mercy House Living Centers, Inc.
 ACTIVITY: Rental Activities (24 CFR 570.206)

I. SCOPE OF SERVICES

A. Activities

CONTRACTOR will comply with Division B, Title III of the Housing and Economic Recovery Act of 2008 and administer a Community Development Block Grant project under the COUNTY's Neighborhood Stabilization Program (NSP) as outlined in the Amended FY 2008-09 Annual Action Plan in a manner satisfactory to the COUNTY as a condition of providing the NSP funds. Specific assurances and certifications include but are not limited to the following:

B. Project Description

The project will purchase within a minimum range of three (3) to five (5) units for rental activities of which 100% of the total funding will be set aside for 50% Area Median Income (AMI) households. Project sites will be located in eligible areas as defined in the Request for Proposal and will serve households with incomes of up to 50% AMI for rental activities. At least 25% of NSP3 funds will be set aside for homeless households.

C. Eligible Activities and Terms

a. Rental Housing Projects

1. Proposed rental projects or shared housing developments for the special needs population up to 50% AMI. (In the aggregate 100% of the total funding for rental units will be set aside for 50% AMI households).
2. NSP funds may be provided up to 100% loan-to-value for single-family dwelling units that will be utilized as rental units.
3. Rental properties will be utilized to provide permanent housing to low-income households up to 50% AMI and will be deed restricted for a minimum of thirty (30) years requiring the owner to maintain the property during the affordability period. Contractor to record a deed restriction on title.
4. Subsidy terms: 0% interest subsidy forgivable in thirty (30) years.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37

5. Affordability restrictions: Thirty (30) years minimum affordability period. (Property owners required to maintain the property during the affordability period).

b. Rehab activities: rehabilitation activities may be used as a bridge loan not to exceed the combined acquisition and rehabilitation cost of 120% of the appraised value with the rehabilitation costs not exceeding 20%.

D. Reporting

CONTRACTOR shall complete and submit monthly Grantee Performance Report (GPR) GPR reports until all funds are obligated and shall complete quarterly "GPR" reports until project-related accomplishments are completed as prescribed by COUNTY. Failure to provide any of the required documentation and reporting shall cause COUNTY to withhold any reimbursement, and return the entire reimbursement request to CONTRACTOR until the required documentation has been received and approved by COUNTY. If CONTRACTOR has no request for reimbursement in any month during the term of this contract, a GPR report, including an explanation as to why no escrows were being processed, shall be required in lieu of request for reimbursement.

E. Milestones

The term of the contract is February 9, 2010 to ~~February 9, 2013~~ March 16, 2014. The full amount of the award must be obligated by August 15, 2010. All obligations are to be made according to the following milestones:

April 15, 2010	50% of Contracted Amount Obligated
June 15, 2010	75% of Contracted Amount Obligated
August 15, 2010	100% of Contracted Amount Obligated

Project-related accomplishments are to be made according to the following milestone:

August 15, 2014	100% of Contracted Expenditures Met
<u>NSP3 Milestones: 50% Expended by March 16, 2013, 100% Expended by March 16, 2014.</u>	

Failure to meet milestones may result in the reprogramming of the awarded funds.

F. Reuse Plan

Any income received by the CONTRACTOR during the contract, that is generated by activities carried out pursuant to Section 2301(c)(3)(B) and (E) (e.g. proceeds from the sale) is

1 authorized to be retained and must be applied towards an eligible activity under the County's
2 Neighborhood Stabilization Program. CONTRACTOR shall submit to the COUNTY a Reuse Plan
3 consistent with the COUNTY's Reuse Plan.

4
5 G. Recording

6 CONTRACTOR shall record and provide written notice of all NSP dispositions to the
7 COUNTY and apply any income received during the affordability period to another eligible activity
8 under the NSP program. CONTRACTOR shall continue to monitor NSP principal residents for the
9 entire affordable period as set forth in the terms of the specified activity. Contractor will be
10 required to record all affordability covenants on title.

11
12 H. Monitoring

13 COUNTY shall utilize a two-step monitoring process for County NSP financed
14 projects:

15 Phase 1: In-house review of yearly reports to ensure compliance.

16 Phase 2: On-site monitoring of contract files with the affordability restrictions and
17 Housing Quality Standards (HQS).

18 II. In addition to the normal administrative services required as part of this Contract, the
19 CONTRACTOR agrees to meet the following level(s) of accomplishment:

20
21 Scope of Work

22 Use of Funds

Level of Accomplishment

23 No. 1: Rental (up to 50% AMI)

up to (5) units

24
25 (In the aggregate at least 100% of the total funding for rental units will be set aside for
26 50% AMI households. At least 25% of NSP3 funds will be set aside for homeless
27 households).

28
29 III. National Objective

30 The subject activities are consistent with the national objective as set forth at Division B,
31 Title III of the Housing and Economic Recovery Act of 2008.

32 Direct Benefit – Low/Moderate: up to 80% AMI and below.

33
34 IV. Program Impact (outcomes): describe to what extent this activity delivers the desired
35 outcomes in the community or in the lives of the persons assisted:

36 To support state and local efforts to stabilize neighborhoods with high numbers of vacant
37 and foreclosed-upon homes.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37

V. BUDGET

A. This contract is in an amount not to exceed ~~\$1,001,105.22~~ \$2,006,053.22.

B. Project Funding Budget

1. The subject proposal will be financed under this contract as follows:

Purchase up to ~~\$1,001,105.22~~ \$2,006,053.22
(5) homes for rental
at up to 50% AMI

(In the aggregate at least 100% of the total funding for rental units will be set aside for 50% AMI households).

Total ~~\$1,001,105.22~~ \$2,006,053.22

The COUNTY reserves the right to award additional NSP funds to meet the needs of the COUNTY.

2. Funds shall be used for the following items:

Costs relating to: Purchase of abandoned and foreclosed homes for rental
activities.

VI. Line items identified in Section V.B.1. above are to be considered as estimates. Compensation for costs incurred during the life of this contract may be reallocated between said line items. Upon written request by CONTRACTOR and written approval by the DIRECTOR, compensation may be reallocated to address any costs incurred for previously unbudgeted uses eligible under the applicable State and Federal regulations, particularly the Federal regulations under Title III of the Housing and Economic Recovery Act of 2008.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37

VII. CONTRACTOR CONTACT

Mercy House Living Centers, Inc.
P.O. Box 1905
Santa Ana, CA 927001
Attention: Linda Wilson
Phone: 714-836-7188
Fax: 714-836-7901

1 |
2 |