

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

2600 WILSHIRE BOULEVARD
LOS ANGELES, CALIFORNIA 90057

REQUEST FOR QUALIFICATIONS FOR A MASTER DEVELOPER FOR JORDAN DOWNS REDEVELOPMENT

RFQ No. 7556

KEY RFQ DATES:

Issued:	September 7, 2011	
Pre-Submittal Conference:	September 28, 2011	(10am)
(Site Tour)	September 28, 2011	(11am)
Written Questions:	October 10, 2011	(2pm)
Submittal of Qualifications:	November 4, 2011	(2pm)





HOUSING AUTHORITY OF THE CITY OF LOS ANGELES
AN EQUAL EMPLOYMENT OPPORTUNITY-AFFIRMATIVE ACTION EMPLOYER
2600 Wilshire Boulevard • Los Angeles, California 90057 • (213) 252-2500
www.hacla.org TTY (213) 252-5313

September 7, 2011

Gentlemen/Ladies:

SUBJECT: REQUEST FOR QUALIFICATIONS FOR A MASTER DEVELOPER FOR JORDAN DOWNS REDEVELOPMENT (RFQ) NO. 7556

The Housing Authority of the City of Los Angeles (“HACLA” or the “Authority”) invites Statements of Qualifications (“Submittals”) from qualified for-profit or non-profit developers of affordable housing to act as the master developer (“Master Developer”) and to partner with the Authority and City of Los Angeles (“City”) for the redevelopment of the Jordan Downs public housing site in the Watts community of Los Angeles (“Redevelopment”).

A copy of RFQ No. 7556 may be obtained beginning **September 7, 2011** via <http://www.hacla.org/ps/> website or at the Housing Authority’s General Services Department, located at 2500 Wilshire Blvd., Penthouse, Los Angeles, CA 90057.

A Pre- Submittal Conference to discuss the RFQ and answer questions will be held at 10:00 a.m., **September 28, 2011, Jordan Downs Community Center** located at 2101 E. 101st Street, Los Angeles, CA 90002 followed by a site tour.

Submittals will be accepted until 2:00 p.m. Pacific Time on **November 4, 2011**, at 2500 Wilshire Boulevard, Penthouse, Los Angeles, CA 90057. Submittals received after this time may, at the discretion of the Authority, be rejected without consideration.

If you intend to submit a response to this RFQ, you must fully complete the “Notice of Intent to Respond” on the following page and return by email or fax to Swan.Lam@hacla.org at (213) 383-9849. If you do not register you will not receive further communication regarding the RFQ, including addenda and/or clarifications.

Instructions for preparing your qualifications and submittals are contained in the RFQ. Questions of a procedural nature may be directed to Swan Lam, Contract Administrator, at (213) 252-1895. To request for a copy of the RFQ, please call (213) 252-5405 or 252-1832.

Sincerely,

Ken Simmons
Interim President & CEO

NOTICE OF INTENT TO RESPOND

We intend to respond to the Request for Qualifications for a Master Developer for redevelopment of the Jordan Downs public housing community. Please include us in all further communications regarding this opportunity.

Organization or team name _____

Authorized representative _____

Authorized representative contact information

Organization _____

Street address/ P.O. Box _____

Suite or Floor # _____

City _____ State _____ Zip _____

E-Mail Address _____

Telephone _____ Extension _____ Fax _____

This one-page Notice of Intent to Respond should be sent as a PDF via email to at the Authority not later than 5:00pm on September 23, 2011.

*All respondents should complete and file this Notice of Intent to Respond. Doing so does not obligate you to respond to the RFQ, but it will help the Authority manage communications. Communication targeted to potential respondents, such as answers to questions submitted during the selection process and amendments to the RFQ, will be sent to organizations that have completed and returned this Notice of Intent to Respond by close of business on **September 23, 2011**. Organizations and individuals may submit later than this deadline and be added to the list of those who receive continuing communications about the RFQ, but the Authority will not initiate communications with any organization or individual that has not submitted a Notice of Intent to Respond. The Authority will only respond to and provide continuing communications with organizations and individuals who take the initiative to contact the Authority. The Authorized Representative specified in the Notice of Intent will function as our single point of contact throughout the selection process, and we will address all communications to that person. Questions, comments and requests may be sent to Swan Lam **via fax (213) 383-9849** or **email Swan.Lam@hacla.org**. We will not respond to questions, requests or comments received in any other manner.*

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I. INTRODUCTION

A. Purpose of the RFQ

The Housing Authority of the City of Los Angeles (“Authority” or “HACLA”) is issuing this Request for Qualifications (“RFQ”) for a Master Developer and is soliciting proposals from experienced developer(s) of large-scale mixed-use redevelopment projects, including affordable and market rate housing, homeownership housing, and retail and commercial space, to participate in the redevelopment of the Jordan Downs public housing site in the Watts community in Los Angeles in cooperation with the City of Los Angeles (“City”). In March 2009, the Authority obtained the services of WRT Solomon E.T.C. for the preparation of the Jordan Downs Master Plan which established certain parameters for the redevelopment of the Jordan Downs site, an electronic copy of which will be provided to the respondents as an exhibit to this RFQ.

The selected Master Developer will undertake, coordinate, manage and complete the Redevelopment of the Jordan Downs public housing site and adjoining land owned by the Authority which should include the following elements of the community-based Master Plan:

1. Administer, develop, build, maintain and manage the redevelopment of the Jordan Downs site consisting of approximately 50 acres of land plus the adjoining 21 acres in the Watts community in Los Angeles; The role of the Master Developer would include demolition of vacant public housing and associated structures, installation of the infrastructure, utilities and other public improvements, site preparation, environmental remediation (“Horizontal Development”) and potential construction of different building product for end users (“Vertical Development”) and/or delivering finished parcels to merchant builders.
2. Develop and implement plans in various development phases for the creation of an urban village. In addition the redevelopment must address family needs through the Family First Initiative, Family Needs Assessment, Family Action Plan, and Family Tracking;
3. Develop and implement plans for a combination of affordable and market rate rental and homeownership units and the overall planning for new streets, commercial and retail development, recreational areas that utilize new urbanist principles and sustainability strategies; and.
4. Coordinate the redevelopment of Jordan Downs in conjunction with the Authority, the City and the various stakeholders in the City and the Watts community, including the residents, local businesses and community groups to revitalize the whole community.

The Authority is interested in receiving Statements of Qualifications (“Submittals”) from private for-profit and/or non-profit developers or developer teams to become the Master Developer and to partner with the Authority and the City in its redevelopment efforts at Jordan Downs.

The Developer may be comprised of:

1. A single Developer capable of accomplishing all facets of the redevelopment program; or
2. A Master Developer, which together with other associate developers, will accomplish all facets of the redevelopment program.

The potential Developer must have experience in the development of large urban mixed-use redevelopment projects, including affordable rental and homeownership housing, particularly those involving multi-cultural communities with resident and neighborhood participation in the planning, design and reconstruction process. Developer must have: the ability to obtain commitments from outside financial resources; knowledge of HUD’s HOPE VI and Mixed Finance development program regulations; must have minimum experience in development of five (5) multi-phased, mixed use developments of over three hundred (300) units and three of which must be developments developed under HUD’s Mixed Finance or HOPE VI requirements; knowledge of new and innovative approaches to affordable housing development utilizing numerous funding resources (e.g., Tax Credits, including Low-Income Housing, New Market and Energy Tax Credits, green building initiatives, Affordable Housing Program, HOME, CDBG, State and local programs available for this project); and demonstrate the financial and professional capacity and development track record, to carry out all components of the Horizontal and Vertical construction of the Jordan Downs Redevelopment program in a timely manner.

The Authority will select the most qualified Master Developer to negotiate with for the right(s) to redevelop the entire Jordan Downs site, subject to the terms of a Master Development Agreement. The Authority will evaluate and rank the Respondents based on the evaluation criteria detailed in this RFQ and will enter into a 90-day Exclusive Negotiation Agreement (“ENA”) with the number one ranked Respondent. The Authority reserves the right to approve associate developer(s) or any future development partners of the Developer with respect to the Jordan Downs Redevelopment.

This RFQ is a qualifications-based procurement which does not include price as a factor, but is subject to the later negotiation of fair and reasonable compensation, including HUD’s Safe Harbor Standards, TDC and other applicable cost limitations. The Authority requests technical qualifications statements from prospective developers and then ranks the submittal according to their qualifications as related to the Redevelopment. The Authority then opens negotiations with the top-ranked developer with intentions to reach agreement on

fair and reasonable terms. If agreement cannot be reached, the Authority terminates negotiations with this developer and may cancel the RFQ or proceed to the next-highest rated developer until terms determined to be fair and reasonable, including to both parties is obtained. Once negotiations have been terminated with a Developer, the Authority may not go back to that Developer for additional negotiations.

B. Background

1. History. The site is known as the Jordan Downs Public Housing Development. The Jordan Downs residential buildings, sitting on approximately 50 acres of land in the Watts community, were constructed in 1943 as temporary housing for industrial workers and after World War II, these barrack-style buildings were converted to public housing in the 1950's. The buildings reflected the design philosophy of the time and consist of large "superblocks" with buildings set in open green spaces with no private yards. After WW II, industries began to relocate resulting in an exodus of jobs. The community experienced economic decline and social stress including the Watts Riots of 1965 and the destruction of the 103rd Street commercial corridor. In March 2008, Congresswoman Maxine Waters held a Congressional Field hearing at Jordan Downs to discuss the future of Jordan Downs. Mayor Antonio Villaraigosa also included the Jordan Downs redevelopment as part of the "Housing Plan That Works." In April 2008 the 9901 Alameda site was purchased and in May 2008, the Jordan Downs Community Advisory Committee (JDCAC) was formed. The JDCAC consists of residents, youth, LAPD, CRA, the Mayor's representative and community leaders in Watts. The Community-based Master Plan RFQ and Annexation RFP were issued in August 2008 and a Consultant was selected by December 2008. The Authority engaged the JDCAC to assist with the selection process. The procurement process was completely transparent from start to finish and a Master Planning and Annexation Team was selected by January 2009.

The Master planning process involved a series of community meetings, focus groups, in-house meetings, one-on-one discussions, youth meetings, senior-only meetings etc., culminating in the development of the Community-based Master Plan by November 2009.

The Authority had also commissioned two ULI Technical Advisory Panels ("TAP") studies including a National expert panel to provide recommendations and to help create a master planning framework, and a local Transit Oriented Development Panel to enhance connectivity and create a successful transit friendly community. The Authority is also currently consulting to understand the potential for commercial development in Jordan Downs.

2. Response Guidelines. The Authority acknowledges that given the current economic, political and financing environment, a strict implementation of

the standards and goals as outlined in the Community-based Master Plan may be challenging. As such, in order to realize its goal of creating a healthier and vibrant Jordan Downs and the greater community, the Authority is issuing this RFQ to solicit unfettered and creative solutions for redeveloping Jordan Downs in the most expedient and timely manner. The standards described in the following section 3. (Community-based Master Plan) represent the objectives and commitments communicated to the current residents of Jordan Downs and various other stakeholders. Prospective Respondents should consider these guidelines in their response to the RFQ but are not expected to strictly comply with them. The Master Developer will be expected to take the lead in communicating the features of any revisions to the Community-based Master Plan to the various stakeholders, including the current residents, and win their support.

3. Community-based Master Plan. The Authority sought to incorporate in the Jordan Downs Redevelopment well-designed planning strategies and other amenities to provide a safe environment, strong community values and provide a high level of quality in design and construction for long-term safety and marketability. This level of design, outlined in the Community-based Master Plan, attempts to integrate the new development into the well-established fabric of the existing community. According to the Community-based Master Plan, the Redevelopment would include the installation of completely new infrastructure, water, sewer, gas, electric, cable, sidewalk, streets, improved parking, environmentally friendly landscaping, walkways, lighting and signage. Drought tolerant trees and shrubs would be used to provide sun exposure during the winter months and shelter during the summer, help contribute to the area's aesthetic appeal and reduce each individual unit's utility costs.

The overarching themes addressed in the Community-based Master Plan include: creation of a vibrant urban village with a one-for-one replacement of the existing 700 public housing units, along with an addition of up to a maximum of 1,100 units of both affordable and market-rate rental and ownership Housing, commercial or job producing facilities, new streets for internal circulation and safety, transit connectivity and pedestrian walk-ability, joint-use recreation components and a robust human capital plan that ties the local High School, Community Garden and adjacent businesses into the Community-based Master Plan as partners to revitalize the entire community.

The Community-based Master Plan represents the preferred development approach for the Jordan Downs community; the potential Master Developer will be expected to respond to the specifics of the Community-based Master Plan and it's viability from a development, financial and market standpoint. Respondents are free to propose alternatives to the Community-based Master Plan, supported by financial and market justification for such alternatives.

One-For-One Replacement

In numerous meetings with Jordan Downs residents and other stakeholders, the Authority has committed to provide for the one-for-one replacement of any or all units demolished or disposed of during the redevelopment of Jordan Downs with a comparable unit within the greater Watts/Jordan Downs community. There are currently 700 public housing units available at the existing Jordan Downs.

Sustainability Principles

The Jordan Downs redevelopment is guided by the concept of sustainable urbanism, where new urbanist principles and sustainability strategies form a parallel track of smart growth in an urban environment. At the forefront of new innovation and technologies, the Authority had committed to this concept to enhance the sustainable future of the community for generations to come. Key sustainable, new urbanist principles include:

- A permeable network of urban blocks that re-establishes the street grid to create interconnectivity with the extension of Century Boulevard and tree-lined streets
- Mixed-Use/Mixed-Income design that promotes urban living with amenities that caters to all families
- Increased transit connections - connecting bus line to rail line to reduce Vehicle-Miles-Traveled
- Sustainable approaches to transportation, building technology, recreational programming and other components to positively impact healthy lifestyles
- Comprehensive network of open spaces that provide environmental benefits such as improvements in air, water and natural habitat quality
- A built environment that promotes eyes-on the-street to foster inter-connectedness and healthy civic engagement

Build-First

The Authority intends to minimize the permanent displacement and dislocation of the Jordan Downs residents during the redevelopment process. As such, HACL has heretofore committed to various stakeholders as well as the residents that prior to implementing the relocation plan which shall be developed with resident involvement; an entirely new phase of the residential units would be constructed prior to displacement or relocation. However, if reasonable accommodations need to be made, due to health or disability for example, and if the residents agree to temporary relocation elsewhere, then the development team will accommodate such needs.

Tenants' Right to Return

Current Jordan Downs's residents who are in compliance with the terms of their lease agreement, will be provided an opportunity to relocate into a new unit in the redeveloped Jordan Downs community. At the time of issuance of this RFQ, there are approximately 700 households in residence at Jordan Downs.

Human Capital Planning/Family First Initiative

The Authority has established a strong community outreach strategy for the Jordan Downs redevelopment project. The idea to rebuild the Jordan Downs community has been integrally linked, from the beginning, with engaging residents and community stakeholders. Building upon an extensive and continuing outreach process, as part of the Master Plan, the Authority developed a Human Capital Plan (Family First Plan) to positively transform the quality of life for residents and the broader community by connecting residents to economic and human capital resources with a goal of increasing family economic success.

This community engagement process has included an ongoing series of community meetings and initiatives as well as the formation of a Jordan Downs Community Advisory Committee (JDCAC) which meets regularly. Other HACLA established community engagement groups include the Motivated Mothers of Jordan Downs, Youth Action Squad and Project Fatherhood, (a grant funded initiative through the Authority's affiliate, Kids Progress, Inc.) which seeks to build stronger relationships between fathers and their children. These groups serve as ambassadors for the redevelopment project by participating in community organizing initiatives, recruiting residents for community meetings and events through door-to-door outreach, disseminating information to residents and providing feedback to the Authority on community needs. In addition, the Authority participated in a series of meetings with Mayor Villaraigosa's office, LAUSD and every City department through the Mayor's Working Group to gain input for the Community-Based Master Plan. The Authority is also participating in regional stakeholder meetings to advance policy initiatives from cradle to career to improve educational outcomes for children and families.

An important component of the redevelopment is the Family First Plan to help improve the quality of life for the residents. The Family First Plan aims to increase family economic self-sufficiency and youth academic achievement. With this the Authority, has partnered with the Community Development Department through an inter-agency agreement establishing the Family Asset Development Program. The purpose of the Family Asset Development Program is to enhance and/ or improve the current situation of the families seeking to build ownership and accountability in the residents for their individual goal oriented family action plans.

The Authority has also drafted a Memorandum of Understanding (MOU) with LAUSD and started discussions to consider joint-collaboration for the betterment of the community and the surrounding Watts area for enhanced educational

outcomes for children. LAUSD has given oversight of David Starr Jordan High School to two entities: Mayor's Partnership for LA Schools, and Green Dot. They will operate two independent Small Learning Communities within the campus and will begin operations at the school in July 2011. HACLA is in communication with both entities and is continuing to work collaboratively to establish formal partnerships through Memorandum of Understanding Agreements. This commitment from LAUSD furthers HACLA's commitment to work collaboratively with community partners to improve educational outcomes for youth.

Family Needs Assessment – Case managers will begin working with families long before any construction begins at Jordan Downs. A family needs assessment will be performed by a case manager to ensure that the resident's needs (social, health, and economic) are identified and incorporated into their family action plan. This assessment will also identify potential barriers that families may face when relocating on-site.

Family Action Plan – After the assessment, families will develop with the guidance of their case manager a family action plan. This will be a guide to help families reach their goals. Family economic success will be defined by each family and reflected in their plans. Case managers will provide support and connect residents to resources that meet their needs. During the redevelopment, case managers will assist families to remain on track with their action plans and work with relocation counselors towards a successful transition into the revitalized community.

Family Tracking – The plan assumes that families will be tracked over time and The Authority will invest in a system to monitor outcomes related to family success. The goal is to work with families to set goals and assist them in reaching those goals by identifying benchmarks for improvement and providing the necessary supportive resources to aid them in the process. The intent of this process is to prepare families to transition into the redeveloped community successfully.

4. Jordan Downs Redevelopment Costs. The Jordan Downs Redevelopment as outlined in the Community-based Master Plan is estimated to require nearly a \$1 Billion investment in three key elements: horizontal development, vertical development, and human capital.

Horizontal Development Costs

Horizontal Development costs include: demolition of vacant public housing units and associated structures, certain infrastructure elements, parks, recreation and open space, onsite building pad preparation, facilities for public use and benefit, and sustainability elements. Preliminary estimates prepared by the master

planning team shows that an investment of approximately \$135 million¹ will be required for horizontal development across all phases.

Vertical Development Costs

The Community-based master plan is based on a unit mix that includes: 700 replacement public housing units, 700 affordable/workforce rental housing units, 20 units of affordable/workforce for sale units, and 380 market rate for sale units, including a combination of townhomes and flats integrated with non-residential uses including a Family Resource Center, a joint-use gymnasium shared with Jordan High School, and a mixed-use retail plaza on 103rd Street. Preliminary estimates prepared by the master planning team shows that the vertical development for all phases will cost approximately \$782 million.

Human Capital Costs

The idea to rebuild the Jordan Downs community includes strong emphasis on engaging its residents and community stakeholders. Building upon an extensive and continuing outreach process, The Authority developed a Human Capital Plan to transform the lives of residents by connecting them to economic and human capital resources that will have a positive impact on their economic success. The total cost to successfully implement the Human Capital Plan is estimated to be in the range of \$40 and \$50 Million.

5. Project Status.

EIR

The Jordan Downs Draft EIR was circulated on November 18, 2010. The public review and comment period ended on January 4, 2011. The prime Consultant is Hogle Ireland, Inc. while Terry Hayes and Associates is the sub-consultant team that prepared the DEIR.

Specific Plan

The Specific Plan is being developed via a Cooperation Agreement between The Authority and the Department of City Planning. The Specific Plan began in October 2009 and is near completion. Currently The Specific Plan has taken components of the Jordan Downs Community-based Master Plan and if adopted by the Authority and the Developer will serve as the entitlement document.

The Specific Plan is intended to serve as the implementation tool for the Jordan Downs Community-based Master Plan, which was approved by the Board of HACLA on January 13, 2010, and provide the regulatory land use controls and

¹ The cost does not include the \$31 Million spent by Authority for the acquisition of the 21-acre parcel

guidelines for the area within the Specific Plan boundary and to provide for the public need, convenience, and general welfare of the Specific Plan area.

The Jordan Downs Specific Plan provides the land use framework for the redevelopment of the public housing, commercial, industrial, and civic site with a mix of housing, retail, parks, schools, employment opportunities, social services and civic uses. It is the intention of the Specific Plan to accomplish the following objectives:

Determine the appropriate location, diversity and intensity of residential development, mix of land uses and building heights to be constructed.

Guide the character of the land development to ensure that high-quality, place making improvements are made to create a safe and inviting, pedestrian-oriented, regional retail destination not currently available in the area;

Establish public and private sector implementation measures and responsibilities that adequately address both local and regional impacts; and

Define the future locations and dimensions of streets, rights-of-ways or other access ways for multimodal connectivity and appropriate urban form.

Annexation

The Authority purchased 21 acres (9901 Alameda) adjacent to the Jordan Downs property that is in the jurisdiction of Los Angeles County. As a result, The Authority selected Hogle Ireland, Inc. as the annexation consultant that will prepare the annexation application and represent the Authority before the Los Angeles Local Agency Formation Commission (LAFCO). The draft LAFCO application, Plan for Municipal Services and Fiscal Impact Study have been prepared and are being reviewed by the City Administrative Officer's staff. Subject to a Boundary Adjustment Board meeting anticipated to convene in 2011, the LAFCO application and the Plan for Municipal Services will be submitted to LAFCO for its preliminary review.

Environmental Remediation Process

An environmental Phase I, Phase II and an Additional Remedial Investigation report have been completed on the 9901 Alameda parcel (21-acre site). Contaminants were found which include mostly heavy metals and petroleum hydrocarbons. The Authority entered into a Voluntary Cleanup Agreement with the Department of Toxic Substances Control (DTSC) to oversee the remediation and/or mitigation of hazardous substances located at the 21-acre site. The Authority plans to enter into a program agreement for site clean-up with the selected Master Developer which guarantees that the required Remediation Action Plan will be prepared and carried out in compliance with the DTSC.

In addition, the Authority has filed a cost recovery action against certain potentially responsible parties to secure remediation and/or mitigation costs which may or may not be concluded and/or result in the award of sufficient funds to complete the hazardous substances remediation or removal at the time the MDA is being negotiated with the successful respondent (thereafter "Master Developer"). As part of its overall responsibilities, the Master Developer will be expected to assist in identifying and securing any remediation and/or mitigation funds necessary to remediate or mitigate the hazardous substances in compliance with DTSC requirements and in conformance with the National Contingency Plan.

The Authority has implemented a community outreach program and organized a meeting where DTSC informed the Jordan Downs' residents and JDCAC of its progress in late 2010. The Authority will plan future meetings to keep the residents informed of its plans.

Century Boulevard Extension

HACLA has partnered with the Bureau of Engineering (BoE) and has completed the pre-design process of the Century Boulevard extension. A consultant was selected and is currently preparing the final design of the Century Boulevard extension. It is anticipated that this design process will be completed by late 2011.

Vesting Tentative Map

The Authority has procured a qualified consultant to engage in preparing the vesting tentative tract map for phase 1 and a final subdivision map for the entire redevelopment project area. The Authority is currently evaluating the consultant's fee proposal and anticipates making a final selection and issuing a notice to proceed in the 3rd quarter of 2011.

Choice Neighborhood Initiative (CNI)/Hope VI

HACLA plans to apply with the selected Master Developer for the Choice Neighborhood Initiative and/or HOPE VI implementation grant in future rounds. Through collaborative partnerships with residents, area schools, non-profit organizations and local social service providers, HACLA plans to develop a broader Watts community plan that builds off of the existing Jordan Downs redevelopment. While HACLA believes these grants represent a potential resource for redevelopment of Jordan Downs, it does not believe the redevelopment is contingent upon receiving CNI or HOPE VI funds.

C. Profile of the Authority

The Authority is a public agency chartered in 1938 by the State of California to provide housing assistance to the low-income residents of Los Angeles. The Authority is governed by a seven member Board of Commissioners nominated by

the Mayor, confirmed by the City Council of Los Angeles and regulated by the U.S. Department of Housing and Urban Development (HUD). The President & CEO appointed by the Board is responsible for managing the daily operations of the Authority and overseeing a staff of approximately 1,124 permanent employees. Revenues consist mostly of tenant rents from the Authority's properties and subsidies from HUD.

Under its "conventional" public housing program, the Authority owns and manages more than 6,877 public housing units and 2,461 affordable low and market-rate dwelling units located throughout the City of Los Angeles. Additionally, the Authority distributes monthly housing assistance payments (federal subsidies to tenants) for more than 52,000 other dwelling units at numerous locations within the City. The Authority also administers a number of special program grants. Finally, on a more limited scale, the Authority is engaged in the development of additional housing units for low-income persons.

D. Authority's Investment in the Redevelopment

The Authority's investment includes:

1. **HACLA land (49-acres) the existing Jordan Downs development**
 - a. FMV has not been determined
 - b. Equity Invested on the 21 acres (aka 9901 Alameda) is \$15.7MM
2. **Debt on the 21 acres (aka 9901 Alameda) is \$15.7MM**
 - a. a \$15.7MM draw on a short term LOC is in place and due May 2013
3. **Expenses on the 21 acres (aka 9901 Alameda) is \$1.7MM**
4. **Pre-development Investment is in excess of \$3.0 MM**
 - a. Community-based Master Planning
 - b. Specific Plan
 - c. Annexation & Environmental Impact Report
 - d. Retail Consultant

E. Authority's Goals and Objectives for the Jordan Downs Redevelopment

The selected Master Developer will manage the implementation of the vision set forth in the Jordan Downs Community-Based Master Plan. This includes a mixed-use, mixed-income urban village that includes a variety of housing types,

commercial facilities and community amenities. The Authority's goals for the new Jordan Downs Redevelopment project are:

1. **Select a qualified and experienced master developer with the ability to carry out all aspects of a large scale urban redevelopment including low-income and affordable housing rental and homeownership development and associated retail, utilizing public and/or private sources of funding;**
2. **Build off of existing partnerships with public and private stakeholders, businesses, non-profit and voluntary organizations, while creating new partnerships to secure commitments for community and financial resources to carry out the goals set forth in the Community-based Master Plan;**
3. **Secure the promised option for existing Jordan Downs residents in compliance with their lease agreement to obtain new housing in the Watts/Jordan Downs Redevelopment Area; and**
4. **Create and maintain relationships with the residents and provide them with training, information and supportive programs that will allow them access to better social services that will empower them toward self-sufficiency and sustainability.**

F. Authority and City Participation in the Redevelopment Project

The Authority desires to participate in the vertical development through its affiliate/instrumentalities as a partner, enabling the Authority to obtain a return of and return on its investment. In addition, the Authority can provide a portion of project financing through potential use of project based vouchers, RHF funds and other sources while helping the developer secure financing commitments from public sources. In return, the Authority desires to receive compensation which may include, but not be limited to, capitalized ground lease payments, share of the developer fee, asset management fee and possible cash flow split during operation.

FINANCIAL OBJECTIVES OF HACLA

HACLA is interested in a financial structure that accomplishes several objectives. They are:

- Producing the greatest public benefit with the smallest consumption of public resources
- Leveraging HACLA's funds to attract private and conventional sources of capital

- Obtaining a return-on and a return-of the effort and capital invested by HACLA
- Retaining title of the underlying land
- To be a full participating partner through the development process
- Participating in the development fees, stream of income and other financial compensation derived from the development
- Financing the community and supportive services necessary to foster self sufficiency
- Utilizing a development process that can facilitate timely implementation
- Providing performance incentives to the selected Master Developer

The following sections describe aspects of a legal and financial structure that has been used in other public housing mixed-finance transactions to accomplish these objectives. HACLA will consider other structures that achieve the same goals for HACLA.

***Additionally, HACLA recommends that prospective Master Developers read the Mixed-Finance Guidebook prepared for HUD's Office of Public Housing Investment by Abt Associates, Inc. dated December 21, 1998; and HUD Notice PIH 2005-26 Public Housing Development Total Development Cost (TDC) issued July 13, 2005 by the U.S. Department of Housing and Urban Development. Additionally, HACLA recommends that prospective Respondents read and utilize the updated information published by the Office of Public Housing Investments on the HUD website at: <http://www.hud.gov/offices/pih/programs/ph/hope6/mfph/index.cfm>.

Ownership Structure

An entity (the "Ownership Entity") will hold title to the improvements for each phase of the New Community. HACLA anticipates it will be a significant participant in the Ownership Entity. It is contemplated that the Master Developer may have specific day-to-day management and operational authority as determined by the Ownership Entity, related LIHTC Investors, or Lenders. The actual ownership structure will be determined appropriately in negotiation with said parties. HACLA will expect to participate in the Ownership Entity as a partner or as otherwise necessary to achieve agreed-upon economic participation.

Ground Lease

HACLA will not convey its fee interest in the property used for rental housing development but will enter into a long-term ground lease with the Ownership Entity. HACLA anticipates that the term of the ground lease will be not less than 55 years. The amount of annual rent under the ground lease is subject to negotiation and will be considered as part of the financial incentives provided to HACLA by the Master Developer. The ground lease will include restrictive covenants requiring that a designated number of PHA-Assisted Units will be available for public housing eligible families and subject to certain public housing rules for at least 40 years. At the end of the term of the ground lease, the property and all improvements thereon will revert to HACLA.

Sources of Funds

The anticipated sources of funds include:

- HACLA capital grant funds, including but not limited to potential Replacement Housing Factor (RHF) funds, Hope VI or Choice Neighborhood Initiative Planning/Implementation Grants
- Conventional or Tax-Exempt Debt
- LIHTC Syndication Proceeds. HACLA's models presume that the Ownership Entity will obtain allocations of 9% Low Income Housing Tax credits for the majority of the PHA-Assisted Units in the development; for units with tax exempt allocation, the ownership entity will obtain the non-competitive 4% LIHTC allocation.
- Developer or Investor Equity
- Municipal sources of funds available through the City of Los Angeles
- Proceeds from disposition of any HACLA owned property, or debt backed by HACLA's interest in development and operational revenues from that site
- Federal Home Loan Bank Affordable Housing Program Funds
- Potential Section 8 Project Based Housing Assistance Payments contracts as rental subsidy
- Other sources, as the Master Developer may recommend or determine

Operating Subsidy

Residents of PHA-Assisted Units may choose between a “flat rent” (which cannot exceed market rent or, if applicable, the LIHTC rent restrictions) or an income-based rent equal to 30% of adjusted income. HACLA receives operating funds from HUD and is prepared to provide an operating subsidy, if necessary, to the Ownership Entity. It is HACLA’s intention that this operating subsidy, when combined with actual rental collections from the PHA-Assisted Units, not exceed the lesser of 1) the operating costs properly attributable to the PHA-Assisted Units, or 2) the Operating Fund subsidy which HACLA receives from HUD in a given year attributable to the PHA-Assisted Units in the New Community, minus a reasonable allowance for HACLA’s oversight and administrative costs.

Attributable operating expenses must exclude any expenses primarily or exclusively attributable to LIHTC or Section 8 units only, which may include property taxes (if none are paid on the PHA-Assisted Units), excessive marketing costs, and debt service. Although HACLA’s conventional units are not subject to real property taxes and pay Payment in Lieu of Taxes (PILOT) instead, HACLA has not determined whether this exemption would be legally available to the New Community and whether the taxing authorities would agree to its application in this instance. Units covered by LIHTC will be subject to this and other LIHTC program requirements.

Net Operating Income

Net Operating Income will be the property of the Ownership Entity.

Reserves

The selected Master Developer may provide for customary and reasonable reserve accounts and may treat contributions to such reserves as an attributable operating expense of the PHA-Assisted Units. These reserves include Reserves for Replacement. To the extent any portion of such reserves is funded directly or indirectly with public housing funds, however, such funds must be treated as trust funds of the HACLA.

It is customary in mixed-finance developments, as well, to establish an “Affordability Reserve” from owner’s equity to provide for the possibility that HACLA would be unable (due to Congressional action) to provide the operating subsidy it obligates itself to pay.

Regulatory and Operating Agreement

HACLA and the Ownership Entity will enter into an agreement, which may be recorded as a covenant superior to any financing on the property, setting forth the mutual understandings of the parties with regard to the operation of the PHA-

Assisted Units. In particular, the R&O Agreement sets forth the PHA's obligation to provide operating subsidy; permissible uses of project income and use restrictions applicable during a period of not less than 40 years.

Guarantees

HACLA anticipates that the selected Master Developer will be responsible for all guarantees of completion, operating deficits, and tax credits compliance required by tax credit investors or lenders during the period of the agreement with HACLA. Additionally, HACLA will require a completion guaranty in connection with any loans or assistance it may provide.

G. Role of the Master Developer

Upon selection, the Authority will enter into a 90-day Exclusive Negotiation Agreement ("ENA") with the selected Master Developer, pursuant to the terms of Exhibit D, during which time the Authority will negotiate a Master Development Agreement ("MDA") with the Master Developer for the approval of the U.S. Department of Housing and Urban Development (HUD).

Once the MDA is executed, the Master Developer will assume redevelopment responsibilities as necessary to implement the Plan, i.e., responsibilities will include but are not limited to infrastructure and utilities planning, site preparation, environmental engineering and remediation, the identification of users, and the potential building of product for tenants. The Master Developer will be responsible for managing the development and disposition of site from planning refinement to final build-out, overseeing site preparation and infrastructure development and community facilities, financing, marketing and asset management. Specifically, the Master Developer will be expected to undertake the following activities:

1. **Preparation of Revitalization Plan/ Physical Planning and Design Activities**
 - a. Lead an inclusive, empowering community planning process that engages all key participants including current residents, former residents, the surrounding community, sustainable development advocates, political stakeholders and others.
 - b. As an outcome of this community planning process, produce a Revitalization Plan for consideration by the Authority. This Plan must include at minimum the following components consistent with the Master Plan:
 - i. Neighborhood Revitalization Plan including various phases of development, consistent with the Jordan Downs Community-Based Master Plan objectives.

- ii. Site Plan (buildings, size, type, intended use, traffic patterns, etc.).
 - iii. Finance Plan (funding sources, business plan).
 - iv. Plan to address LEED ND Certification and 2010 California Green Building Standards Code requirements.
 - v. Plan to address any historic rehabilitation standards
 - vi. Market Analysis.
 - vii. Overall Project Schedule and Phasing Plan.
 - viii. Property Management Plan.
 - ix. Plan for Community, Commercial and Jobs Development.
 - x. Transition Plan/Relocation Plan for residents
 - xi. Community and Supportive Service Plan
 - xii. Resident Hiring, local hiring, construction and project labor agreements
- c. Perform necessary site testing and work with the Authority in preparing the environmental remediation action plan in compliance with the DTSC;
 - d. Develop architectural and engineering construction documents
 - e. Oversee the bidding and award process, and A/E construction administration of funders' regulations and requirements;
 - f. Advise the City and the Authority on providing infrastructure improvements

2. Legal Activities

- a. Legal activities, including creation of partnership agreements and other entity and ownership structures necessary to implement all phases of the redevelopment plan.

3. Financing Activities

- a. The Master Developer will work with HACLA in preparing applications for implementation of grants for HOPE VI and the Choice Neighborhoods Initiative or any other funding proposals offered by HUD. The Master Developer will assist the Authority to

prepare Rental Term Sheets for submission to HUD, including required mixed finance proposals and evidentiary materials.

- b. Secure financing from multiple sources including non-public sources for development of affordable rental and for sale housing, retail and community facilities.
- c. Determine the need and availability of local subsidy and other project financing and secure funding needed to close any possible funding gap.
- d. Conduct negotiations with government and private funding providers.
- e. Identify, negotiate and secure all private and public funding commitments including CNI, HOPE VI or other HUD development funds to complete the development of the project
- f. Provide funding for the rental and operation costs associated with the retail/commercial build out;
- g. Prepare LIHTC applications and other financing applications, with development and operating proformas, and development of investor packages for equity syndication;
- h. Plan, fund, and execute requirements associated with support infrastructure, public improvements and other requirements;
- i. Provide all reasonable and conventional guarantees and promises to secure the above mentioned public and private financing;
- j. The selected Master Developer and its partners will be expected to take an ownership position in the rental property. The exact nature of that position may vary depending upon proposed financing and upon roles and responsibilities of each participating party.
- k. The selected Master Developer will be expected to bring its own and investor equity to the project, assemble other financing, and take an ownership interest and risk position with respect to the rental property's long-term performance

4. Community Activities

- a. Work with the Authority to facilitate resident and community meetings, and other community outreach efforts and meetings.
- b. Ensure proper management of all property included in the Redevelopment.

- c. In accordance with HUD Section 3 and equal opportunity requirements Create business and employment opportunities for Public Housing residents, community residents and MBE/DBE/WBEs, in accordance with Authority policies, and provide compliance reports to the Authority.
- d. Work with the Authority to establish admissions criteria, a tenant selection plan, and a uniform lease that will apply to all who rent units in the Redevelopment.
- e. Provide and coordinate Community Social Services for all residents, and report on these regularly to the Authority.
- f. Work with participants to create and implement detailed plan for community-building.
- g. Actively facilitate the creation of a neighborhood organization that reflects the diversity of the neighborhood and in which all residents can have an equal voice in neighborhood matters.
- h. Work with the City and the Authority on infrastructure improvements and environmental remediation.

H. Performance Review Process

HACLA expects that the selected Master Developer will be responsible for implementing all phases of the Development Plan. However, each phase of the redevelopment will be subject to review and evaluation by the Authority. Performance reviews will include but not be limited to the ability to secure financing, achieve targeted schedules, deliver units on schedule, and engage in a constructive and cooperative relationship with the community.

II. GENERAL INSTRUCTIONS

A. Qualification Submittal

The Developer shall submit one (1) original, ten (10) copies and one (1) CD-ROM disk of the Statement of Qualifications ("Submittal") and related information in a sealed package by **November 4, 2011 no later than 2:00 p.m.** Pacific Time to:

Housing Authority of the City of Los Angeles
2500 Wilshire Boulevard, Penthouse
Los Angeles, California 90057
Attn: Swan Lam, Contract Administrator

Submittals received after 2:00 p.m. Pacific Time November 4, 2011 may, at the sole discretion of the Authority, be rejected as non-responsive and returned

without review. It is the practice of the Authority not to consider late offers unless it is determined that a selection cannot be made from among the Submittals received on time. In order to be considered on time, a Submittal must be either date-stamped or bear a handwritten inscription by an authorized representative of the Authority confirming receipt by the above-specified deadline.

The Authority shall not be responsible for, nor accept as a valid excuse for late Submittal delivery, any delay in mail service or other method of delivery used by the Developer.

All Submittals shall strictly comply with the requirements of this RFQ, must be complete, must include executed copies of all documents and certificates required herein, and shall be enclosed in a sealed package(s) plainly marked with the words Submittal Responding to RFQ No. 7556: Statement of Qualifications; Do Not Open Until November 4, 2011.”

All Submittals shall be firm offers to negotiate subject to acceptance by HACLA and may not be withdrawn for a period of 180 calendar days following the last day to accept Submittals. Submittals may not be amended after the due date. Incomplete Submittals will not be accepted.

The Authority is interested in receiving Statements of Qualifications only from those Developers who possess and can demonstrate the ability to develop or redevelop the Jordan Downs site in a manner consistent with at least the minimum requirements contained in this RFQ.

This RFQ provides all the necessary information about application procedures. There is no formal application package. Developers should provide, but not limit their responses, to the information outlined in this RFQ.

B. Pre-Submittal Conference

A Pre-Submittal Conference to discuss the RFQ and answer questions from prospective Developers prior to submittal will be held in an open forum September 28, 2011 at the **Jordan Downs Community Center** located at 2101 E. 101st Street, Los Angeles, CA 90002 at 10am Pacific Time followed by a site tour.

While attendance at the meeting is not a prerequisite for submitting a Qualification, all prospective Developers are strongly encouraged to attend. Minutes or other record of the conference will not be disseminated, except where material changes to the RFQ are made by the Authority representatives or answers to questions are deferred and later communicated as part of an addendum to this RFQ.

C. Questions from Developers

Developers are asked to defer all questions regarding this RFQ until the Pre-submittal Conference. Where questions are known in advance, Developers are encouraged to submit these in writing at least two (2) days prior to the conference.

After the Pre-Submittal Conference, questions or comments regarding this RFQ (except to inquire about the number of addenda issued) must be put in writing and must be received by the Authority no later than 2:00 p.m. (Pacific Time) October 10, 2011. Written questions are to be emailed to Swan.Lam@hacla.org or faxed to (213) 383-9849. Written questions may also be sent to the Authority via facsimile, provided that the Authority receives the transmittal no later than the deadline specified above.

The Authority shall not be obligated to answer any questions received after the above-specified deadline or any questions submitted in a manner other than as instructed above.

D. RFQ Addenda and Clarifications

If it becomes necessary for the Authority to revise any part of this RFQ, or to provide clarification or additional information after the Submittal documents are released, a written addendum will be sent to each recipient of record of the original RFQ. Recipients of record are those parties that obtained a copy of the RFQ directly from the Authority. Addenda will be sent by e-mail and/or first-class U.S. Mail. It shall be the responsibility of the Developers to inquire of the Authority as to any addenda issued. This may be done by calling Swan Lam at (213) 252-1895 prior to the submittal deadline (this is the sole exception to the requirement that questions after the pre-submittal conference be submitted in writing). All addenda issued shall become part of the RFQ.

Answers to questions that cannot be answered by Authority staff at the Pre-Submittal Conference will also be communicated in writing as part of an addendum. In addition, responses to written questions received by the specified deadline after the Pre-Submittal Conference will be incorporated in an addendum.

E. Pre-contractual Expenses

Pre-contractual expenses are defined as any expenses incurred by the Developer in: (1) preparing its Submittal in response to this RFQ; (2) submitting that Submittal to the Authority; (3) negotiating with the Authority any matter related to this RFQ, including a possible contract; or (4) engaging in any other activity prior to the effective date of award, if any, of a contract resulting from this RFQ. The Authority shall not, under any circumstance, be liable for any pre-contractual expenses incurred by Developers, and Developers shall not include any such expenses as part of their Submittals.

F. No Commitment to Award

Issuance of this RFQ does not commit the Authority to award a contract or to enter into an offer to negotiate. The Authority expressly reserves the right to postpone the Submittal opening for its own convenience, to accept or reject any or all Submittals received in response to this RFQ, or to cancel all or part of this RFQ.

G. Acceptance of Offer for Exclusive Negotiation, Negotiation Period, Good Faith Deposit and Credit Information

1. Offer of Exclusive Negotiation

Developers responding to this RFQ are asked to sign and include in the Submittal the Offer For the Exclusive Right to Negotiate (“Offer”) in the format of Exhibit D. This Offer may be modified to incorporate other pertinent terms and conditions set forth in this RFQ, including those added by addendum, and to reflect the Developer’s Submittal or the outcome of negotiations, if any, conducted with the Developer. Exceptions to the terms and conditions of the Offer, or the Developer’s inability to comply with any of the provisions of the RFQ, must be declared in the Submittal.

2. Credit Information

The Authority requires current credit information for all prospective Developers. Accordingly, Developers submitting Submittals shall complete items 1 through 15 of the credit report form, Exhibit E, and include it in their Submittals in a sealed envelope marked “Confidential Credit Information.” By submitting a Submittal, Developer authorizes the Authority to investigate the Developer’s company and personal credit and financial records. This includes consent to share such information with others in connection with the Developer’s Submittal. If requested by the Developer, the Authority will advise the Developer whether credit reports were requested, and the name and address of the consumer credit reporting agency that furnished the reports.

H. Master Development Agreement (“MDA”)

Successful negotiations during the 90-day exclusive negotiation period pursuant to Acceptance of the Offer are intended to result in the negotiation with the Master Developer of a Master Development Agreement (“Agreement” or “MDA”) with the Authority for redevelopment of the Jordan Downs site. The Development Agreement may be reviewed and approved by HUD prior to its execution by the Authority.

The MDA must, at a minimum, contain or incorporate the terms and conditions of each of the following:

1. HUD's Public/Private Partnerships for Mixed-Finance Development of Public Housing Units Interim Rule, issued May 2, 1996.
2. All of the requirements detailed in this RFQ and all submittals made by the Master Developer in response to this RFQ.
3. Requirements for the Master Developer to obtain leveraged financing. The Development Agreement may require that the selected Master Developer commit to submitting applications for Hope VI, Choice Neighborhood Initiative, 9% federal Tax Credits and, if unsuccessful with 9% Tax Credits, applications for tax-exempt bond financing with 4% Tax Credits. It may also require that the Master Developer and/or its Development Partner apply for financing from AHP, HOME, LAHD, CDBG, DRA, HCD, NMTC, and CalHFA programs.
4. The roles and responsibilities of the Master Developer and the Authority with respect to all activities of development, with the Master Developer assuming the responsibilities of the annexation and specific plans, DTSC compliance, construction, property management, architectural and construction management, environmental clearances, obtaining of permits and approvals from local government, and approvals from, and coordination with, HUD.
5. The Authority's right to approve associate developers or partners, if any, of the Master Developer and other key members of the development team, including the proposed general contractor and property management firm for the Jordan Downs Redevelopment.
6. Financial participation in and proposed ownership position by the Authority, including Purchase Options and Rights of First Refusal for the affordable rental portions of the Redevelopment.
7. The financial roles and responsibilities of the Master Developer and the Authority, as outlined in prior sections of the RFQ.
8. The requirements regarding minimum design objectives and guidelines, architectural standards, including requirements for safety and security, crime prevention, energy efficiency and green building standards.
9. The roles and responsibilities of the Master Developer in connection with the Authority's Human Capital Plan, Resident Participation and Community Self-Sufficiency Programs, resident job training and participation in community enterprises.
10. The requirements regarding resident training and employment opportunities, utilization of minority and resident-owned businesses, minority and resident employment opportunities, federal, state and local wage rate mandates, and other applicable requirements.

11. Long term guaranties on the preservation of low income housing, resident re-housing and relocation rights, property management practices and standards pursuant to HUD requirements that rental housing units constructed with public housing capital grants, including HOPE VI Grant and Development funds, remain available at affordable rents equal to 30% of gross income.
12. Ongoing obligations of the Master Developer which continue through and beyond the completion of construction.

I. Exceptions/Deviations

Any exceptions to, or deviations from, the requirements set forth in this RFQ, including the terms and conditions contained in the Proposed Contract (Exhibit K) must be declared in the Submittal submitted by the Developer. Such exceptions or deviations must be segregated as a separate element of the Submittal under the heading Exceptions and Deviations, as provided on p. __.

J. Protests

Any actual or prospective Developer may protest the solicitation or award of a contract for violations of the Authority's procurement policy or of laws and regulations governing the Authority's procurement activities. Any protest against this RFQ, or any part of it, must be received not later than ten (10) calendar days before the deadline specified for receipt of Submittals. Any protest against the award of a contract pursuant to this RFQ must be received within ten (10) calendar days after receipt of a written notice of the Authority's intent to award to another Developer. The Authority shall not be obligated to consider protests received after the above-specified deadlines. All protests must be in writing and submitted to the General Services Director at the place specified for submittal of Submittals.

K. Due Diligence and Regulatory Compliance

Proposers are required to provide information regarding the financial condition and principal agents of the organization and project partners. Financial condition is evidenced by recent Balance Sheets, or Income Statements, while principal agent information is evidenced by resumes for all key principals/partners of the organization. In order to ensure regulatory compliance, HACLA will perform due diligence on all proposals to verify the accuracy of the information provided.

L. Authority Desired Outcomes

1. HACLA's Return on Investment and Financial Benefits to the Authority

The Authority has invested substantially in the redevelopment of Jordan Downs and intends to continue to invest in the redevelopment of Jordan

Downs. However certain cash investments require that they are retired [or assumed] and others must be replenished so that the Authority may maintain appropriate reserves; therefore it is expected that:

- a. Master Developer will utilize best efforts in replacing, assuming or retiring the \$15.7MM LOC prior to the due date plus accrued interest
- b. Master Developer will employ its best efforts to provide for a minimum return of \$15.7MM plus reasonable interest [to the Authority] for the Authority's land at Jordan Downs through Capitalized Ground Lease Payments or other acceptable means.
- c. The Authority anticipates that in their response, Developers will outline innovative proposals on how the Authority could participate in the development and receive compensation which may include, but not be limited to, capitalized ground lease payments, share of the developer fee, asset management fee and possible cash flow split during operation.

2. Local Hire and HUD SECTION 3 REQUIREMENTS

The purpose of Section 3 of the Housing and Urban Development Act of 1968, as amended by Section 915 of the Housing and Community Development Act of 1992, is to "ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be directed toward low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons." Pursuant to this regulation, each Respondent shall comply with HACLA's Section 3 Policy requirements. See Exhibit I for Section 3 Requirements & Certification Forms.

3. Project Labor Agreement Requirement

In order to meet its local hire objectives by ensuring that the target populations have access not only to a job, but to a career with a quality apprentice training program, the HACLA and the development team will utilize a master Project Labor Agreement (PLA) on the lines of CRA/LA's PLA that shall govern the redevelopment of Jordan Downs.

4. Prevailing Wage/Davis Bacon requirement

The Jordan Downs Redevelopment project will be subject to State Prevailing Wage Requirements or Davis-Bacon Requirements wage rates.

Master Developer and their sub-contractors shall be responsible for determining the applicability of prevailing wages.

5. One-For-One Replacement

The development team will strive to provide for the recommended one-for-one replacement of any or all units demolished or disposed of during the redevelopment of Jordan Downs with a comparable unit. There are currently 700 public housing units available at the existing Jordan Downs.

6. Build-First

The development team will strive to minimize the permanent displacement and dislocation of the Jordan Downs residents during the redevelopment process. The Authority has committed to various stakeholders as well as the residents that prior to implementing the relocation plan; an entirely new phase of the residential units will be constructed prior to displacement or relocation.

7. Tenants' Right to Return

Current Jordan Downs's residents who are in compliance with the terms of their lease agreement will be provided an opportunity to relocate into a new unit in the redeveloped Jordan Downs community.

8. Site Remediation and Compliance with DTSC

A Program Agreement for site clean-up with DTSC shall be prepared and executed between the Authority and the selected Master Developer which guarantees that the required Remediation Action Plan will be prepared and carried out in compliance with the DTSC.

III. SUBMITTAL FORMAT AND CONTENT

A. Presentation

Submittals shall be submitted in a sealed package and on 8 ½" x 11" size paper, using a simple method of fastening. Submittals should be typed and should not include any unnecessary elaborate or promotional material. Lengthy narrative is discouraged and presentations should be brief and concise. The form, content and sequence of the Submittal should follow the outline presented below.

B. Submittal Content

1. Transmittal Letter/Introduction

The letter of transmittal shall be addressed to Mr. Ken Simmons, Interim President & CEO of the Housing Authority of the City of Los Angeles and must, at a minimum, contain the following:

- a. identification of the offering firm(s), including name, address and telephone and facsimile number of each firm;
- b. proposed working relationship among the offering firms (e.g., prime subcontractor), if applicable;
- a. acknowledgment of receipt of RFQ addenda, if any;
- d. name, title, address and telephone and facsimile number of a contact person during period of Submittal evaluation;
- e. a statement to the effect that the Submittal shall remain valid for a period of not less than one-hundred eighty (180) days from the due date for Submittals;
- f. identification of any information contained in the Submittal which the Developer deems to be, and establishes as, confidential or proprietary and wishes to be withheld from disclosure to others under the state Public Records Act (a blanket statement that all contents of the Submittal are confidential or proprietary will not be honored by the Authority);
- g. briefly address how the Developer meets the eligibility criteria described in this RFQ and its desire to enter into a Development Agreement with the Authority and or the Authority-designated entity for the redevelopment of Jordan Downs; and
- h. signature of a person authorized to bind the offering firm to the terms of the Submittal.

2. Table of Contents

Immediately following the transmittal letter and introduction, include a complete table of contents.

3. Required Roles and Responsibilities of the Master Developer

The following required roles and responsibilities of the Master Developer shall be specifically addressed in the Developer's Submittal, including, but not limited to, the following:

a. **Development:**

The Authority will consider Submittals only from experienced Developers with the capacity to undertake, finance, and successfully complete projects the magnitude and consisting of the rental housing and amenity components for the Jordan Downs Development. The Master Developer will have primary responsibility for all aspects of the design and the development of Jordan Downs Redevelopment in cooperation with the Authority. The Master Developer shall be responsible for refining the Current Jordan Downs Redevelopment Plan, and prepare realistic development plans, budget and schedule. The Master Developer shall incorporate Green Technology, and at minimum ensure California Green Building Standards Code compliance in all its designs.

The Master Developer shall complete the annexation of the 21 acre parcel and the Specific Plan. In addition, the Master Developer will also work with the Authority in completing the Remediation Action Plan and carry out the Site Remediation in Compliance with DTSC

Responsibilities include processing and obtaining environmental clearances (DTSC, CEQA, NEPA, if required), the preparation of construction documents, obtaining any and all required permits, the construction, lease-up and property management for the rental housing.

b. **Management**

The Master Developer is expected to have the necessary experience in developing a property management plan that articulates a strategy to achieve and maintain a sustainably affordable community. Goals for property management in this context include long-term, high-performance resident satisfaction. Property management shall include plans to address leasing, occupancy, social service referrals, and grievance procedures. Successful property management will also include working with existing social service networks and community groups. The Master Developer will work with the Authority in establishing admissions criteria, a tenant selection plan, and a uniform lease that will apply to all who rent unsubsidized, affordable, and public housing units in a mixed-income/mixed-finance community. Any property management plan or agreement must be approved by the Authority.

c. **Financing**

The Master Developer and/or its development partners shall be responsible for securing financing for all components of the Redevelopment including infrastructure, construction and permanent financing of vertical development.

d. **Net Worth, Operating Deficit and Credit Adjuster Guarantees:**

The Master Developer and/or its development partners will be required to meet net worth, operating deficit and credit adjuster requirements of lenders and Tax Credit limited partners, as appropriate for the entire term of the partnership.

e. **Other Guarantees**

The Master Developer and/or its development partners shall provide such guarantees as may be required by the Authority, lenders and the Tax Credit Limited Partner, including, but not limited to, a recapture guarantee and a repayment guarantee of construction completion.

f. **Development Team**

The Master Developer shall be responsible for assembling other necessary members of the development team, including the architect, general contractor, engineers, property management firm (as appropriate), and others as needed for the timely development and construction of the various phases of the Redevelopment, subject to the written approval of the Authority.

g. **Financing Leverage**

The Master Developer will be responsible for maximizing use of leveraged financing sources from the Low Income Housing Tax Credit Program (Tax Credits), New Market Tax Credits (NMTC), Energy Tax Credits, Affordable Housing Program (AHP) of the Federal Home Loan Bank of San Francisco, Proposition 1A Housing Funds, Community Development Block Grants (CDBG), Housing Investment Partnerships Program (HOME), Community Redevelopment Agency of the City of Los Angeles (CRA), Housing Department of the City of Los Angeles (LAHD), California Housing Finance Agency (CHFA), HELP program and other housing, community economic development funding sources, as available. The Master Developer will secure all the required gap financing.

h. **Resident Participation and Community Self-Sufficiency:**

The Master Developer will be required to participate and coordinate with the Authority for the implementation of the Human Capital Plan, the Resident Participation and Community Self-Sufficiency programs that may be or are being implemented by the Authority. The selected Master Developer will be required to identify and create, through the implementation of the development, construction jobs for residents. The Master Developer shall also develop long-term employment opportunities for the Authority residents in connection with the development.

i. **Project Labor Agreement & Prevailing Wage/Davis Bacon requirement**

In order to meet its local hire objectives by ensuring that the target populations have access not only to a job, but to a career with a quality apprentice training program, the HACLA and the development team will utilize a master Project Labor Agreement (PLA) on the lines of CRA/LA's PLA that shall govern the redevelopment of Jordan Downs.

The Jordan Downs Redevelopment project will be subject to State Prevailing Wage Requirements or Davis-Bacon Requirements wage rates. Master Developer and their sub-contractors shall be responsible for determining the applicability of prevailing wages.

j. **Construction Completion and Cost Guarantee:**

The Master Developer and/or its development partners shall provide to the Authority a performance and construction completion guarantee, cost guarantee and other guarantees required by the Authority, construction lenders and the Tax Credit Limited partner for all aspects of the various phases of the Redevelopment.

k. **Indemnification:**

The Master Developer and/or its Development partners will be required to indemnify the Authority and hold it harmless in the development of the various phases of the Redevelopment.

4. **Authority Resources Available for the Jordan Downs Redevelopment**

The Submittal shall specifically address which and how each of the following resources made available by the Authority will be utilized by the Master Developer.

a. **Grant Funds:**

The Authority currently has access to limited Capital Fund Program Grant funds from HUD, including Replacement Housing Factor funds. In addition, the Authority in cooperation with the Master Developer may apply for a grant of HOPE VI or Choice Neighborhood Initiative funds for the rental phases of the Redevelopment. The Master Developer shall meet all requirements of HUD pursuant to the requirements of such funding programs including any subsequent Grant Agreements, and all other requirements of the Mixed Finance Development Regulations.

b. **Land:**

The development may be built on the Authority-owned land. The Authority will negotiate a one or more capitalized Ground Lease with the Developer for various phases of the Redevelopment consistent with HUD requirements. If the Developer proposes to privately acquire additional off-site parcels as part of its redevelopment plan, this should be described in the Submittal.

5. **Submittal Contents**

The form and content of each Submittal shall be organized in the following sequence, separated by labeled tabs. as follows:

TAB A

Developer Qualifications and Capacity (20 points).

The Developer shall submit the following information regarding its own organization, and for each associate developer, if a prime Developer and associate developer organization is proposed.

1. **Organizational Structure and Staffing.** Provide a detailed description of the organizational structure and staffing of the entity/development team including the architect, contractor, if applicable, management company, etc. as required to demonstrate a ready team, and include an organizational chart of key personnel with responsibilities delineated. Describe the legal and business relationship of the participating parties, stipulating the roles, responsibilities, fee sharing, compensation and other material responsibilities between associates or partners.
2. **Profile of the Firm's Principals and Key Staff.** Provide profiles of the principals and key staff to be involved in the redevelopment

effort. This information should specify their roles and their previous experience with large housing development projects.

3. If the Developer organization proposes to be a prime Developer with associate developers, provide evidence of experience in assembling and managing a development team on projects of similar scope and magnitude.
4. Due Diligence and Regulatory Compliance the Authority shall evaluate the Developer's Financial Capacity based on the information provided under this section. At the discretion of the HACLA, a proposal may be rejected as non-responsive if Proposer submits false information. The proposal will be deducted accordingly if Proposer failed to submit or note as inapplicable, any of the following requirements listed below. Proposers are required to provide the following information that will help HACLA carry out its due diligence on the proposer:

- a. **Three years of audited Financial Statements for Master Developer and Developer Partners, including opinion letters from the Developer/Partner's accounting firm(s).**

- b. **Indebtedness**

- i. List of all actual or contingent indebtedness (e.g., loan guarantees, letters of credit, banker's acceptances, swaps) not reflected in most recent financial statements and all material correspondence from any governmental entity relating thereto
- ii. List of existing key financing institutions and relationships

- c. **Corporate structure of the Organization (include the following documents):**

- i. Original certificate of incorporation of the Company, all amendments and latest copy of Certificate of Good Standing from the State.
- ii. Copy of screen shot from Secretary of State's website showing current valid corporate or partnership status

Upon selection, the following documents may also be required of the Master Developer:

- iii. By-laws of the Company, as amended

- iv. Closing record books for any material corporate transactions (e.g., reorganization into holding company structure, joint ventures, etc.)
 - v. Listing and description of any subsidiaries, joint venture partners, etc.
 - vi. Partnership agreements, if applicable
 - vii. Joint Venture agreements, if applicable
- d. **All key principals/partners of the organization (include the following documents):**
- i. Detailed organizational chart
 - ii. List of all directors and officers
 - iii. Resumes of directors, officers and senior management
- e. **Warranties/representations**
- i. The Proposer warrants that it is free to enter into any contract awarded under this RFQ and is not subject to any obligation or disability which will or might prevent or interfere in fully keeping and performing all of the conditions to be kept and performed under any contract awarded under this PBV NOFA.
 - ii. The Proposer further warrants that it has not paid anyone for the purpose of being awarded a Contract under this RFQ and that entering into a contract and performing the services thereunder will not constitute a conflict of interest.
 - iii. The Proposer further warrants that neither it, nor its agents or representatives, has offered or given gratuities in the form of entertainment, gifts, favors or other items or services of value to any officer or employee of the HACLA with a view toward securing: (i) award of a contract, (ii) amendment of its contract after award, (iii) favorable treatment of the Proposer by the HACLA in the administration of the contract or in the making of any determination with respect to the Proposer's performance of its obligations under the contract.

- iv. The Proposer is a corporation duly organized and in good standing under the laws of the State of California. Proposer has full right, power and authority to submit its proposal and undertake all obligations as provided herein. The execution, performance and delivery of this proposal have been fully authorized by all requisite actions on the part of the Proposer.

f. **Liabilities**

i. Litigation

- 1. List of all pending or threatened litigation, arbitration, administrative or other proceedings involving the Company, any subsidiary or any joint venture involving the Company or any subsidiary, or any officer or director (including parties, remedies sought and nature of action)
- 2. List and description of all pending or threatened government or other investigations involving the Company, any subsidiary or any officer or director
- 3. Pleadings and other material documents in material litigation, arbitration and investigations and other proceedings
- 4. Consent decrees, judgments, etc., under which there are continuing or contingent obligations
- 5. Letters from lawyers to auditors concerning litigation and other legal proceedings

ii. Regulatory Compliance

- 1. Description of any violations of governmental laws or regulations
- 2. Material reports to governmental agencies
- 3. Reports, notices or other correspondence concerning any known or alleged violation of Federal or state antitrust, environmental, public service or securities laws and regulations

4. Agreements or commitments with governmental entities or other persons relating to clean-up obligations or other environmental liabilities
 5. Copies of correspondence between Federal or state government agencies and the Company
 6. Disclosure of any pending or active investigation by any authority or agency of Federal, State, County, Municipal or other local governmental authority.
 - iii. Disclose any criminal convictions or indictments, pending or filed.
 - iv. Disclose any late payments or defaults on loans to City of Los Angeles development partners or lenders (i.e. CRA, LAHD) on prior projects or loans and state the reasons for the late payments or default.
5. Letters of Recommendation from one or more lenders and equity investors.
6. Developer should provide three references from each of the following groups, both for the Developer and for each associate developer of the Developer's team. Please do not provide more than one reference from the same organization for any member of the proposed development team:
 - construction lender;
 - permanent lender;
 - general contractor on a comparable development;
 - Low Income Housing Tax Credit limited partner investor.

In addition, one reference from each of the following groups, both for the Developer and for each associate developer of the Developer's team.

- public agency prior development partners;
- a community group that has worked with the Developer on a specific development; and
- prior joint development partner in a comparable development;

Note: In providing references, please provide name, title, organization address, phone number, e-mail address, and the

name of the affordable rental housing, owner housing, or commercial development relating to the reference.

TAB B

Developer Project Experience (25 Points)

The Developer shall submit the following information regarding the qualifications, experience and prior track record of its own organization, and for each associate developer, if a prime Developer and associate developer organization is proposed:

1. Previous Mixed Income / Mixed Use Housing Development Experience. Provide information on five of the most recent and successful large mixed income / mixed use housing development projects in which the principals of the firm have participated as general partners or equivalent. The case studies should be multi-phased, mixed use developments of over three hundred (300) units and three (3) of the case studies must include the development of HUD Mixed Finance or HOPE VI developments. This information should list the development's location, unit count by bedroom count, together with retail, commercial, office and community spaces, child care facilities, and other noteworthy features, ownership type, public programs utilized, if any, income levels served (very low, low, moderate, market rate or mixed and senior), type of development (high, mid or low-rise, walk-ups, townhouses, etc.), extent of community and/or resident participation and development cost. Also, describe the construction and permanent financing arrangements showing the nature and extent of the participation between financial lending institutions and the Developer. The Developer's current equity interest in each project should be discussed. Each case study should be no longer than three (3) pages and should include contact information for a reference who can speak objectively about the contributions made by the Developer team in the redevelopment process.
2. The Developer will demonstrate a successful track record in (i) securing Low Income Housing Tax Credit, New Market Tax Credit, and any Energy Tax Credit project allocations, (ii) effective syndication of their projects and competitive equity investments received from limited partner investors, and (iii) demonstrate success in securing local city/agency financial support, Affordable Housing Program Subsidies from the Federal Home Loan Bank Board, and other affordable rental housing subsidies.

3. The Developer must demonstrate a track record with HUD programs or similar mixed finance programs for development of low income housing.

Project descriptions should include a statement of the initial construction budget and the degree to which each project or phase was completed on time and on budget. To the extent time and cost overruns occurred, a description of the reasons for such overruns should be provided.

4. Describe the experience of your firm in successful joint venture(s) or development programs with other governmental entities.
5. Provide evidence of experience in developing commercial facilities, and/or community facilities associated with new or revitalized housing communities.
6. Provide a list of current projects in the Developer's development pipeline, including pre-development, construction and lease-up. These developments should describe the location, size, timeline and financial guarantees expected to be required of the Developer. The description of the Developer's staffing should identify the capacity to undertake the Jordan Downs Redevelopment in addition to the existing projects of the Developer.

TAB C

Project Financing Experience (10 Points)

The Developer shall submit the following information regarding its prior public housing redevelopment projects that demonstrates successful financing experience in leveraging funds in mixed finance transactions and assembling financing packages for mixed-finance transactions, including Hope VI awards, assembling state and local funding sources for horizontal and vertical development:

1. The Developer should describe any credentials or experience in working with other PHAs in successfully applying for Hope VI or CNI grants, or other mixed finance proposals, and managing public housing capital funds and operating subsidies.
2. The Developer should describe experience in assembling financing for horizontal infrastructure development including street improvements, parks, open spaces and other public facilities.
3. The Developer should describe their expertise in assembling low income housing tax credits, taxable and tax exempt multi-family

revenue bonds, conventional and FHA insured debt, and other credit enhancements, tax increment financing, and other financing sources

4. The Developer should describe their experience in mixed use development and ability to apply for New Market Tax credits, access CDBG funds and other non-residential financing sources.
5. The Developer should describe its approach to building a successful Financial Plan for redevelopments of this scale. Include specific comparable examples from among your projects.

TAB D

Development Approach and Business Terms (15 Points)

Development Plan and Approach

Developers will be required to submit a development approach for the Jordan Downs Redevelopment that demonstrates how the Developer's vision for the redevelopment of Jordan Downs meets the unique needs and goals of the Authority including the Capital investment and the human services and community and supportive services components.. The Development Plan and Approach must include:

- Relocation and Development Phasing Plan
- Unit and Income Mix
- Projected Sources and Uses by Phase
- Project Schedule, by Phase

Business Terms

The Developer should describe proposed fee structure and business terms for all aspects of the development project, including the following:

- Construction Management Fee. Propose fee for design and construction of the new public infrastructure. Include any add-ons, staffing costs, or direct reimbursements proposed for the Developer Partner's oversight.
- Proposed Developer Fee Methodology and Split. Provide the developer fee methodology and distribution that you propose for HACLA and the Developer Partner
- Proposed Cash Flow Methodology and Split

- For Sale Component. Describe approach to HACLA participation in net sales proceeds, if applicable.
- Property Management Fee . Specify the proposed property management fee for the initial operation, leasing, compliance, and management of the rental housing.
- Option and Right of First Refusal
- Transfer of GP Interest

TAB E

Asset and Housing Management Experience (10 Points)

The Developer may directly manage the property or contract with a professional management firm. The Developer should demonstrate successful experience, directly or indirectly, in the management of mixed income housing facilities and mixed use developments.

1. Through their asset management experience, the Developer should demonstrate, including without limitation, sound financial property management administration operations, and maintenance of multi-family residential community.
2. The Developer should demonstrate experience in compliance with HUD rules, the LIHTC program or other similar regulations impacting housing.
3. If any management contract has been terminated, state when and explain the reasons for termination.
4. In addition, provide at least two (2) Management Plans for previous comparable redevelopments located in urban settings, where at least one is a mixed use development.

TAB F

Prior Work with Residents and Communities (10 Points)

Provide evidence of prior work in housing development efforts in low-income, multi-cultural and multi-lingual communities and include resident participation in the planning, design and reconstruction process. Describe previous partnership arrangements developed with resident organizations and explain the strategy used to include residents in all aspects of the development effort.

1. Describe your firm's success in engendering community support for the developments you have developed.
2. Describe and quantify the number of non-construction employment opportunities for residents or community persons that have resulted from past projects described above.
3. Describe the proposed number of jobs that you estimate will be created in construction, or in the Developer's own staff.
4. Provide specific information on past experience the Developer has in the following areas:
 - a. Training for and/or contracting with Resident Management Councils.

TAB G

MBE/WBE Outreach (5 Points)

Review Section V of this RFQ regarding the Authority's MBE/WBE Program Requirements. Describe what outreach to prospective subcontractors will be undertaken to comply with these requirements. Complete the MBE/WBE documents found in Exhibit A and include them in the appendix to your Submittal as instructed below.

TAB H

Local Hire & Project Labor Agreement (5 Points)

The Developer should provide examples of Local hiring practices in their comparable redevelopment projects and indicate whether they were required to enter into Project Labor Agreements.

TAB I

Other

1. Offer for the Exclusive Right to Negotiate a Development Agreement, in the form of Exhibit D, executed as required.
2. All Developers will be required to submit a signed Non-Collusion Affidavit Form as included in Exhibit C.

6. Exceptions/Deviations

State any exceptions to, or deviations from, the requirements of this RFQ, including exceptions to the Insurance Requirements, Exhibit I. If you wish to present alternative approaches to meet the Authority's insurance requirements, these should be thoroughly explained.

7. Appendices

a. Supporting Documents

Furnish as appendices those supporting documents (e.g., financial statements, staff resumes) requested in the preceding instructions.

b. Evaluation Criteria

Include any additional information related to the criteria set forth in this RFQ that you deem essential to a proper evaluation of your Submittal and which is not specifically solicited in any of the preceding sections. Developers are cautioned, however, that this does not constitute an invitation to submit large amounts of extraneous material; appendices should be relevant and brief.

c. Affidavits, Certification

As evidence of conformance to the Authority's policies, complete and include as an appendix to your Submittal, all of the Affirmative Action, Non-Collusion, Section 3 and MBE/WBE forms, certifications and affidavits contained in Part I or Part II of this RFQ. If your firm does not comply with one or more of these policies, declare this and explain the reasons.

IV. SUBMITTAL EVALUATION AND CONTRACT ACCEPTANCE OF OFFER

A. Evaluation Panel

The Authority will establish a committee consisting of various stakeholders and experts in urban redevelopment which may include representatives from the Authority, the City, residents, the community, recognized experts in residential and commercial development, academics and others ("Evaluation Panel"). The Evaluation Panel will be responsible for reviewing, analyzing and evaluating the Submittals timely received based on the evaluation criteria and submission requirements outlined in this RFQ and will make its rankings recommendation to the Contracting Officer of the Authority. The Contracting Officer may accept, modify or reject the recommendations of the Evaluation Committee and may

make a recommendation to the Board of Commissioners regarding selection of the Developer.

B. Evaluation Criteria

By use of numerical and narrative scoring techniques, Submittals will be evaluated by the Evaluation Panel according to the following criteria:

1. Completeness of Application

The Developer’s Submittal will first be evaluated for completeness and for compliance with the threshold requirements described below.

Developers must submit all required submittals to this RFQ. If any material information required by this RFQ is not submitted, the Authority maintains the discretion to request the missing information from the Developer or reject the Developer’s Submittal. The Authority reserves the right to reject incomplete or late Submittals.

2. Submittal Scores

If the Developer’s Submittals found complete and acceptable according to the threshold requirements listed above, each of the submittals required by this RFQ will then be evaluated and given a numerical score. The relative weights of the criteria are based on a 100-point scale. Within each evaluation criterion listed, the sub-criteria to be considered are those described in Section III, “Submittal Format and Content.

- A. Developer Qualifications and Capacity (20 points)
- B. Developer Project Experience (25 points)
- C. Project Financing Experience (10 points)
- D. Development Approach/Business Terms (15 points)
- E. Asset and Property Management Experience (10 points)
- F. Prior Work with Residents and Communities (10 points)
- G. MBE/WBE Outreach (5 points)
- H. Local Hire & Project Labor Agreement (5 Points)
- I. Other (No Points)
 - 1. Executed Offer for Exclusive Rights to Negotiate a Development Agreement

2. Non-Collusion Affidavit Form
3. Other relevant material (Affirmative Action, Section 3, etc.)

TOTAL POINT SCORE

(100 points)

Upon selection of the most qualified developers, the Authority may require the finalists to make an oral presentation to the Evaluation Panel and/or the Board of Commissioners to answer questions and further explain their Submittals. If such interviews are conducted, the Panel's and/or the Board's appraisals of the presentations will also be factored into the final scores assigned the developers based on the same criteria as the written Submittal evaluation factors. However, developers are advised that an award may be made without interviews or further discussion.

The Authority expressly reserves the right to reject any or all Submittals, with or without giving a reason, and to waive any irregularities or informalities in the Submittals received. The Authority shall not be liable for any costs incurred by the developer in connection with the preparation and submittal of the qualifications.

V. MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISES (MBE & WBE) REQUIREMENTS

The Housing Authority of the City of Los Angeles ("Authority") has established the following policy and goals regarding Minority Business Enterprises ("MBE") and Women-Owned Business Enterprises ("WBE") by all contractors doing business with the Authority.

A. Policy

It is the policy of the Housing Authority to utilize MBEs and WBEs in all its procurement activities. This action is consistent with the mandates of Title VI of the 1964 Civil Rights Act, Executive Order 11625, Attachment "O" of the Office of Management and Budget (OMB) Circular A-102, and the Mayor's Executive Directive 1-C, which mandates that the Authority is required to take affirmative steps to ensure the fullest possible participation by firms owned and controlled by minorities and women.

B. MBE/WBE Utilization

There are no anticipated levels of participation by MBEs and WBEs, combined, for all contracts awarded by the Authority. Bidders are required to support the

Authority's efforts by conducting outreach to MBEs and WBEs for subcontract or supply opportunities related to the prime contracts for which the Bidders are competing.

C. Responsibility Of Bidders

A Bidder is required to certify that it has complied with the Authority's MBE/WBE Policy by making sufficient "good-faith" efforts, as outlined below, to help the Authority achieve its anticipated levels of participation. All Bidders are required to complete the Affidavit and Certification regarding compliance with the MBE/WBE and Other Business Outreach Program Requirements (Section B08).

D. Good-Faith Efforts

Bidders' "good-faith" efforts to help the Authority achieve its MBE/WBE participation levels shall include, but not be limited to, the following:

1. Attend pre-bid or pre-submittal meeting scheduled by the Authority to inform MBEs/WBEs of subcontracting opportunities.
2. Advertise subcontracting opportunities in general circulation, trade association, and minority-focus media.
3. Notify a reasonable number of specific MBE's/WBE's that their interest is being solicited. This should be done in sufficient time to allow the MBE's/WBE's to participate effectively.
4. Follow-up initial solicitations.
5. Select portions of work to be performed by MBE's/WBE's in order to increase the likelihood of meeting MBE/WBE goals including, where appropriate, breaking down contracts into economically feasible units to facilitate MBE/WBE participation.
6. Provide interested MBE's/WBE's with adequate information about the plans, specifications and requirements of the contract.
7. Negotiate in good faith with MBE's/WBE's. Do not reject MBE's/WBE's as unqualified without sound reasons based on a thorough investigation of their capabilities.
8. Assist interested MBE's/WBE's in obtaining bonding, lines of credit or insurance.
9. Use minority community organizations, minority contractor groups, local state and federal minority business assistance offices and organizations that provide assistance in recruitment and placement of MBE's/WBE's.

E. MBE/WBE Certification

It is required of all Developers to complete and submit the MBE/WBE Affidavit and Certification with their bid. If the successful Developer did not submit the Affidavit and Certification with his/her bid, he/she must submit it within three (3) days upon request. Failure to submit the Affidavit and Certification by that date may render the bid non-responsive. No contract award will be made without a properly executed Affidavit and Certification.

Bidders shall provide information, as requested by the Housing Authority Contracting Officer or designee for determination of compliance with these requirements.

EXHIBITS

- A. Affidavit Regarding Compliance with MBE/WBE and Other Business Outreach
- B. Affirmative Action Certification and Requirements
- C. Non-Collusion Affidavit
- D. Offer for Exclusive Right to Negotiate a Master Development Agreement
- E. Request for Business Credit Report
- F. Map of Jordan Downs Site
- G. Reserved.
- H. Insurance Requirements
- I. Section 3
- J. Building Trades Union Entities
- K. Proposed Contract

EXHIBIT A

AFFIDAVIT REGARDING COMPLIANCE WITH MBE, WBE AND OTHER BUSINESS OUTREACH

The undersigned hereby swears or affirms that the following statements are true and correct to the best of his/her knowledge:

That he/she is a representative of the Developer/offeror and is authorized to make these statements.

That the Developer/offeror made the following efforts in a good faith attempt to comply with the MBE/WBE requirements as indicated by initialing in the places provided:

- (1) We obtained participation by MBEs, WBEs and other business enterprises to produce a level of participation by interested subcontractors including _____ % MBE and _____ % WBE.

Initial

Note: Attainment of the anticipated levels of participation, by itself, shall not be construed as evidence of "good-faith" outreach by the Developer/offeror.

- (2) We **attended / did not attend** (*circle one*),

pre-bid or pre-submittal meeting(s), scheduled by the Authority to inform all Developers/offerors of the requirements for the project for which the contract will be awarded.

Initial

- (3) We identified specific items in the contract to be performed by subcontractors to provide an opportunity for participation by MBE/WBEs and other business enterprises.

Initial

- (4) We **advertised / did not advertise** (*circle one*)

for bids/Proposals from interested business enterprises not less than fifteen (15) calendar days prior to the submission of bids in one or more daily or weekly newspapers, trade association publications, minority or trade oriented publications, trade journals, Internet or other media.

Initial

- (5) We provided written notice of our interest in bidding/proposing this contract to those business enterprises, including MBE/WBEs having an interest in participating in such contracts. All notices of interest were provided not less than fifteen (15) calendar days prior to the date the bids were required to be submitted.

NOTE: In all instances, the Developer/offeror must document that invitations for subcontracting were sent to available MBE/WBEs and other business enterprises for each item of work to be performed. (The Mayor's Office of Economic Development is available to assist in identifying interested MBE/WBEs and other business enterprises).

Initial

- (6) We provided documentation of our efforts to follow-up initial solicitation of interest by contacting the business enterprises to determine with certainty whether the enterprises were interested in performing specific portions of the contract.

Initial

- (7) We provided interested business enterprises with information about the plans, specifications and requirements (as applicable) for the selected subcontracting work.

Initial

- (8) We requested assistance from organizations that provide assistance in the recruitment and placement of MBE/WBEs and other business enterprises not less than _____ days prior to the submission of bids or Submittals.

Initial

- (9) We negotiated in good faith with interested MBE/WBEs and other business enterprises and did not unjustifiably reject bids/Submittals prepared by any enterprise.

NOTE: As documentation, the Developer/offeror must submit a list of all subcontractors for each item or work solicited, including dollar amounts of potential work for MBE/WBEs and other business enterprises.

Initial

- (10) We documented efforts to advise and assist interested MBE/WBEs and other business enterprises in obtaining bonds, lines of credit or insurance required by the Authority or our firm, (as applicable).

Initial

That upon being requested to do so, we will provide evidence of the efforts made as indicated above, within three (3) working days of such request.

I declare under penalty of perjury that the foregoing information is true and correct.

Company Name _____ Date: _____

Company Address _____

Signature _____

Printed Name and Title: _____

MBE/WBE CERTIFICATION

State of California)
) **SS**
County of Los Angeles)

_____, being first duly sworn, deposes and says:

That he/she is _____ of

Title

Name of Bidder/Offeror

Said Developer/offeror has fully understood the Housing Authority of the City of Los Angeles MBE/WBE Program requirements and certifies that Developer/offeror

has / has not (circle one)

in good-faith, performed outreach to MBEs and WBEs as described in the Bid/RFP documents.

Bidder/Offeror also certifies that upon the Authority's request, Developer/offeror shall provide all information, documents, records, and proofs verifying its MBE/WBE requirements.

*Name of Developer/offeror if Developer is Individual
Name of partner if Developer/offeror is a partnership
Name of officer if Developer/offeror is a corporation*

Subscribed and sworn to me this
_____ day of _____, 2011

Notary Public

(Seal)

My Commission Expires _____

EXHIBIT B
AFFIRMATIVE ACTION CERTIFICATION
AND REQUIREMENTS

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES
AFFIRMATIVE ACTION CERTIFICATION CONTRACTORS

The Housing Authority of the City of Los Angeles is committed to equal opportunity for all segments of our community. The Housing Authority has established a Policy and Program to achieve equal opportunity through affirmative action. This policy requires that all Authority contractors also be equal opportunity/affirmative action employers. *(See Affirmative Action Compliance Requirements).*

In order to comply with the aforementioned requirements, it is necessary that all Authority contractors complete, sign and submit the attached Certification. Failure to complete and submit the required Certification will be cause for termination of current accounts or debarment from future business.

Please read the instructions and Certification form carefully. The Certification form must be completed fully and accurately. **Incomplete Certifications will not be accepted.**

If you have questions concerning this certification form or other equal opportunity requirements, contact the Housing Authority's Contracts Administrator at 213/252-1895.

AFFIRMATIVE ACTION COMPLIANCE REQUIREMENTS
OF THE
HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

To be deemed responsible and in compliance with the principles of Equal Employment Opportunity, the following standards must be met by all contractors and by all Developers on Authority contracts. The "lowest responsible Developer" for any Authority contract shall be Developer who satisfies the compliance requirements and submits the lowest dollar bid amount. (Where one of the Developers completely satisfies all the requirements, the Authority may, at its option, consider the Developer who substantially complies with the requirements).

All Developers for the Authority contracts shall submit with their Submittals, documented evidence to satisfy the compliance requirements. Proposers and Contractors shall provide information, as requested by the Housing Authority Affirmative Action Office, for determination of compliance with these requirements. Additionally, in order to confirm or determine compliance with these requirements, Developers and contractors shall permit access to their books, records and employees by the Housing Authority Affirmative Action Office.

Responsible Developers and contractors shall have:

1. A written Affirmative Action Policy and Program. This Affirmative Action Policy and Program shall contain, but not be limited to, all required content elements specified in "Subpart B - Required Contents of Affirmative Action Programs" of Revised Order No. 4 of the Office of Federal Contract Compliance, United States Department of Labor.

Proposers and Contractors not having a written Affirmative Action Policy and Program may adopt, by signatory certification, the "Affirmative Action Policy and Program for Contractors" of the Housing Authority.

Evaluation of Developers Affirmative Action Policy and Program will be made by the Housing Authority Affirmative Action Office. This evaluation will evaluate the completeness, the scope, the regency and the goals timetable in the Developer's Affirmative Action Policy and Program.

2. Documented evidence of efforts made over a period of not less than two (2) years, in increasing the participation and utilization of ethnic minority persons and females, at all levels of the company leading to parity with the local population. Such documented evidence may include, but not be limited to:
 - A. Recruitment efforts made which were targeted at ethnic minority persons and/or females, including but not limited to:
 - (i) Advertisement placed in "minority" news media.
 - (ii) Request made to labor referral agencies, such as labor unions, employment agencies, and the State Employment Development Department.
 - (iii) Requests for referrals by present or former ethnic minority employees or females.
 - (iv) Contracts made with local schools and public or private skills training programs with high "minority" and/or female enrollment.
 - (v) Notification to "minority" community organizations of employment opportunities.
 - B. Evaluation and validation of personnel policies, selection requirements and employment specifications and procedures for compliance with federal and state nondiscrimination standards.
 - C. Efforts made with labor referral agencies to attract, train and employ ethnic minority and female persons.

- D. Management level training programs to “sensitize” staff, in working effectively with ethnic minority and female persons.
 - E. Efforts to identify and utilize “minority” business enterprises for supplies and services.
 - F. Written company policies, rules and procedures for the promulgation of equal opportunity.
3. Documented evidence of company workforce statistics, showing employment of ethnic minority and female persons, in all applicable job categories established by the United States Equal Employment Opportunity Commission, at or exceeding parity with the population of the city or county from which the business is operated, for each ethnic minority group comprising three percent (3%) or more.
 4. Such documented evidence, when verified will entirely satisfy these standards, and such Developer shall be considered responsible and compliant with the principles of Equal Employment Opportunity.

VENDOR AFFIRMATIVE ACTION CERTIFICATION

(Complete, attach specified supplemental materials and submit with bid).

Company _____

Address _____

Telephone _____

Section One - AFFIRMATIVE ACTION POLICY AND PROGRAM

- A.** Does your company have a written Equal Employment Opportunity Policy?
YES [] **NO** []

If so, please submit a copy of this policy with this certification.

- B.** Does your company have a written Affirmative Action Program?
YES [] **NO** []

If so, please submit.

- C.** If your company does not have both the written Equal Employment Opportunity Policy and written Affirmative Action Program, will the company adopt (*by signatory Certification*) the provision of the Housing Authority's Affirmative Action Policy and Program for Vendors attached hereto?

If not, please explain in the space provided below.

Section Two - RESPONSIBILITY AND CERTIFICATION

Firm's designee (*name*) _____

Equal Employment Opportunity Officer is: (*title*) _____

We certify, under penalty of perjury, that the information herein and on the reverse hereof is true and correct.

Company

Authorized Signature

Date

Title

AFFIRMATIVE ACTION POLICY AND PROGRAM FOR CONTRACTORS

(To be submitted by contractors not having their own written Equal Employment Opportunity Policy and Affirmative Action Program).

We, (Company Name) _____
adopt the following provision consistent with the Affirmative Action Policy and Program of the Housing Authority, as our official Affirmative Action Policy and Program.

AFFIRMATIVE ACTION POLICY

(Company Name) _____
recognizes the intent of local, state and federal laws that all individuals, groups and concerns be given and equal opportunity and fair share of jobs, contracts another business opportunities, regardless of race, color, creed, religion, sex, national origin, age, or physical handicap.

The denial of equal access to development and growth opportunities has permitted discrimination to continue in a variety of forms. Therefore, we recognize and accept the responsibility to design and implement programs that strike at the total problem. We aggressively insure the entry and growth of ethnic minority persons and women in our total endeavors.

The following Affirmative Action Program serves to reiterate our policy of Equal Opportunity in employment and business. The goals and actions of this program are realistic and achievable within a framework of fairness to all, they shall not be regarded as quotas. The goals and actions address themselves to current problems and are subject to periodic review and revision to ensure maximum effectiveness.

AFFIRMATIVE ACTION PROGRAM

We, (Company Name) _____
certify that we shall immediately begin to make all good faith efforts to include within our employ, minority persons and women in the numbers specified in the goals timetable.

I. GOALS TIMETABLE

We adopt the following minimum ranges of goals for ethnic minority and female utilization in each occupational category and organization levels, as a guide for evaluation of our Affirmative Action progress.

Ethnic Minorities	Females
21% - 25%	21% - 25%

Where work is performed or business operated outside Los Angeles County, the Affirmative Action Goals Timetables will equate to the ethnic minority and female presentation of the employment area's workforce.

In no event shall we utilize these goals, timetable or affirmative action steps in such a manner as to cause or result in discrimination against any person on account of race, religion, sex, ancestry, national origin, age, or physical handicap.

II. SPECIFICATIONS

A. We shall recruit and make efforts to obtain minorities through:

1. Advertising employment opportunities in minority community news media;
2. Notifying minority community organizations of employment opportunities;
3. Maintaining contact with schools with minority students to notify them of employment opportunities;
4. Encouraging present minority employees to refer their friends and relatives;
5. Promoting after school and vacation employment opportunities for minority youth;
6. Validating all employment specifications, selection requirements, tests, etc;

7. Maintaining a file of the names and addresses of each minority worker referred and what action was taken concerning workers; and
 8. Notifying the Housing Authority in writing, when a union with whom we have a collective bargaining agreement has failed to refer minority workers.
- B. We shall, continually, evaluate personnel practices to assure that hiring, upgrading, promotions, transfers, demotions and layoffs are made to achieve and maintain an ethnically balanced workforce.
- C. We shall utilize training programs and assist minority employees in locating, qualifying for and engaging in such training programs to enhance their skills and advancement.
- D. We shall secure cooperation compliance from the labor referral agency to our contractual affirmative action obligations.
- E. We shall establish a position, at the management level, to be our Equal Employment Opportunity Officer; such individual shall disseminate and enforce the company's Equal Employment and Affirmative Action Policies.
- F. We shall maintain such records as are necessary to determine compliance with equal employment and affirmative action obligations and make such records available to the Housing Authority and other regulatory agencies upon request.
- G. We shall make a good faith effort to contract with minority business enterprises for services and supplies, by taking affirmative action which includes but is not limited to the following:
1. We shall advertise invitation for subcontractor bids in minority and community news media.
 2. We shall contact minority contractor organizations for referral of prospective subcontractors.
 3. We shall contact any other sources likely to yield qualified minority contractors and vendors.
 4. We shall purchase from qualified minority vendors where practical.
- H. We shall make good faith efforts with respect to apprenticeship and training programs to:
1. Recruit and refer minority employees to such programs.

2. Establish training programs within our company and/or our association that will prepare minority employees for advancement opportunities.
 3. Abide by requirements of the Labor Code of the State of California with respect to the provisions of apprenticeship opportunities.
- I. We shall establish written company policies, rules, and procedures which shall be encompassed in a company-wide Affirmative Action Plan for all our operations and contracts. Bid and proposal policies shall be provided to our employees, subcontractors, vendors, unions and all others with whom we may become involved in fulfilling any of our contracts. The company's Affirmative Action Plan shall encompass the requirements contained herein as a minimum.
- J. Where problems are experienced in complying with our affirmative action obligations, we shall document our efforts to comply with the requirements by the following procedures:
1. We shall state the nature of the problem.
 2. We shall state what we attempted to do, how, and on what date.
 3. We shall state to whom our efforts were directed.
 4. We shall state the response received and its date.
 5. We shall state what other steps we have taken or will take to comply and when.
 6. We shall state why we have been or will be unable to comply.
- K. We shall complete and file with the Housing Authority an acceptable Affirmative Action Policy and Program with all bids/Proposals.

Authorized Signature

Title

Date

WORKFORCE PROFILE
FULL TIME EMPLOYEES BY OCCUPATION, GENDER AND RACE

Indicate below the number of permanent full-time (8 hours or more per day) employees in each occupational category, and by gender, for each racial/ethnic group listed below for your firm's total workforce.

OCCUPATION	MALE EMPLOYEES						FEMALE EMPLOYEES						TOTAL EMPLOYEES		
	African Amer	Asian	Amer Indian	Latin	All Others	Total Males	African Amer	Asian	Amer Indian	Latin	All Others	Total Females	TOTAL Others	TOTAL Minority	TOTAL Employees
A. Officials and Managers															
B. Professionals															
C. Technicians															
D. Sales Workers															
E. Office and Clerical															
F. Craftworkers (skilled)															
G. Operative (semi-skilled)															
H. Laborers (unskilled)															
I. Service Workers															
TOTAL															

“RACIAL / ETHNIC GROUPS”

As defined by the U.S. Equal Employment Opportunity Commission:

African-American (Black): persons of any of the Black/Negroid racial groups (not Hispanic background)

Asian: persons having origins in any of the original peoples of the Far East, South Asia, or the Pacific Islands

American Indian: persons having origins in any of the original peoples of North America, including Alaska

Latin (Hispanic): persons of Mexico, Puerto Rico, Cuba, Central America or other Spanish culture or origin regardless of race.

“NON-PERMANENT WORKERS”

Number of “non-permanent” workers employed as of this date: _____

Average number of “non-permanent” workers each month: _____

Average number of ethnic minority persons employed as “non-permanent” workers each month: _____

Average number of females employed as “non-permanent” workers, each month: _____

Average length of employment for “non-permanent” workers: _____

Subscribed and sworn to me this

_____ day of _____, 20____

(Notary Public)

My Commission Expires _____

(SEAL)

EXHIBIT D
OFFER FOR
EXCLUSIVE RIGHT TO NEGOTIATE A
MASTER DEVELOPMENT AGREEMENT

(Date)

Ken Simmons, Interim President & CEO
Housing Authority of the City of Los Angeles
2600 Wilshire Blvd., 3rd Floor
Los Angeles, CA 90057

Subject: OFFER FOR THE EXCLUSIVE RIGHT TO NEGOTIATE A MASTER DEVELOPMENT AGREEMENT FOR the **JORDAN DOWNS REDEVELOPMENT**

Dear Mr. Simmons:

The undersigned Developer hereby submits to the Housing Authority of the City of Los Angeles (“Authority”), an Offer to Negotiate Exclusively (the “Offer”) for a period of 90-days for the development, in whole or in part, of the Jordan Downs site pursuant to our Submittal to the Authority in response to the Request for Qualifications (RFQ) No._____.

We request that the Authority negotiate exclusively with us for a 90-day period, during which time we will seek to negotiate a Master Development Agreement for the Jordan Downs Redevelopment.

This offer is made upon the following terms and conditions:

1. We will proceed diligently with our obligations under this Offer and our Submittal in response to the RFQ. We also agree that if the negotiations do not result in an agreement we will submit to the Authority our findings and determinations regarding the Submittal.
2. We understand that negotiations may be extended beyond the 90-day period at the sole option of the Authority to enable the undersigned Developer and the Authority to reach an agreement.
3. We understand that the nature and type of development is subject to the approval of the Authority and may be subject to further approval by HUD. We further understand that we will be required to make full disclosure to the Authority of our principal’s officers, stockholders, etc., and all other pertinent information, including credit information, concerning the Developer and its associates.
4. We further understand that we will be required to make full disclosure to the Authority of the methods of financing to be used in developing the various phases of the Redevelopment.

5. The Authority shall cooperate fully with our professional associates by providing them with any information and assistance in connection with the preparation and execution of such drawings, plans and specifications reasonably within the capacity of the Authority to provide.
6. We also understand that the Authority reserves the right at anytime to request additional information and data from the Developer and that the Authority particularly reserves the right to obtain further information, data and commitments to ascertain the capacity of Developer to develop the Redevelopment expeditiously. A reasonable time to obtain and submit such additional information will be provided by the Authority.
7. The development plan for Jordan Downs Redevelopment shall be described in detail in the Development Agreement and the actual development shall conform to these objectives. All drawings, plans and specifications, and financing arrangements relative to the development of the Jordan Downs Redevelopment shall be subject to the approval of the Authority.
8. We understand that if negotiations culminate in a MDA with the Authority, the agreements become final only after the Agreement has been considered and approved by the Board of Commissioners and reviewed and approved by HUD, if necessary, prior to their execution by the Authority. We further understand that the Authority, in entering into this period of exclusive negotiations, is not waiving any of its rights and retains its sole discretion to enter into other agreements or obligations following the expiration of the negotiating period.
9. We understand that by entering into the exclusive negotiations, the Authority is not waiving its discretionary approvals nor in any way guaranteeing that a Development Agreement will necessarily result from the negotiations.
10. Our Submittal is in response to the Agency's RFQ No. _____, and all of its contents are hereby made a part of this Offer.
11. Neither party shall be legally bound or obligated unless and until a MDA are executed by both parties and all necessary approvals have been obtained.
- 12.

Developer's Initials

Please indicate your acceptance of this Offer, after approval by the Board of Commissioners of the Authority, by signing in the space provided and returning the attached copy to us.

Sincerely.

Signature _____
Name/Title _____
Address _____
Telephone/Fax _____

This Submittal is hereby accepted as of the _____ day of _____, 2011, subject to the terms and conditions stated above.

THE HOUSING AUTHORITY OF THE CITY
OF LOS ANGELES

By: _____
Ken Simmons, Interim President & CEO

EXHIBIT E
REQUEST FOR BUSINESS CREDIT REPORT

EXHIBIT F
MAP OF JORDAN DOWNS SITE

Map of Existing Jordan Downs Site



EXHIBIT G
RESERVED

EXHIBIT H
INSURANCE REQUIREMENTS

INSURANCE REQUIREMENTS

(FOR INFORMATION ONLY – DO NOT RETURN THIS PAGE TO Authority)

Name: _____ Date: _____

Agreement/Reference: **RFQ No.** _____ JORDAN DOWNS REDEVELOPMENT

Evidence of coverages checked having as a minimum the limits shown must be submitted and approved prior to occupancy/start of operations. Certificates of Insurance will be acceptable for Workers Compensation and Professional Liability. Contractor to provide Authority with Endorsements for General Liability and Automobile Liability, naming the Housing Authority of the City of Los Angeles 2600 Wilshire Boulevard Los Angeles, CA 90057 as Additional Insured. Amounts shown are Combined Single Limit. Split limits may be submitted if the total per occurrence equals or exceeds the CSL amount. Prime Contractor may be required to provide a Certified Copy of the General Liability Policy for all construction jobs.

All policies shall have an A.M. Best rating of “B+” or higher. All policies shall be with an “Admitted” carrier by the California Insurance Commissioner’s Office. The Authority Risk Manager must clear exceptions

1. Statutory WC as per California Labor Code, no exclusion to Asbestos or Lead; HACLA to be a certificate holder;
2. General liability with limits of \$1MM per occurrence, coverage to include \$100K in fire coverage; HACLA to be an additional insured with proper endorsement;
3. Comprehensive Automobile liability with limits of \$500k per occurrence; HACLA as additional insured;
4. Environmental liability with limits of \$2MM, HACLA as an additional insured with proper endorsement.

NOTES: ALL CONTRACTORS AND SUB-CONTRACTORS MUST PROVIDE CERTIFICATES COPIES OF INSURANCE WHEREBY THE Authority IS TO BE NAMED AS AN ADDITIONAL INSURED BY SUB-CONTRACTORS. SUB-CONTRACTORS SHALL PROVIDE EVIDENCES OF COVERAGE HAVING THE MINIMUM LIMITS, AS SHOWN ABOVE.

EXHIBIT I

SECTION 3 REQUIREMENTS

- I. Section 135.30
Numerical Goals for Meeting the Greatest
Extent Feasible Requirement

- II. Section 135.34
Preference for Section 3 Residents in
Training and Employment Opportunities

- III. Section 135.36
Preference for Section 3 Business
Concerns in Contracting Opportunities

- IV. Section 135.38
Section 3 Clause

- V. Section 135.40
Providing Other Economic Opportunities

- VI. Section 135.5
Definitions

- VII. Section 3 - Bidder Certification Regarding
Status as a Section 3 Business Concern

I. SECTION 135.30

Numerical Goals for Meeting the Greatest Extent Feasible Requirement

A. GENERAL

1. Recipients and covered contractors may demonstrate compliance with the "greatest extent feasible" requirement of Section 3 by meeting the numerical goals set forth in this Section for providing training, employment, and contracting opportunities to Section 3 residents and Section 3 Business Concerns.
2. The goals established in this section apply to the entire amount of the Section 3 covered assistance awarded to a recipient in any Federal Fiscal Year (FY) commencing with the first FY following the effective date of this rule - (October 1, 1994).
3. For recipients that do not engage in training, or hiring, but award contracts to contractors that will engage in training, hiring and subcontracting, recipients must ensure that, to the greatest extent feasible, contractors will provide training, employment, and contracting opportunities to Section 3 residents and Section 3 Business Concerns.
4. The numerical goals established in this Section represent minimum numerical goals.

B. TRAINING AND EMPLOYMENT

The numerical goals set forth in this section apply to new hires. The numerical goals reflect the aggregate hires. Efforts to employ Section 3 residents, to the greatest extent feasible, should be made at all levels.

Numerical goals for Section 3 covered Public and Indian Housing Programs. Recipients of Section 3 covered Public and Indian Housing assistance (as described in Sec. 135.5) and their contractors and subcontractors may demonstrate compliance with this part by committing to employ Section 3 residents as:

1. 10 percent of the aggregate number of new hires for the one year period beginning in FY 1995 - (October 1, 1994 to September 30, 1995);
2. 20 percent of the aggregate number of new hires for the one year period beginning in FY 1996 - (October 1, 1995 to September 30, 1996);

3. 30 percent of the aggregate number of new hires for one year period beginning in FY 1997 and continuing thereafter - (October 1, 1996 and thereafter).

C. CONTRACTS

Numerical goals set forth in this section apply to contracts awarded in connection with all Section 3 covered projects and Section 3 covered activities. Each recipient and contractor and subcontractor may demonstrate compliance with the requirements of this part by committing to award to Section 3 Business Concerns:

1. At least 10 percent of the total dollar amount of all Section 3 covered contracts for building trades work for maintenance, repair, modernization or development of public or Indian Housing, or for building trades work arising in connection with housing rehabilitation, housing construction and other public construction; and
2. At least three (3) percent of the total dollar amount of all other Section 3 covered contracts.

D. SAFE HARBOR AND COMPLIANCE DETERMINATIONS

1. In the absence of evidence to the contrary, a recipient that meets the minimum numerical goals set forth in this section will be considered to have complied with the Section 3 preference requirements.
2. In evaluating compliance, a recipient that has not met the numerical goals set forth in this section has the burden of demonstrating why it was not feasible to meet the numerical goals set forth in this section. Such justification may include impediments encountered despite actions taken. A recipient or contractor also can indicate other economic opportunities, such as those listed in Sec.135.40, which were provided in its efforts to comply with Section 3 and the requirement of this part.

II. SECTION 135.34

Preference for Section 3 Residents in Training and Employment Opportunities

- A. Order of providing preference. Recipients, contractors and subcontractors shall direct their efforts to provide, to the greatest extent feasible, training and employment opportunities generated from the expenditure of Section 3 covered assistance to Section 3 residents in the order of priority provided in this section.

1. Public and Indian Housing Programs.

In Public and Indian Housing Programs, efforts shall be directed to provide training and employment opportunities to Section 3 residents in the following order of priority:

- (a) Residents of the housing development or developments for which the Section 3 covered assistance is expended (category 1 residents);
- (b) Residents of the other housing developments managed by the Housing Authority that is expending the Section 3 covered assistance (category 2 residents);
- (c) Participants in HUD Youth build programs being carried out in the metropolitan area (or non Metropolitan county) in which the Section 3 covered assistance is expended (category 3 residents);
- (d) Other Section 3 residents.

B. Eligibility for Preference:

A Section 3 resident seeking the preference in training and employment provided by this part shall certify, or submit evidence to the recipient contractor or subcontractor, if requested, that the person is a Section 3 resident, as defined in Sec. 135.5. (An example of evidence of eligibility for the preference is evidence of receipt of public assistance, or evidence of participation in a public assistance program.)

C. Eligibility for Employment:

Nothing in this part shall be construed to require the employment of a Section 3 resident who does not meet the qualifications of the position to be filled.

III. SECTION 135.36

Preference for Section 3 Business Concerns in Contracting Opportunities:

A. Order of Providing Preference:

Recipients, contractors and subcontractors shall direct their efforts to award Section 3 covered contracts, to the greatest extent feasible, to Section 3 Business Concerns in the order of priority provided in this section.

1. Public and Indian Housing Programs. In Public and Indian Housing Programs, efforts shall be directed to award contracts to Section 3 Business Concerns in the following order of priority:
 - (a) Business concerns that are 51 percent or more owned by residents of the housing development or developments for which the Section 3 covered assistance is expended, or whose full-time permanent workforce includes 30 percent of those persons as employees (category 1 businesses);
 - (b) Business concerns that are 51 percent or more owned by residents of other housing developments or developments managed by the Housing Authority that is expending the Section 3 covered assistance, or whose full-time, permanent workforce includes 30 percent of these persons as employees (category 2 businesses); or
 - (c) HUD Youth build programs being carried out in the metropolitan area (or non-metropolitan county) in which the Section 3 covered assistance is expended (category 3 businesses).
 - (d) Business concerns that are 51 percent or more owned by Section 3 residents or whose permanent, full-time workforce includes no less than 30 percent Section 3 residents (category 4 businesses), or that subcontract in excess of 25 percent of the total amount of subcontracts to Business Concerns identified in paragraphs (A) (1) (i) and (A) (1) (ii) of this section.

B. Eligibility For Preference.

A Business Concern seeking to qualify for a Section 3 contracting preference shall certify or submit evidence, if requested, that the Business Concern is a Section 3 Business Concern as defined in Section 135.5

C. Ability to Complete Contract.

A Section 3 Business concern seeking a contract or a subcontract shall submit evidence to the recipient, contractor, or subcontractor (as applicable), if requested, sufficient to demonstrate to the satisfaction of the party awarding the contract that the business concern is responsible and has the ability to perform successfully under the terms and conditions of the proposed contract. (The ability to perform successfully under the terms and conditions of the proposed contract is required of all contractors and subcontractors subject to the procurement standards of 24 CFR 85.36 (see 24 CFR 85.36 (b) (8)). This regulation requires consideration of,

among other factors, the potential contractor's record in complying with public policy requirements. Section 3 compliance is a matter properly considered as part of this determination.

IV. SECTION 135.38

Section 3 Clause

All Section 3 covered contracts shall include the following clause (referred to as the Section 3 clause):

- A. 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.
- B. 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.
- C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor'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.
- D. The contractor 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 contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.

- E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor 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 contractor's obligations under 24 CFR Part 135.
- F. 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.

V. SECTION 135.40

Providing Other Economic Opportunities

- A. General. In accordance with the findings of the Congress, as stated in Section 3, that other economic opportunities offer an effective means of empowering low-income persons, a recipient is encouraged to undertake efforts to provide to low-income persons economic opportunities other than training, employment, and contract awards, in connection with Section 3 covered assistance.
- B. Other training and employment related opportunities. Other economic opportunities to train and employ Section 3 residents include, but need not be limited to, use of "upward mobility", "bridge" and trainee positions to fill vacancies; hiring Section 3 residents in management and maintenance positions within other housing developments; and hiring Section 3 residents in part-time positions.
- C. Other business related economic opportunities:
 - 1. A recipient or contractor may provide economic opportunities to establish, stabilize or expand Section 3 Business Concerns, including micro-enterprises. Such opportunities include, but are not limited to the formation of Section 3 Joint Ventures, financial support for affiliating with franchise development, use of labor only contracts for building trades, purchase of supplies and materials from housing authority resident-owned businesses, purchase of materials and supplies from PHA resident-owned businesses and use of procedures under 24 CFR Part 963 regarding HA contracts to HA resident-owned businesses. A recipient or contractor may employ these methods directly or may provide incentives to non-Section 3 businesses to utilize such methods to provide other economics opportunities to low-income persons.
 - 2. A Section 3 Joint Venture means an association of Business Concerns, one of which qualifies as a Section 3 Business Concern,

formed by written joint venture agreement to engage in and carry out a specific business venture for which purpose the Business Concerns combine their efforts, resources, and skills for joint profit, but not necessarily on a continuing or permanent basis for conducting business generally, and for which the Section 3 Business Concern:

- (a) Is responsible for a clearly defined portion of the work to be performed and holds management responsibilities in the joint venture; and
- (b) Performs at least 25 percent of the work and is contractually entitled to compensation proportionate to its work.

VI. SECTION 135.5

Definitions -As used in this part:

Annual Contributions Contract (ACC) means the contract under the U.S. Housing Act of 1937 (1937 Act) between HUD and the PHA, or between HUD and the IHA, that contains the terms and conditions under which HUD assists the PHA or the IHA in providing decent, safe and sanitary housing for low income families. The ACC must be in a form prescribed by HUD under which HUD agrees to provide assistance in the development, modernization and/or operation of a low income housing project under the 1937 ACT, and the PHA or IHA agrees to develop, modernize and operate the project in compliance with all provisions of the ACC and the 1937 Act, and all HUD regulations and implementing requirements and procedures. (The ACC is not a form of procurement contract.)

Applicant means any entity which makes an application for Section 3 covered assistance, and includes, but is not limited to, any State, unit of local government, public housing agency, Indian housing authority, Indian tribe, or other public body, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor, builder, property manager, community housing development organization (CHDO), resident management corporation, resident council, or cooperative association.

Assistant Secretary means the Assistant Secretary for Fair Housing and Equal Opportunity.

Business Concern means a business entity formed in accordance with State law, and which is licensed under State, county or municipal law to engage in the type of business activity for which it was formed.

Business Concern that provides economic opportunities for low and very low-income persons. See definition of "Section 3 Business Concern" in this section.

Contract. See the definition of “Section 3 covered contract” in this section.

Contractor means any entity which contracts to perform work generated by the expenditure of Section 3 covered assistance, or for work in connection with a Section 3 covered project.

Department or HUD means the Department of Housing and Urban Development, including its Field Offices to which authority has been delegated to perform functions under this part.

Employment opportunities generated by Section 3 covered assistance means all employment opportunities generated by the expenditure of Section 3 covered public and Indian housing assistance (i.e. operating assistance, development assistance and modernization assistance, as described in Section 135.3 (a) (1)). With respect to Section 3 covered housing and community development assistance, this term means all employment opportunities arising in connection with Section 3 covered projects (as described in Section 135.3 (a) (2)), including management and administrative jobs connected with the Section 3 covered project. Management and administrative jobs, include architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups; and jobs directly related to administrative support of these activities, e.g., construction manager, relocation specialist, payroll clerk, etc.

Housing Authority (HA) means collectively, public housing agency and Indian housing authority.

Housing and community development assistance means any financial assistance provided or otherwise made available through a HUD housing or community development program through any grant, loan, loan guarantee, cooperative agreement, or contract, and includes community development funds in the form of community development block grants, and loans guaranteed under Section 108 of the Housing and Community Development Act of 1974, as amended. Housing and community development assistance does not include financial assistance provided through a contract of insurance or guaranty.

Housing development means low-income housing owned, developed, or operated by public housing agencies or Indian housing authorities in accordance with HUD’s public and Indian housing program regulations codified in 24 CFR Chapter IX.

HUD Youth build Programs means programs that receive assistance under subtitle D of Title IV of the National Affordable Housing Act, as amended by the Housing and Community Development Act of 1992 (42 U.S.C. 12899), and provide disadvantaged youth with opportunities for employment, education, leadership development, and training in the construction or rehabilitation of

housing for homeless individuals and members of low and very low-income families.

Indian Housing Authority (IHA) has the meaning given this term in 24 CFR Part 905.

Indian tribes shall have the meaning given this term in 24 CFR Part 571.

JTPA means the Job Training Partnership Act (29 U.S.C. 1579 (a)).

Low income person. See the definition of “Section 3 Resident” in this section.

Metropolitan area means a metropolitan statistical area (MSA) as established the Office of Management and Budget.

Neighborhood area means:

- (1) For HUD housing programs, a geographical location within the jurisdiction of a unit of general local government (but not the entire jurisdiction) designated in ordinances, or other local documents as a neighborhood, village, or similar geographic designation.
- (2) For HUD community development programs, see the definition, if provided, in the regulations for the applicable community development program, or the definition for this term in 24 CFR 570.204 (c) (1).

New hires mean full-time employees for permanent, temporary or seasonal employment opportunities.

Nonmetropolitan county means any county outside of a metropolitan area.

Other HUD programs means HUD programs, other than HUD public and Indian housing programs, that provide housing and community development assistance for “Section 3 covered projects,” as defined in this section.

Public Housing Agency (PHA) has the meaning given this term in 24 CFR Part 941.

Public Housing resident has the meaning given this term in 24 CFR Part 963.

Recipient means any entity which receives Section 3 covered assistance, directly from HUD or from another recipient and includes, but is not limited to, any State, unit or local government, PHA, IHA, Indian tribe, or other public body, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor, builder, property manager, community housing development organization, resident management corporation, resident council, or cooperative association. Recipient also includes any successor, assignee or transferee of any such entity, but does not include any ultimate

beneficiary under the HUD program to which Section 3 applies and does not include contractors.

Secretary means the Secretary of Housing and Urban Development.

Section 3 means Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u)

Section 3 Business Concern means a business concern, as defined in this Section:

- (1) That is 51 percent or more owned by Section 3 residents; or
- (2) Whose permanent, full-time employees include persons, at least 30 percent of whom are currently Section 3 residents, or within three years of the date of first employment with the business concern were Section 3 residents; or
- (3) That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set forth in paragraphs (1) or (2) in this definition of "Section 3 Business Concern."

Section 3 Clause means the contract provisions set forth in Sec. 135.38.

Section 3 covered activity means any activity which is funded by Section 3 covered assistance public and Indian housing assistance.

Section 3 covered assistance means:

- (1) Public and Indian housing development assistance provided pursuant to Section 5 of the 1937 Act;
- (2) Public and Indian housing operating assistance provided pursuant to Section 9 of the 1937 Act;
- (3) Public and Indian housing modernization assistance provided pursuant to Section 14 of the 1937 Act.
- (4) Assistance provided under any HUD housing or community development program that is expended for work arising in connection with:
 - (i) Housing rehabilitation (including reduction and abatement of lead-based paint hazards, but excluding routine maintenance, repair and replacement);
 - (ii) Housing construction; or

- (iii) Other public construction project (which includes other buildings or improvements regardless of ownership).

Section 3 covered contract means a contract or subcontract (including a professional service contract) awarded by a recipient or contractor for work generated by the expenditure of Section 3 covered assistance, or for work arising in connection with a Section 3 covered project. "Section 3 covered contracts" do not include contracts awarded under HUD's procurement program, which are governed by the Federal Acquisition Regulation System (see 48 CFR, Chapter I). "Section 3 covered contracts" also do not include contracts for the purchase of supplies and materials. However, whenever a contract for materials includes the installation of the materials, the contract constitutes a Section 3 covered contract. For example, a contract for the purchase and installation of a furnace would be a Section 3 covered contract because the contract is for work (i.e., the installation of the furnace) and thus is covered by Section 3.

Section 3 covered project means the construction, reconstruction, conversion or rehabilitation of housing (including reduction and abatement of lead-based paint hazards), other public construction which includes buildings or improvements (regardless of ownership) assisted with housing or community development assistance.

Section 3 Joint Venture.

See Sec. 135.40.

Section 3 resident means:

- (1) A public housing resident; or
- (2) An individual who resides in the metropolitan area or non metropolitan county in which the Section 3 covered assistance is expended, and who is:
 - (i) A low income person, as this term is defined in Section 3 (b) (2) of the 1937 Act (42 U.S.C. 1437a(b)(2)). Section 3 (b)(2) of the 1937 Act defines this term to mean families (including single persons) whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs for unusually high or low income families; or
 - (ii) A very low income person, as this term is defined in Section 3 (b) (2) of the 1937 Act (42 U.S.C. 1437a (b) (2)). Section 3(b) (2) of the 1937 Act (42 U.S.C. 1437a(b) (2) defines this term to mean

families (including single persons) whose incomes do not exceed 50 per centum of the medium family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

- (3) A person seeking the training and employment preference provided by Section 3 bears the responsibility of providing evidence (if requested) that the person is eligible for the preference.

Section 8 Assistance means assistance provided under Section 8 of the 1937 Act (42 U.S.C. 1437f) pursuant to 24 CFR part 882, subpart G.

Service area means the geographical area in which the persons benefiting from the Section 3 covered project reside. The service area shall not extend beyond the unit of general local government in which the Section 3 covered assistance is expended. In HUD's Indian housing programs, the service area, for IHAs established by an Indian tribe as a result of the exercise of the tribe's sovereign power, is limited to the area of tribal jurisdiction.

Subcontractor means any entity (other than a person who is an employee of the contractor) which has a contract with a contractor to undertake a portion of the contractor's obligation for the performance of work generated by the expenditure of Section 3 covered assistance, or arising in connection with a Section 3 covered project.

Very low income person. See the definition of "Section 3 Resident" in this section.

Youth build programs. See the definition of "HUD Youth build programs" in this section.

EXHIBIT J

BUILDING TRADE UNION ENTITIES

ADDRESSES, NAMES OF CONTACT PERSON AND PHONE NUMBERS OF BUILDING TRADES UNION ENTITIES

PLUMBING AND PIPE FITTING UNION LOCAL 78

1111 James Woods
Los Angeles, CA 90019
Contact Person: Gary Cook, Business Representative
Phone (213) 688-9090
Fax (213) 624-4624

LABORERS UNION LOCAL 300

515 Shatto Place
Los Angeles, CA 90020
Contact Person: Sergio Rascon, Business Manager
Phone (213) 385-3550
Fax (213) 385-6985

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS UNION LOCAL 11

6023 South Garfield Ave.
Commerce, CA 90040
Contact Person: Marvin Kropke, Business Manager
Phone (323) 517-9610
Fax (323) 726-0623

SOUTHERN CALIFORNIA PAINTERS AND ALLIED TRADES, DISTRICT COUNCIL 36.

2333 N. Lake Avenue, Unit H
Altadena, CA 91001
Contact person: Robert Lesson, Financial Secretary.
Phone: (626) 584-9925
Fax: (626) 584-1949

SOUTHERN CALIFORNIA COUNCIL OF CARPENTERS

533 S. Fremont Avenue, 10th Floor
Los Angeles, CA 90071
Contact Person: Nick Santangelo, Business Representative
Phone (213) 385-1457
Fax (213) 385-3759

**RESILIENT FLOOR AND DECORATIVE COVERING UNION
LOCAL 1247**

8051 Pioneer Boulevard
Whittier, CA 90606
Contact Person: Matt Weir, Business Representative
Phone: (562) 695-7402
Fax: (562) 699-6337

OPERATIVE PLASTERERS AND CEMENT MASONS LOCAL 200

1610 West Holt Ave.
Pomona, CA 92768
Contact Person: Robert Pullen Jr., Business Manager
Phone: (909) 865-2240
Fax: (909) 865-9390

**GLAZIER, ARCHITECTURAL METAL AND GLASS WORKERS
UNION LOCAL 636**

2333 N. Lake, Unit F
Altadena, CA 91001
Contact Person: Grant Mitchell, Business Manager
Phone: (626) 448-1565
Fax: (626) 797-8395

**SHEET METAL WORKER'S INTERNATIONAL ASSOCIATION LOCAL 108 (NO
LONGER IN BUSINESS, NO FORWARDING INFO)**

464 S. Lucas Avenue
Los Angeles, CA 90017
Contact Person: Roy A. Ringwood, Business Manager
Phone: (213) 481-2050
Fax: (213) 481-2076

**UNITED ASSOCIATION OF JOURNEYMAN AND APPRENTICES OF THE
PLUMBING AND PIPE FITTING INDUSTRY OF THE UNITED STATES AND
CANADA LOCAL UNION 345**

142 W. Pomona Avenue
Monrovia, CA 91016
Contact Person: Vincent Diaz, Business Manager
Phone: (626) 357-9345
Fax: (626) 359-0359

BRICK MASONS UNION LOCAL 4

12921 Ramona Blvd., Suite F
Irwindale, CA 91706
Contact Person: Richard Whitney, Business Manager

Phone: (626) 573-0032
Fax: (626) 573-5607

**UNITED UNION OF ROOFERS, WEATHERPROOFERS AND ALLIED WORKERS
LOCAL 36**

5380 Poplar Blvd.
Los Angeles, CA 90032
Contact: Douglas Ziegler, Business Manager
Phone: (323) 222-0252
Fax: (323) 222-3585

CEMENT MASON'S UNION LOCAL 600

5811 E. Florence Ave.
Bell Gardens, CA 90201
Contact person: Scott Brain, Business Manager/ Financial secretary.
Phone: (323) 771-0991
Fax: (323) 771-2631

CERTIFICATION OF AN AGREEMENT WITH BUILDING TRADES UNION ENTITIES

The parties below have entered into an agreement whereby the contractor or subcontractor has been granted permission to hire and train apprentices or trainees from the Building Trades Union Entity for the applicable trade.

This document, when completed and signed by the persons duly authorized to bind each of the parties to such an agreement, shall serve as certification of the existence of an agreement to hire and train apprentices or trainees and shall serve as the verification of such an agreement called for in the IFB.

1. Apprenticeable trade: _____

2. Name of Building Trades Union Entity: _____

Address: _____

Phone No.: _____

3. Name of Contractor or Subcontractor: _____

Address: _____

Phone No.: _____

4. Type of Agreement entered into by the parties above (check as appropriate):

_____ Master Labor Agreement

_____ Project Agreement (specific to Bid No. 1602 and contingent on award of contract)

_____ Other Agreement (please describe):

The parties signatory hereto certify that the information presented herein is true and complete and further certify that any change in the agreement certified to shall be reported immediately to the Housing Authority of the City of Los Angeles.

For the Building Trades Union Entity:

For the Contractor/Subcontractor:

(signature)

(signature)

(print name)

(print name)

(title)

(title)

EXHIBIT K
PROPOSED CONTRACT

CONTRACT NUMBER HA-200_-

BETWEEN

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

AND

THIS CONTRACT ("Contract") is made and entered into this _____ day of _____, 200____ ("Commencement Date"), by and between the Housing Authority of the City of Los Angeles, State of California, a public body, corporate and politic (hereinafter referred to as the "Authority"), and _____ located at _____ (hereinafter referred to as the "Contractor").

WITNESSETH:

WHEREAS, the Authority requires _____ ("Services") that otherwise cannot be provided by regular employees of the Authority; and

WHEREAS, the Authority has determined that the most effective and feasible manner of obtaining such Services is by contracting for them; and

WHEREAS, on _____, 20____, Request for Proposal ("RFP") No. _____ was issued to competitively solicit proposals; and

WHEREAS, from among the proposals received, the Authority has determined that the Contractor's offer is the most advantageous to the Authority; and

WHEREAS, the Contractor has represented that it has the requisite personnel, experience and resources to provide the Services required by the Authority, and the Contractor desires to provide the Services; and

WHEREAS, the Board of Commissioners, by Resolution No. _____ adopted on _____, 20____, authorized the Authority to contract for the services with said Contractor;

NOW, THEREFORE, in consideration of the mutual covenants, benefits and promises herein stated, the parties hereto agree as follows:

1. STATEMENT OF WORK

a. Scope of Work. The Contractor shall, in a manner satisfactory to the Authority, completely perform the services set forth in Exhibit A, entitled "Scope of Work," attached to and, by this reference, incorporated in and made a part of this Contract. The Contractor shall also perform in accordance with its proposal to the Authority dated _____, 20____, which is attached as Exhibit F, entitled "Contractor's Proposal". Any conflicts between the requirements of Exhibit A and the "Work Plan" presented in the Contractor's proposal shall be referred for resolution to the Authority, whose decisions in such matters shall be final and binding on both parties.

b. Additional Work. Any work performed by the Contractor, beyond that authorized in Subparagraph 1.a., above, must be approved in advance by the Authority, and such approved work shall be considered "Additional Work" under this Contract. Any such approval of Additional Work by the Authority, as well as any other material change in the terms and conditions of this Contract, shall only be binding upon either party if confirmed in a written amendment to this Contract executed by both parties.

c. Key Personnel. The Contractor shall provide the personnel listed below to perform the above-specified Services, which persons are hereby designated as Key Personnel under this Contract. The Contractor shall not remove or replace any named person below, nor shall his/her agreed-upon function or level of commitment be changed, without the prior written consent of the Authority.

Name	Title	Function
------	-------	----------

2. PAYMENT AND MAXIMUM OBLIGATION

a. Payment. For the Contractor's full and complete performance of its obligations under this Contract, the Authority shall pay the Contractor on a Firm Fixed Price basis in accordance with Exhibit B, entitled "Schedule of Fees" attached to and, by this reference, incorporated in and made a part of this Contract. Said Schedule of Fees shall remain in effect for the "Term of Contract" as defined in Paragraph 3 of this Contract.

b. Payment for Additional Work. For the Contractor's completion of Additional Work, the Authority shall pay the Contractor on a time-and-materials basis in accordance with Exhibit C, entitled "Schedule of Fees for Additional Work," attached to and, by this reference, incorporated in and made a part of this Contract. All prices quoted in Exhibit C shall remain fixed for the entire term of this Contract, even as such term is extended to accommodate the Additional Work. In any amendment to this Contract approving Additional Work and issued pursuant to Subparagraph 1.b., above, the Authority's maximum cumulative payment obligation set forth in Subparagraph 2.d., below, shall also be changed to reflect the agreed upon cost to the Authority for said Additional Work.

c. Invoices.

i. The Contractor shall submit invoices, in triplicate, to the Authority for payment in arrears of work being performed. The Contractor's invoices shall specify the following: (1) name of person(s) performing the work; (2) description of work and location where work was performed; (3) dates of work performance and hours of work performed; (4) total amount due and payable; (5) Contract No. HA-20 - - Department; and (6) signature of Contractor's authorized representative attesting that the invoice is true and accurate.

ii. Invoices shall be submitted to the Authority for payment not more frequently than once per calendar month. The Authority shall remit payment within thirty (30) days of receipt of a correct invoice from the Contractor.

d. Automatic Deposit of Payments. The Contractor shall be paid by Automatic Deposit with a Financial Institution that must be a member of the Automatic Clearing House ("ACH"). The Automatic Deposit Form must be completed and submitted to the Authority prior to the performance of work under this Contract.

e. Maximum Payment Obligation. Notwithstanding any other provision of this Contract to the contrary, the Authority's maximum cumulative payment obligation to the Contractor under this Contract shall be _____ Dollars (\$ _____), including all amounts payable to the Contractor for its costs arising from, or due to termination of, this Contract.

3. TERM OF CONTRACT

a. Initial Term. This Contract shall commence on the Commencement Date and continue in full force and effect through _____, 20__ unless earlier terminated as provided elsewhere in this Contract or extended by written amendment to this Contract, for a total term not to exceed five (5) years.

- b. 1st Option Term.** The Authority, at its sole discretion, may elect to extend the term of this Contract for the period through [REDACTED], 20__ (“1st Option Term”) by giving notice to the Contractor prior to the expiration of the Initial Term.
- c. 2nd Option Term.** The Authority, at its sole discretion, may elect to extend the term of this Contract for the period through [REDACTED], 20__ (“2nd Option Term”) by giving notice to the Contractor prior to the expiration of the 1st Option Term.
- d. 3rd Option Term.** The Authority, at its sole discretion, may elect to extend the term of this Contract for the period through [REDACTED], 20__ (“3rd Option Term”) by giving notice to the Contractor prior to the expiration of the 2nd Option Term.
- e. Maximum Term.** The “Maximum Term” of this Contract, including the period for performance of Optional Work authorized by the Authority, shall be the period beginning on the Commencement Date and extending through the end of the 3rd Option Term, so long as the total term of this Contract does not exceed five (5) years.

4. INDEPENDENT CONTRACTOR

- a.** The Contractor shall, during the performance of this Contract, act as a wholly independent contractor. Neither the Authority nor any of its officers, employees, servants or agents shall have control over the conduct of the Contractor or its employees or agents, except to advise or provide project direction as required. The Contractor shall not at any time or in any manner represent that it or any of its officers, employees or agents are in any manner employees of the Authority.
- b.** Nothing contained in this Contract shall be deemed, construed or represented by the Authority or Contractor or by any third person to create the relationship of principal or agent, or of a partnership, or of a joint venture, or of any other association of any kind or nature between the Authority and Contractor.
- c.** The Authority shall not be called upon to assume any liability for the direct payment of any salary, wage or other compensation to any person employed by the Contractor performing services hereunder for the Authority.

5. CONFLICTS OF INTERESTS

The Contractor affirms that to the best of its knowledge, there exists no actual or potential conflict between the Contractor’s business or financial interests and either the Services to be provided under this Contract or any Commissioner, Officer, employee, or agent of the Authority. In the event of a change in either private interest or services under this Contract, any questions regarding possible conflicts of interests which may arise as a result of such change shall be brought to the immediate attention of the Los Angeles City Attorney. For the duration of this Contract, the Contractor shall refrain from undertaking any work for any individual, business, or legal entity in which direct conflict of interests regarding the services to be provided thereunder or herein may arise.

6. INDEMNIFICATION

- a.** The Contractor shall hold harmless, indemnify and defend the Authority and its officers, employees, servants, agents, successors and assigns from any claim, demand, damage, liability, loss, cost or expense, including attorneys fees, or any damage whatsoever, including but not limited to death or injury to any person and damage to any property, resulting from the misconduct, negligent acts, errors or omissions of the Contractor or any of its officers, employees or agents in the performance of this Contract, except such damage as is caused by the sole negligence of the Authority or any of its officers, employees, servants, agents, successors or assigns.

b. The Authority does not, and shall not, waive any rights that it may have against the Contractor by reason of the acceptance by the Authority, or the deposit with the Authority, of any insurance policies or endorsements required pursuant to this Contract. This indemnification provision shall apply regardless of whether or not said insurance policies or endorsements are determined to be applicable to any claim, demand, damage, liability, loss, cost or expense described above.

7. INSURANCE REQUIREMENTS

During the term of this Contract, the Contractor shall, at its own cost and expense, procure and maintain insurance set forth in Exhibit D, entitled "Insurance Requirements," attached to and, by this reference, incorporated in and made a part of this Contract.

The Contractor's Certificates of Insurance are attached to Exhibit E entitled "Contractor's Certificates of Insurance," attached to and by this reference, incorporated in and made a part of this Contract. It is the Contractor's responsibility to provide updated Certificates of Insurance during the Contract term. Each updated Certificate of Insurance provided by the Contractor during the Contract term will be incorporated in this Contract.

8. ASSIGNMENT OR TRANSFER

a. The Contractor shall not in any manner, directly or indirectly, by operation of law or otherwise, hypothecate, assign, transfer or encumber this Contract or any portion hereof or any interest herein, in whole or in part, without the prior written consent of the Authority. In addition, the Contractor shall not subcontract the services to be performed pursuant to this Contract without prior written approval of the Authority. The names and qualifications of subcontractors or others whom the Contractor intends to employ, other than those identified, shall be submitted to the Authority for prior written approval.

b. The Authority hereby consents to the Contractor's subcontracting of portions of the Scope of Work to the following entities:

Subcontractor:	Description of Work	% of Work to be Performed
<u>Name or N/A</u>		

9. TERMINATION AND REMEDIES FOR BREACH

a. **Termination for Convenience.** The Authority may terminate this Contract for the Authority's convenience at any time by giving Contractor ten (10) days' written notice thereof. Upon receipt of said notice, Contractor shall immediately take action not to incur any additional obligations, costs or expenses, except as may be reasonably necessary to terminate its activities. The Authority shall pay Contractor its reasonable and allowable costs through the effective date of termination and those reasonable and necessary costs incurred by Contractor to effect such termination. Thereafter, Contractor shall have no further claims against the Authority under this Contract. All finished or unfinished documents and materials proposed for or produced under this Contract shall become Authority property upon date of such termination and Contractor shall immediately deliver to the Authority all documents and materials accumulated or generated in performing the Contract, whether completed or in process.

b. **Termination for Breach of Contract.**

i. If Contractor fails to perform any of the provisions of this Contract or so fails to make progress as to endanger timely performance of this Contract, the Authority may give Contractor written notice of such default. If Contractor does not cure such default or provide a plan to cure such default which is acceptable to the Authority within the time permitted by

the Authority, then the Authority may terminate this Contract due to Contractor's breach of this Contract.

ii. If a federal or state proceeding for relief of debtors is undertaken by or against Contractor, or if Contractor makes an assignment for the benefit of creditors, then the Authority may immediately terminate this Contract.

iii. If Contractor engages in any dishonest conduct related to the performance or administration of this Contract or violates any pertinent federal regulations, then the Authority may immediately terminate this Contract.

iv. In the event the Authority terminates this Contract as provided in this Subparagraph 9.b. the Authority may procure, upon such terms and in such manner as the Authority may deem appropriate, Services similar in scope and level of effort to those so terminated, and Contractor shall be liable to the Authority for all of its costs and damages, including, but not limited to, any excess costs for such Services.

v. All finished or unfinished documents and materials produced or procured under this Contract shall become Authority property upon date of such termination and Contractor shall immediately deliver to the Authority all documents and materials accumulated or generated in performing the Contract, whether completed or in process.

vi. The Authority may withhold any payments to the Contractor, for the purpose of off-set or partial payment, as the case may be, of any amounts owed by the Authority to the Contractor, in the event the performance of the Contractor's work is in dispute or for any other reasonable purpose at the discretion of the Authority.

vii. If, after notice of termination of this Contract under the provisions of this Subparagraph 9.b., it is determined for any reason that Contractor was not in default under the provisions of this Section, or that the default was excusable under the terms of this Contract, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Subparagraph 9.a., Termination for Convenience.

viii. The rights and remedies of the Authority provided in this Paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

c. Termination at End of Contract Term

i. Following the expiration of the Contract at the end of the Contract Term, all finished or unfinished documents and materials produced or procured under this Contract shall become Authority property upon date of such termination and Contractor shall immediately deliver to the Authority all documents and materials accumulated or generated in performing the Contract, whether completed or in process.

ii. The Authority may withhold any payments to the Contractor, for the purpose of off-set or partial payment, as the case may be, of any amounts owed by the Authority to the Contractor, in the event the performance of the Contractor's work is in dispute or for any other reasonable purpose at the discretion of the Authority.

10. COMPLIANCE WITH FEDERAL, STATE, AND LOCAL STATUTES AND REGULATIONS

The Contractor, in performance of this Contract, warrants and certifies that it will comply with all applicable statutes, rules, regulations, and orders of the United States, the State of California, the County of Los Angeles, and the City of Los Angeles. The Contractor understands that failure to comply with any of the following assurances may result in suspension or termination of this Contract or any of the remedies provided for herein. The Contractor further warrants and certifies that it will comply with new, amended, or revised laws,

regulations, and procedures that apply to the performance of this Contract.

11. MINORITY/WOMEN'S BUSINESS ENTERPRISE

The Contractor shall make a good-faith effort to assist the Authority in meeting its anticipated levels of participation for minority business enterprises ("MBEs") and women's business enterprises ("WBEs") in the Authority's contracts. It is the policy of the Authority that minority business enterprises and women's business enterprises shall have maximum opportunity to participate in the performance of this Contract. The Contractor agrees to assist the Authority in meeting its anticipated levels of participation by conducting outreach to MBEs and WBEs to ensure that these businesses have the maximum opportunity to compete for, and perform in, the Contract.

12. EQUAL EMPLOYMENT OPPORTUNITY AND AFFIRMATIVE ACTION

a. In the performance of work under this Contract, the Contractor and its subcontractors, if any, shall not discriminate in their employment practices against any employee or applicant for employment because of the employee's or applicant's race, religion, national origin, ancestry, sex, age, sexual preference or physical handicap. The Contractor and its subcontractor(s), if any, shall submit their Affirmative Action Plans to be reviewed and approved by the Authority within thirty (30) days after the commencement of this Contract.

b. In accordance with regulations issued by the United States Department of Housing and Urban Development ("HUD") pursuant to Section 504 of the Rehabilitation Act of 1973, as amended (24 CFR Part 8), the Contractor must not discriminate against any otherwise qualified individual with handicaps.

c. In carrying out the obligations under this Contract, the Contractor shall not discriminate against any employee or applicant for employment because of race, religion, national origin, ancestry, sex, age, sexual preference, or physical handicap. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, religion, national origin, ancestry, sex, age, sexual preference, or physical handicap. Such action includes, but is not limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training.

d. The Contractor agrees to post on conspicuous places, available to employees and applicants for employment, notices to be provided by HUD setting forth the provisions of this nondiscrimination clause. The Contractor will in all solicitations or advertisements for employees placed by or on behalf of the Contractor state that all qualified applicants will receive consideration for employment without regard to race, religion, national origin, ancestry, sex, age, sexual preference, or physical handicap. The Contractor will incorporate the foregoing requirements of these Subparagraphs in all contracts for project work, except contracts for standard commercial supplies or raw materials, and will require all of its subcontractors for such work to incorporate such requirements in all subcontracts for project work.

13. SECTION 3 COMPLIANCE – TRAINING AND EMPLOYMENT OPPORTUNITIES FOR RESIDENTS

a. The work to be performed under this Contract is on a project assisted by a program providing direct Federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the area of the project.

- b.** The parties to this Contract will comply with the provisions of Section 3, as well as the regulations issued pursuant thereto by the Secretary of HUD set forth in 24 CFR Part 135, and all applicable rules and orders of HUD issued thereunder prior to the execution of this Contract. The parties to this Contract certify and agree that they are under no obligation contractually or otherwise, that would prevent them from complying with these requirements.
- c.** The Contractor will send to each labor organization or workers' representative with which the Contractor has a collective bargaining agreement or other contract or understanding, if any, a notice advising the organization of the Contractor's commitments under this clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.
- d.** The Contractor will include this clause in every subcontract for work in connection with the period and will, at the direction of the applicant for or recipient of Federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of HUD, 24 CFR Part 135. The Contractor will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of these regulations and will not award any subcontract unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.
- e.** Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of HUD issued thereunder prior to the execution of the Contract shall be a condition of the Federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements shall subject the applicant or recipient, its contractors and subcontractors, its successors, and assigns to those sanctions specified by the grant or loan agreement or contract through which the Federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.
- f.** 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.

14. COOPERATION IN EQUAL OPPORTUNITY COMPLIANCE REVIEWS

The Authority and the Contractor must cooperate with HUD in the conducting of compliance reviews and complaint investigations pursuant to all applicable civil rights statutes, Executive Orders, and all related rules and regulations.

15. INVENTIONS, PATENTS AND COPYRIGHTS

a. Reporting Procedure. If any project produces any invention or discovery (Invention) patentable or otherwise under Title 35 of the U.S. Code, including, without limitation, processes and business methods made in the course of work under this Contract, the Contractor shall report the fact and disclose the Invention promptly and fully to the Authority. The Authority shall report the fact and disclose the Invention to the Grantor. Unless there is a prior agreement between the Authority and the Grantor and its representative on these matters, the Grantor shall determine whether to seek protection on the Invention. If applicable under the laws, the Grantor and its representative shall determine how the rights in the Invention, including rights under any patent issued thereon, will be allocated and administered in order to protect the public interest consistent with the policy ("Policy") embodied in the Federal Acquisition Regulations System, which is based on Chapter 18 of Title 35 U.S.C. Sections 200, et seq. (Pub. L. 95-517, Pub. L. 98-620, 37 CFR Part 401); Presidential Memorandum on Government Patent Policy to the Heads of the Executive Departments and Agencies, dated 2/18/1983); and Executive Order 12591, 4/10/87, 52 FR 13414, 3 CFR, 1987 Comp., p. 220 (as amended by Executive Order 12618, 12/22/87, 52 FR 48661, 3 CFR, 1987 Comp., p. 262). Insomuch as the rights and interests in the Invention are concerned, Contractor hereby agrees to be bound by the Policy and will contractually cause its personnel to oblige by the same requirements.

b. Rights to Use Inventions. The Authority shall have unencumbered right and a non-exclusive, irrevocable, royalty-free license to use, manufacture, improve upon, and allow others to do so for all Authority purposes.

c. Copyright Policy

i. Contractor and the Authority intend this to be a contract for services and each considers the products and results of the services to be rendered by Contractor hereunder the "Deliverables" to be a work for hire. The Contractor acknowledges and agrees that the Deliverables belong to and shall be the sole and exclusive property of the Authority.

ii. If for any reason the Deliverables would not be considered a work made for hire under applicable law, and/or Contractor has incorporated previously copyrighted materials within the Deliverables then Contractor grants the Authority, its successors and assigns, a paid-up, nonexclusive, irrevocable worldwide license in the Deliverables to reproduce, prepare derivative works, distribute copies to the public, and perform and display publicly, by and on behalf of the Authority. Contractor is required to affix the applicable copyright notices of 17 U.S.C. Sections 401 or 402, and acknowledgment of Government funding, (including the contract number) to the data whenever such copyrighted materials created outside the scope of this Contract and incorporated into the Deliverables, are delivered to the Authority, published, or deposited for registration as a published work in the U.S. Copyright Office. All other rights are reserved by the copyright owner.

iii. Contractor agrees to execute all papers and to perform such other proper acts as Authority may deem necessary to secure for Authority or its designee the rights herein assigned.

d. Rights to Data.

i. "Data" means recorded information, regardless of form or the media on which it may be recorded. The term includes technical data and computer software, except computer software developed at private expense and that is trade secret; is commercial or financial and confidential or privileged; or is published copyrighted computer software, including minor modifications of such computer software. The term does not include information incidental to contract administration, such as financial, administrative, cost or pricing, or management information as set forth in 48 CFR 27.401.

ii. The Authority shall have "Unlimited Rights" to any data first produced or delivered under this Agreement. "Unlimited Rights" means the right to use, disclose, reproduce, prepare derivative works, distribute copies to the public, and perform and display publicly, or

permit others to do so, as defined in 48 CFR 27.401. Where the Data are not first produced under this Contract or are published copyrighted data with the notice of 17 U.S.C. Sections 401 or 402, the Authority is granted, or Contractor shall acquire on behalf of Authority, a copyright license for use of the Data pursuant to 48 CFR 27.404-3(b)(1)(i).

e. Obligations Binding on Subcontractors. Contractors hereby agrees to contractually bind all of its subcontractors to the same terms herein in protecting the interests and titles in all intellectual property rights of the Grantor and the Authority under this Contract.

16. WORKING PAPERS

All statements, records, schedules, working papers and memoranda made by Contractor incident to, or in the course of, rendering services to the Authority pursuant to this Contract, except for the Deliverables submitted by the Contractor to the Authority and except for records which are part of the Authority's records, shall be and remain the property of the Contractor in the absence of an express agreement between the Contractor and the Authority to the contrary. No such statement, record, schedule, working paper, or memoranda shall be sold, transferred, or bequeathed, without the consent of the Authority, to anyone other than the Authority's licensee, successor's, or assigns, or any combined or merged firm or successor in interest to the Contractor.

17. LICENSES AND PERMITS

The Contractor warrants that it has all necessary licenses and permits for the work to be performed under this Contract. The Contractor represents that it will immediately obtain or has obtained and presently holds a valid Business Tax Registration Certificate(s) as required by the Los Angeles Municipal Code, Article 1, Chapter 2, Sections 21.00, et. seq. The Contractor shall maintain, or obtain as necessary, any or all such certificate(s) and shall show proof of such certificate(s) to the Authority prior to the commencement of the Contract.

18. INTERPRETATION

Should interpretation of this Contract or any portion thereof, be necessary, it is deemed that this Contract was prepared by the parties jointly and equally, and shall not be interpreted against either party on the grounds that the party prepared the Contract or caused it to be prepared. The captions and headings of the various articles and paragraphs of this Contract are for convenience and identification only and shall not be deemed to limit or define the content of the respective articles and paragraphs hereof.

19. WAIVER

No waiver of any provision of this Contract shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any such waiver constitute a continuing or subsequent waiver of the same provision. No waiver shall be binding unless executed in writing by the party making the waiver.

20. WARRANTY OF CONTRACTOR

a. The Contractor warrants that it is free to enter into this Contract and is not subject to any obligation or disability which will or might prevent or interfere in fully keeping and performing all of the conditions to be kept and performed under this Contract.

b. The Contractor further warrants that it has not paid anyone for the purpose of entering into this Contract, and that entering into this Contract and performing the services hereunder will not constitute a conflict of interest.

c. The Contractor further warrants that neither it, nor its agents or representatives, has offered or given gratuities in the form of entertainment, gifts, favors or other items or services of value to any officer or employee of the Authority with a view toward securing: (i) award of this Contract, (ii) amendment of the Contract after award, (iii) favorable treatment of the Contractor by the Authority in the administration of the Contract or in the making of any determination with respect to the

Contractor's performance of its obligations under the Contract.

21. CLEAN AIR AND WATER

a. Definition. "Facility" means any building, plant, installation, structure, mine, vessel or other floating craft, location, or site of operations, owned, leased, or supervised by the Contractor or any subcontractor, used in the performance of the Contract or any subcontract. When a location or site of operations includes more than one building, plant, installation, or structure, the entire location or site shall be deemed a facility except when the Administrator, or a designee, of the United States Environmental Protection Agency ("EPA") determines that independent facilities are collocated in one geographical area.

b. In compliance with regulations issued by the EPA, pursuant to the Clean Air Act, as amended ("Air Act"), 42 U.S.C. 7401, et seq., the Federal Water Pollution Control Act, as amended ("Water Act"), 33 U.S.C. 1251, et seq., and Executive Order 11738, the Contractor agrees to –

i. Not utilize any facility in the performance of this Contract or any subcontract which is listed on the EPA List of Violating Facilities pursuant to 40 CFR Part 15 of the regulations for the duration of time that the facility remains on the list;

ii. Promptly notify the Contracting Officer if a facility the Contractor intends to use in the performance of this Contract is on the EPA List of Violating Facilities or the Contractor knows that it has been recommended to be placed on the List;

iii. Comply with all requirements of the Air Act and the Water Act, including the requirements of Section 114 of the Air Act and Section 308 of the Water Act, and all applicable clean air and clean water standards; and,

iv. Include or cause to be included the provisions of this clause in every subcontract, and take such action as HUD may direct as a means of enforcing such provisions.

22. ENERGY EFFICIENCY

The Contractor shall comply with all standards and policies relating to energy efficiency which are contained in the energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub.L. 94-163) for the State in which the work under the Contract is performed.

23. PROCUREMENT OF RECOVERED MATERIALS

a. In accordance with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, the Contractor shall procure items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition. The Contractor shall procure items designated in the EPA guidelines that contain the highest percentage of recovered materials practicable unless the Contractor determines that such items: (1) are not reasonably available in a reasonable period of time; (2) fail to meet reasonable performance standards, which shall be determined on the basis of the guidelines of the National Institute of Standards and Technology, if applicable to the item; or (3) are only available at an unreasonable price.

b. Paragraph (a) of this clause shall apply to items purchased under this Contract where: (1) the Contractor purchases in excess of \$10,000 of the item under this Contract; or (2) during the preceding Federal fiscal year, the Contractor: (i) purchased any amount of the items for use under a contract that was funded with Federal appropriations and was with a Federal agency or a State agency or agency of a political subdivision of a State; and (ii) purchased a total of in excess of \$10,000 of the item both under and outside that contract.

24. NO ATTORNEY FEES

In the event any action, suit or proceeding is brought for the enforcement of, or the declaration of, any right or obligation pursuant to this Contract or as a result of any alleged breach of any provision of this Contract, each party shall bear its own costs and expenses, including attorneys' fees, and any judgment or decree rendered in such a proceeding shall not include an award thereof.

25. DISPUTES

This Contract is made, entered into and executed in Los Angeles County, California, and any action filed in any court for the interpretation, enforcement or other action with respect to the terms, conditions or covenants referred to herein shall be filed in the applicable court in Los Angeles County, California. This Contract shall be construed, and all disputes hereunder shall be settled, in accordance with the laws of the State of California. Pending the final resolution of a dispute hereunder, the Contractor shall proceed diligently with the performance of its obligations under this Contract and in accordance with the Authority's instructions.

26. AUDIT AND INSPECTION OF RECORDS

After receipt of reasonable notice and during the regular business hours of the Contractor, the Contractor shall provide the Authority, or agents of the Authority, such access to the Contractor's records and facilities as the Authority deems necessary to examine, audit, inspect, excerpt, photocopy, or transcribe the Contractor's records relative to work performed under this Contract. Accounting and financial records shall be maintained in accordance with generally accepted accounting principles. All records shall be maintained and access shall be provided to the Authority during the entire term of this Contract and for three (3) years after final payment by the Authority hereunder, unless the Authority gives written permission to the Contractor to dispose of said records prior to this time.

27. FORCE MAJEURE

In the event that performance on the part of any party hereto shall be delayed or suspended as a result of circumstances beyond the reasonable control and without the fault or negligence of said party, none of the parties shall incur any liability to the other parties as a result of such delay or suspension. Circumstances deemed to be beyond the control of the parties hereunder shall include, but not be limited to, acts of God or of the public enemy; insurrection; acts of the federal government or any unit of state or local government in either sovereign or contractual capacity; fires; floods; epidemics; quarantine restrictions; strikes, freight embargoes or delays in transportation, to the extent that they are not caused by the party's willful or negligent acts or omissions, and to the extent that they are beyond the party's reasonable control.

28. NOTICES

a. Any notices to be given pursuant to this Contract shall be in writing, and all such notices and any other document to be delivered shall be delivered by personal service or by deposit in the United States mail, certified or registered, return receipt requested, postage prepaid, and addressed to the party for whom intended as follows:

To: Housing Authority of the City of Los Angeles
2600 Wilshire Boulevard, 3rd Floor
Los Angeles, CA 90057
Attention: Ken Simmons, Contracting Officer

With a copy to: Housing Authority of the City of Los Angeles
2600 Wilshire Boulevard, 3rd Floor
Los Angeles, CA 90057
Attention:

To: **CONTRACTOR INFO**

LIST OF EXHIBITS

Exhibit

- | | |
|----------|---|
| A | Scope of Work |
| B | Schedule of Fees |
| C | Schedule of Fees for Additional Work |
| D | Insurance Requirements |
| E | Contractor's Certificates of Insurance |
| F | Contractor's Proposal |
| G | General Conditions for Non-Construction Contracts (HUD Form 5370-C), Section I OR Section I and Section II (use Sections I and II for all Maintenance Contracts over \$100,000.) |

EXHIBIT A
SCOPE OF WORK

[Insert appropriate scope]

EXHIBIT B
SCHEDULE OF FEES

In accordance with Paragraph 2 of this Contract, the Housing Authority of the City of Los Angeles shall pay the Contractor for all work performed in accordance with the rates shown below, as evidenced by invoices and supporting documentation for all expenses incurred, in completion of the work tasks contemplated under this Contract. All rates shall remain fixed for the entire term of the Contract.

[Insert appropriate fee schedule]

TOTAL NOT – TO- EXCEED CONTRACT AMOUNT OF \$ _____

EXHIBIT C
SCHEDULE OF FEES FOR ADDITIONAL WORK

In accordance with Paragraph 2 of this Contract, the Housing Authority of the City of Los Angeles shall pay the Contractor for all work performed in accordance with the rates shown below, as evidenced by invoices and supporting documentation for all expenses incurred, in completion of the work tasks contemplated under this Contract. All rates shall remain fixed for the entire term of the Contract.

The following labor rates shall apply to any additional work during the term of the Contract.

Professional Services	
Description	Rate/Hour

EXHIBIT E
CONTRACTOR'S CERTIFICATES OF INSURANCE

EXHIBIT F
CONTRACTOR'S PROPOSAL

Certain confidential information may have been redacted.

EXHIBIT G
GENERAL CONDITIONS FOR NON-CONSTRUCTION CONTRACTS
(HUD FORM 5370-C)
SECTION I OR SECTION I AND SECTION II
(use Sections I and II for all Maintenance Contracts over \$100,000).