



**REQUEST FOR PROPOSALS
FOR
THE WEST LOS ANGELES
COURTHOUSE DEVELOPMENT
PROJECT**

NOVEMBER 15, 2019

RFP NO. LACDA19-106



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**NOTICE
REQUEST FOR PROPOSALS
FOR
THE WEST LOS ANGELES COURTHOUSE DEVELOPMENT PROJECT
RFP NO. LACDA19-106**

Notice is hereby given that proposals will be received by the County of Los Angeles (County), by and through the Los Angeles County Development Authority (LACDA) until **Tuesday, January 21, 2020 at 9:30 a.m.** for the proposed West Los Angeles Courthouse Development Project. This will include furnishing all material and performing all work necessary as described in the Request for Proposals (RFP). Verified proposers who attended the Request for Information (RFI) Pre-Submission Meeting related to this project, which was held on June 11, 2019, will be given until Tuesday, February 4, 2020 at 9:30 a.m. to submit their proposals. The County will award an Exclusive Negotiating Agreement (ENA) with the recommended proposer to negotiate the real estate development at the proposed West Los Angeles Courthouse site.

Proposers must attend a **mandatory** Pre-Proposal Meeting at the West Los Angeles Municipal Building, 2nd Floor Hearing Room located at 1645 Corinth Avenue, Los Angeles, CA 90025 on December 5, 2019 at 2:00 p.m.

Proposers shall provide an original **and** four (4) copies of their business proposal, along with an unalterable electronic version on flash drive, which shall be addressed and delivered to:

**Emily Codilla, Procurement Coordinator
Los Angeles County Development Authority
Community & Economic Development Division
700 W. Main Street
Alhambra, CA 91801**



lacda.org

700 West Main Street, Alhambra, CA 91801
Tel: (626) 262-4511 TDD: (626) 943-3898

Executive Director: Monique King-Viehlund
Commissioners: Hilda L. Solis, Mark Ridley-Thomas, Sheila Kuehl, Janice Hahn, Kathryn Barger



All proposals shall be labeled "Proposal for the West Los Angeles Courthouse Development Project, RFP No. LACDA19-106, January 21, 2020 (or February 4, 2020 if the Proposer attended the RFI Pre-Submission Meeting)." Any Proposer who wishes his or her response to be considered is responsible for making certain that it is received by the County at the stated location and at stated date and time. No oral, electronic, facsimile, or telephonic proposals or modifications will be considered unless specified. Responses received after the scheduled deadline will be returned unopened.

In submitting a proposal, each Proposer thereby agrees that, if awarded an ENA, it shall execute a standard ENA, which is attached to the RFP package for reference. The County shall not award a contract to, or be obligated to execute an ENA with, any Proposer who refuses to execute said County's ENA.

The County reserves the right to reject any and all proposals. This RFP is not a contract or commitment of any kind. The County is not liable for costs incurred in the preparation of the respondent's proposal. It reserves the right to issue supplementary information or guidelines related to this RFP. Notwithstanding any other provisions herein, the LACDA reserves the right in its sole discretion to waive minor technical deficiencies in the Proposals. In accordance with the Civil Rights Act of 1964, Americans with Disabilities Act of 1990, Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, it is the policy of the County to assure equal opportunity to all persons, in the award and performance of any contract, without regard to race, color, sex, religion, national origin, ancestry, age, marital status, or disability.

EXCLUSIVE NEGOTIATING AGREEMENT REQUIREMENTS:

- Insurances (please refer to the ENA for required values)
 - **General Liability** with *Additional Insured Endorsement*. Shall include Completed Operations and be on a primary and non-contributory basis.
 - **Workers' Compensation** shall be Statutory and include Employer's Liability, and a waiver of subrogation.
 - **Automobile Insurance**, coverage shall include owned, hired, non-owned, OR any auto.
 - **Pollution (Environmental) Liability**
- Federal Lobbyist Requirements
- Equal Employment Opportunity (EEO) Act
- Jury Service Program
- Safely Surrendered Baby Law

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- Child Support Compliance
- Default Property Tax Program
- Nonprofit Integrity Act
- Greater Avenues for Independence (GAIN) Program and General Relief Opportunities for Work (GROW) Program, **and/or** Local and Targeted Worker Hire Policy, **and/or** Section 3 Provisions, to the extent that they apply
- Zero Tolerance Human Trafficking Policy
- Compliance with Fair Chance Employment Hiring Practices Certification

Questions regarding the RFP are to be directed to Emily Codilla at (626) 586-1820 or emily.codilla@lacda.org. Si usted requiere más información sobre este anuncio, por favor comuníquese con la Srta. Carolina Romo al siguiente número de teléfono (626) 296-6298.



Davon Barbour, Community and Economic Development Division Director
Los Angeles County Development Authority

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1.0 INTRODUCTION

The County of Los Angeles, through its Chief Executive Office (CEO), is in the process of acquiring land and improvements, commonly referred to as the West Los Angeles Courthouse (Project Site), from the State of California Judicial Council (JCC). The County of Los Angeles (County), by and through its agent, the Los Angeles County Development Authority (LACDA), is issuing a Request for Proposals (RFP) to solicit proposals for the design, construction, and financing of a mixed-use project on the Project Site. Any references to the County shall also include the LACDA acting as its agent.

The County's vision for the Project Site is a development and management of a mixed-use project comprised of both affordable and market rate housing, community-serving and creative economy retail, and a parking structure (Proposed Project).

1.1 Background

The County has approximately 10 million residents and is an economic powerhouse for the nation. The Project Site is in the West Los Angeles community of the City of Los Angeles (City). The County provides services to residents and is responsible for the creation and implementation of planning and development regulations within unincorporated areas, as well as properties the County owns in other incorporated cities within the County.

LACDA serves as the community development agency for the County and offers a wide variety of programs and funding sources to develop affordable housing, revitalize and rehabilitate structures, and promote job creation and economic development.

1.2 Purpose

The County's vision is to increase access to affordable housing and social services, improve public safety, and bring positive economic development and commerce, thus improving the quality of life for the West Los Angeles area and its surrounding community. The primary reason for pursuing the acquisition of the Project Site stems from the County's long-standing goals of eliminating blight and obstacles to land development. Through pursuing and redeveloping the Project Site, the County is addressing these public policy goals by assembling and clearing and/or repurposing properties with substandard buildings and repositioning them into economically viable building sites. The Project Site is a result of these efforts and represents one of the larger infill development opportunity sites available in the western part of the County.

Once acquired, it is anticipated the County will invoke sovereign immunity. Therefore, any subsequent development will not be required to comply with the provisions and regulations of applicable City zoning and building codes, but will have to comply with State building codes, and all applicable State laws, including the prevailing wage provisions of the California Labor Code. In addition, should there be any federal funds used for this Project, proposers will have to comply with

U.S. Department of Housing and Urban Development (HUD) Section 3 requirements and the selected Proposer must meet or commit to achieving Section 3 employment and/or contracting goals by submitting a Section 3 Compliance Plan to be considered for a development contract award. The County shall not award a development contract, or be obligated to execute a development contract, with the selected Proposer should the selected Proposer refuse to comply with the HUD Section 3 requirements.

Please note, to the extent this Proposed Project will require a Project Labor Agreement (PLA), such an agreement will be negotiated during the Exclusive Negotiating Agreement (ENA) period.

Development of the Project Site will be conducted in accordance with the County's goals of community participation, local hiring, and delivering a quality project to local residents.

1.3 The Opportunity

The County considers the Project Site to be ideally situated for a mixed-use project and joint development opportunity. The Project Site includes six (6) parcels totaling approximately 2.93 acres (127,810 square feet). The County envisions the proposed development to include commercial/retail space, along with affordable housing and possible market rate housing opportunities. Situated along the Santa Monica Boulevard transit corridor, the intent is to encourage transit-oriented development opportunities and related development that includes a mixture of housing, office, retail and/or other commercial development and amenities integrated into a walkable and bike-able neighborhood that is located within a half-mile of quality public transportation.

1.4 Project Site Location

The Project Site is bounded by Santa Monica Boulevard to the north, Purdue Avenue to the east, Iowa Avenue to the south, and Butler Avenue to the west. It is asymmetric in shape with street frontage along Santa Monica Boulevard and Butler Avenue. The frontage along Purdue Avenue has been vacated and serves as a walkway to a broader civic center that houses other public facilities. A detailed map is available as Appendix A.

The following Assessor Parcel Numbers (APNs) make up the Project Site:

APN	Address	Zoning	Square Feet (SF)
4261-011-915	11404 Santa Monica Blvd	PF	18,662
4261-011-910	1633 Purdue Ave	PF	67,148
4261-011-914	1650 Butler Ave	PF	7,000
4261-011-913	1644 Butler Ave	PF	7,000
4261-011-908	1640 Butler Ave	PF	14,000
4261-011-909	1636 Butler Ave	PF	14,000
PF: Public Facilities		TOTAL	127,810

City-owned Properties: The City owns two properties along Iowa Avenue that the West Los Angeles Division of the Los Angeles Police Department (LAPD) uses. The first site (APN: 4261-011-912) houses a police vehicle maintenance facility, while the other site (APN: 4261-011-911) primarily serves as a parking lot for access by the police officers to park their personal vehicles.

To date, there have been no formal attempts to include these sites into a larger development with the Project Site. This would require a formal approval by the City of Los Angeles City Council and no activity has occurred in this regard.

Privately-owned Properties: There are two properties along Santa Monica Boulevard that are privately owned. One of them is being used as a music recording studio (APNs: 4261-011-023, 4261-011-021), while the other serves as a United States Post Office facility (APN: 4261-011-024). There have been no formal discussions with the owners of these properties regarding their interest in participating in a larger development opportunity.

1.5 Status of Site Control

The County has negotiated a purchase price for the Project Site in the amount of \$35,780,000, which is based on a fair market value appraisal dated January 18, 2019. The County is presently negotiating a lease with an option to purchase agreement (Option Agreement) with the JCC. The term of the Option Agreement will be 24 months (Option Period).

The County received Board of Supervisor's approval to enter into the Option Agreement on November 5, 2019. During the Option Period, the County will make lease payments to the JCC up to an amount of \$3,578,000. Should the County exercise its option to purchase, all lease payments will be credited against the purchase price with the remaining balance due and payable at the end of the

Option Period. This JCC will not permit a phased purchase transaction and at the end of the Option Period will receive the full purchase price at close of escrow.

1.6 Environmental Condition of Property

A Phase I Environmental Assessment has been completed by the County. Summary conclusions indicate no evidence of recognized environmental conditions in connection with the Project Site, except for a gasoline service station in operation on the northeast portion of the property in the 1930s. Note that the environmental condition of the Project Site will need to be assessed by the prospective developer.

1.7 Surrounding Area Context

The Project Site is located along the western edge of the City of Los Angeles in the County's Third Supervisorial District and the Eleventh City Council District. Adjacent Metro transportation assets include numerous bus stops along Santa Monica Boulevard (1, 4, 704), as well as along nearby Barrington Avenue (15), Sawtelle Boulevard (17), and Sepulveda Boulevard (6, 6R, 234, 734, 788).

Notable locations of education and employment near the Project Site include:

- UCLA
- City of Santa Monica
- Santa Monica College
- West Los Angeles VA Medical Center
- Century City

Appendix B provides a map of these nearby assets in relation to the Project Site.

1.8 Proposer Entity

From this point forward in this RFP, developer and/or developer teams, whether a single firm or joint venture (JV), will be referred to as "Proposer."

If the Proposer is not an incorporated legal entity at the time of its submission, it is required to submit its teaming arrangement information and confirmation of joint and several liabilities. Each proposal must be submitted by a prime Proposer who serves as the developer team's main point of contact with the County (Prime Proposer).

Any team, consortium, JV, or other incorporated or unincorporated Proposer group must designate the Prime Proposer as the main point of contact with the County. The County maintains the right to request additional subcontractors to supplement the Project team's development and operational needs.

Note: Once the proposal is submitted, the composition of the team cannot be altered without the prior written consent of the County. Once the ENA is awarded and executed, the Prime Proposer may request to change the composition of their

team, but the County must approve any change in core team. New developers will be required to submit a résumé and summary stating qualifications, experience, and capacity to complete the proposed Project. The County reserves the right to approve or reject changes to any developer team based on objective criteria, at its sole discretion.

2.0 THE OPPORTUNITY

2.1 Objectives and Goals

The Project Site is ideally situated to build upon the significant local and regional investments undertaken by the County and the City. It presents a unique opportunity to develop a large underutilized site with an innovative mix of uses in a vibrant, densely populated, and active community. Any new development will command exceptional visibility from multiple vantage points along Santa Monica Boulevard, a major east-west arterial lane in West Los Angeles.

Moreover, the County seeks a result that places the proposed project in a community context that builds upon the neighborhood vibrancy, cultural, and entertainment assets of the area that can activate and support a mix of high-quality and architecturally compelling residential, retail, and community-serving uses, while building the local tax base with sustainable job creation.

Examples of potential uses include, but are not limited to, the following and any development proposals are highly encouraged to include a combination of uses:

- Mix of affordable and market rate housing - the County desires that at least 40% of the residential units are restricted to affordable households.
- Ground floor commercial spaces, including, but not limited to, retail shops, restaurants, and neighborhood-serving uses.
- Art/cultural production space, including, but not limited to, artist studios, live-work space, recording studios, music education, and other production-related program activities.
- Private for-profit and/or non-profit uses, such as office, education/training, or performance and general meeting space.

2.2 Vision for Development

The project that is ultimately identified will be able to leverage several key assets unique to the area. Due to its proximity to major transportation corridors and Los Angeles County Metropolitan Transportation Authority (Metro) transit stations, this places the Project Site in a prime location with a strong potential for shaping the built environment and the urban form throughout the area in a manner that enriches the surrounding community.

As previously mentioned, the County desires that at least 40% of the residential units are restricted to affordable households. Thought should be given to housing strategies that could provide much needed affordable housing and services to individuals and families at qualifying income levels, given the Project Site's location in West Los Angeles and its proximity to abundant job opportunities. Additionally, like numerous communities throughout the County, the Project Site is near concentrations of homelessness, therefore, careful consideration should be given to providing supportive housing to meet this urgent need.

It is the expectation of the County that a potential developer of the Project Site will maximize this rare opportunity to deliver a high-quality development, while fully utilizing the substantial public investment and transformative opportunity created by key physical assets in the surrounding area.

2.3 General Development Strategy and Entitlements

As part of the overall development strategy, the Project Site must be purchased by the County from the JCC for \$35,780,000. Subsequently, the County will invoke sovereign immunity. Thus, it is anticipated that the entitlement and permitting process will be overseen by the County's Department of Regional Planning and Department of Public Works.

This RFP seeks a single master development plan for the Project Site. The County will require a long-term ground lease for the Project Site upon completion of a successful ENA. Please note the term of the ground lease will be impacted by its legislative authority. Developer should confirm that the term of financing is consistent with the ground lease term and express that in their financing assumptions.

It is important to note that the County is only committed to paying the \$3,578,000 in Option Payments during the Option Period. The remaining \$32,202,000 balance of the Purchase Price will be due and payable at the end of the Option Period. As such the County desires a ground lease structure with a capitalized ground rent payment equal to at least \$32,202,000, which will be paid by the recommended Proposer to the County prior to the end of the Option Period.

Evidence of the Proposer's ability to finance, undertake, and complete the proposed Project in a timely manner will be crucial elements the County will seek in any eventual RFP submission.

During the construction phase of the proposed Project, the selected developer will be required to adhere to County policies regarding the hiring of local and targeted workers, laws and policies requiring payment of prevailing wages, potential HUD Section 3 requirements, and any applicable PLA requirements, should they apply.

2.4 Availability of the Project Site

Access to the Project Site will be made available to the selected developer upon execution of the ENA.

2.5 Scope of Development

On May 31, 2019 a Request for Information (RFI) was issued related to the proposed project. Through this process the County received input relative to the design, density, height, and other applicable aspects of the physical development. It is envisioned that the proposed Project will be a mixed-income development with a robust commercial component. Parking will be made available for all uses on the Project Site. This could include, but is not limited to, above ground and/or

subterranean parking structure(s). Thought should be given to the creative use of open space in-between adjacent structures or the roofs of various components of the proposed Project. It is expected that this will be a dense Project with multiple uses and as a result, it is anticipated it could rise to a level of six (6) stories. This height was determined based on feedback from the RFI and discussions with the County's departments that will oversee the entitlement and permitting process for the proposed Project.

3.0 SUBMITTAL REQUIREMENTS/STATEMENT OF WORK

Each Proposer must submit a complete proposal, with all the sections below in the sequence shown below. The sections must be divided by tabs and the total submittal may not exceed 20 pages, excluding the Cover Letter and Authority to Propose, Table of Contents, Executive Summary, Architectural Drawings, Financing Strategy, and References in the total page count.

TAB	TITLE
1	Cover Letter and Authority to Propose – <i>not included in total page count</i>
2	Table of Contents – <i>not included in total page count</i>
3	Executive Summary – <i>not included in total page count, but should be no more than three pages</i>
4	Developer Team
5	Project Design and Concept (11" x 17" drawings) – <i>not included in total page count</i>
6	Financing Strategy – <i>not included in total page count</i>
7	Community Outreach and Engagement Strategy
8	County's Requirements for Workforce Hiring and HUD Section 3
9	References – <i>not included in total page count</i>
	Total should not exceed 20 pages

3.1 Cover Letter and Authority to Propose

Include a cover letter to identify the Proposer, name of the key point of contact, and provide evidence that the signor has legal authority to enter into binding contracts on behalf of the team. The letter must be on official company letterhead, identify the Proposer's legal structure, and be signed by the person or persons who have legal authority to bind the firm in contractual matters with the County. It must also contain signor's contact information, as well as a copy of the Corporate Resolution or other appropriate evidence of authority to bind the identified firm. The County reserves the right to reject any proposal that contains an unsigned cover letter and/or submits incomplete documentation.

3.2 Table of Contents

Each Proposer must include a Table of Contents listing the various sections included in the Proposal.

3.3 Executive Summary

The Executive Summary is a brief statement of key features of the Proposal, team qualifications, and evidence of understanding of the scope and services to be provided. Proposers must describe the team's strengths and qualifications, capacity to complete the scope of work, key experience, and expertise. The Executive Summary should include a statement about why the Proposer's proposal would be the best selection and why their design model would best serve the strategic goals for the proposed Project.

3.4 Developer Team

- Provide an organizational chart of the key team members, identifying a Prime Proposer that will be responsible for all contract matters. (The Prime Proposer's authorized representative should be the same as the signor of the cover letter.)
- Describe the Proposer's experience developing facilities in the County of Los Angeles and include relevant examples.
- Describe the team's experience working successfully with public regulators, including, but not limited to, the City, County, and environmental oversight agencies.
- Provide a narrative describing the Proposer's qualifications to implement the County, and most importantly, the community vision for the Project Site.
- Describe experience in managing development projects with significant stakeholder outreach and community input.
- Submit descriptions and illustrations of the proposed lead architect's work on development projects that have been built or are under construction. These projects should be of a similar magnitude to the proposed development for the Project Site.
- Describe experience in ownership and management of completed development projects that are similar to what is being proposed under this RFP. If a management firm is to be employed to manage the proposed project, submit sufficient data on its experience to enable determination of its ability to manage this development.
- Describe experience with securing similar funding sources as those contemplated in the proposed project. Describe your experience working with ground lease structures.
- Describe ability to effectively communicate with neighborhood and community leaders, stakeholders, financial institutions, advisory committees, County staff, and elected officials both verbally and in writing.

- Describe experience with public financing sources (e.g. the Economic Development Administration, New Markets Tax Credit, Opportunity Zones, Low-Income Housing Tax Credit, U.S. Department of Housing and Urban Development, etc.) and ability to possess capacity to structure and finance public/private transactions.
- Describe ability to establish and maintain relationships with debt and equity providers. Reference letters from previous lenders and/or equity providers are required.
- Provide a list and overview of development projects that the Proposer and proposed team members have participated in, describing the entity's specific role in the projects and showing the location, scope, cost, and scale of the work, with emphasis on projects similar in type, scale, institutional, and urban context. Identify the status of the project. The Proposer shall provide detailed information sufficient to demonstrate to County that the Proposer has the financial resources, capacity, and readiness to deliver its proposed project. County is interested in the Proposer's track record in structuring public/private partnerships, relationships with financial institutions, and general good standing. The County is particularly interested in proposers that have a demonstrated track record of utilizing long-term ground lease agreements. To further demonstrate capacity and track record, Proposers shall include the following:
 1. Examples of at least three (3) Completed Public/Private Transactions:
 - a. Indicate the source(s) and uses of both debt and equity financing for each component of the projects.
 - b. List experience with public financing sources such as the Economic Development Administration, New Markets Tax Credit, Opportunity Zones, Low-Income Housing Tax Credit, U.S. Department of Housing and Urban Development financing, etc.
 - c. Provide any other relevant information that demonstrates capacity to structure and finance public/private transactions, especially with regard to projects with affordable housing components.
 - d. Adequate financial capacity and successful track record of development projects serving similar tenant populations and of similar scale as the proposed project. Either the Prime Proposer or the JV must have completed at least three (3) mixed-use multifamily rental housing developments with a commercial component.
 - e. Include photographs of these projects.
 - f. If applicable, fully describe those projects that have employed a ground lease structure as the tool for long-term site control.

2. Relationships with Financial Institutions - Describe current relationships with debt and equity providers. This should include reference letters from previous lenders and/or equity providers.
3. Bankruptcy Information - Provide statement indicating whether or not the Proposer, or parent company or affiliates, has ever declared bankruptcy. If so, state the date, court jurisdiction, and amount of liabilities and assets.
4. Defaulted or Non-Performing Loans - Identify any loans or financial obligations of the Proposer that have been defaulted on within the last five years. Identify any existing non-performing loans including the outstanding balance and duration of delinquency for the Proposer.
5. Other Relevant Information - Provide any other relevant information that will help County understand the financial capabilities of the Proposer. This may include Proposer financial statements, annual reports, rating reports, or other relevant documentation. Notwithstanding the foregoing, Proposer understands that, unless exempt under applicable law, this RFP and any documents that it submits under this RFP, may be subject to public inspection or copying under the California Public Records Act, California Government Code Section 6250 et seq.
6. Community-Based Organizations (CBO), Small/Disadvantaged Business Enterprise (SBE/DBE), Disabled Veterans Business Enterprise (DVBE) - If the proposed project will include CBO, SBE/DBE, or DVBE participation, include a description of the CBO, SBE/DBE, or DVBE entities providing professional services as part of the Proposer team.

3.5 Project Design and Concept

As part of the RFP submittal requirements, Proposers must provide the following:

- Written Description
 1. Describe the proposed development concept for the Project, including, but not limited to, the building(s)' physical envelope and other features to be included.
 2. Describe how the proposed facilities will complement the surrounding neighborhood and how the proposed design will help the County realize its vision for the Project Site.
 3. Describe the proposed commercial tenant mix. Please include the type of uses, such as creative space, standard commercial retail, educational and/or other institutional uses, or a mix of these commercial activities.
 4. Describe the proposed unit mix for the residential component.
 5. Provide a preliminary development and construction schedule in tabular, Gantt, or similar format. Describe the schedule to develop, entitle, and

construct the improvements, including sequence of events and timeline. Include the completed project schedule.

- Architectural Drawings - Proposers shall provide as part of their submittal the following drawings. All drawings should be submitted as 11" x 17" documents with a graphic scale.
 1. Site Plan - Indicate the ground floor plan of the proposed project, showing and labeling setbacks and easements, streets and curbs, adjacent building footprints, and surrounding uses within .25 miles of the Project Site, such as bus stops, businesses, and community institutions.
 2. Site Sections - Provide, at minimum, one cross section and one longitudinal site section that best show significant site characteristics, such as changes in elevation, and the approximate location of adjacent site structures within 20 feet of the property line.
 3. Ground Floor Plan - Provide a ground floor plan showing all grade level uses including the location of pedestrian and vehicular entrances, parking, stairs, elevators, retail uses, community spaces, trash enclosures, and landscaping.
 4. Upper Floor Plans - Provide floor plans of all the upper floors showing housing unit layouts, stairs, elevators, laundry, and/or other common spaces as applicable.
 5. Roof Plan - Show roof plan only if it includes special features, such as a roof terrace, garden, or other special feature.
 6. Parking Plan (above ground and/or subterranean) - Provide a parking plan showing the vehicular access to that level, parking layout, stairs, elevators, trash enclosures, and any other major elements. Note that the plan should address **all** parking needs of the proposed project.
 7. Building Sections - Show, at minimum, one cross section and one longitudinal section showing typical floor-to-floor heights and overall building height dimensions. Sections should show any unique features such as courtyards.
 8. Elevations - Provide colored elevations.
 9. Rendering - Provide at least one (1) colored rendering from a pedestrian's point street level vantage point looking at the Project Site.
 10. Be sure to include all Americans with Disabilities Act (ADA) requirements.

3.6 Financing Strategy

The purpose of the information requested in this section is to demonstrate the financial feasibility of the proposed Project, using the Proposer's market assumptions. Though this is a preliminary analysis of feasibility, it will provide the County a sense of the project being proposed and the financial assumptions being made.

As noted above, the County desires a ground lease structure with a capitalized ground rent payment equal to at least \$32,202,000 which will be paid by the

recommended Proposer to the County prior to the end of the Option Period. Outside of County's affordable housing funds, there is no expectation that the County will provide further capital for the acquisition and/or development of the Project Site. Therefore, it is incumbent upon the Proposer to adequately explain its financing plan to both acquire the Project Site and develop the proposed Project.

As a result of this input, please provide the following in your proposal:

- Detailed Project Budget - Provide a development budget that includes all direct and indirect costs, and financing expenses. Cost details should include capitalized ground rent payment, hard construction costs (including tenant improvement budgets), parking costs, on and off-site infrastructure costs, all indirect soft costs, and all construction and permanent financing costs. Soft development costs should be detailed as appropriate, including architecture and engineering, construction insurance, legal fees, developer overhead and administration, brokerage fees and leasing commissions, and lease reserves. Include a statement of how each estimate was calculated, including unit costs, assumptions, and other relevant explanatory information.
- Pre-development Budget - As a subset of the total proposed project budget, provide a budget for predevelopment activities, as well as a "sources and uses" statement. Provide any background or supporting information to verify the funding for predevelopment expenses (e.g. identified financial partner, internal sources, existing credit facilities, etc.).
- Pretax Project Pro Forma - Provide a 15-year operating pro forma and projected return on investment for each project phase. The pro formas should include detailed assumptions for revenues and expenses, including revenues by use and phase on a square foot basis, operating expenses, vacancy rates, and stabilized occupancy levels. Describe the expected lease-up period, amount of lease commissions, and assumed escalation and inflation rate assumptions. Describe any pre-leasing commitments, expected grocery or anchor tenants, in-line tenants, and whether major chain tenants are anticipated. Include any financial assumptions or conditions affecting the financial feasibility of the proposed project.
- Capital Structure and Project Sponsorship - Indicate the anticipated sources of proposed project funding, both in the construction and permanent financing phases. Describe anticipated capital structuring terms, including anticipated leverage ratios, debt interest rates, target investment rates, loan terms, financing costs, and any other relevant project financing assumptions, such as potential operating subsidies. Provide information about the use of grant funding and other subsidies and third-party funding, if applicable.

- Timeline - Provide a timeline for the proposed funding and closing on the sources of funds, including, but not limited to, application, approval and closing dates for grants, third-party secured financing, bonds, and other proposed funding sources.
- Financial Offer to County - Provide the proposed ground lease term, structure, and payment schedule being proposed.
- Include any financial contingencies the Proposer is imposing on the proposal being offered to the County.

3.7 Community Outreach and Engagement Strategy

Community outreach is of paramount importance to the successful development of the Project. Therefore, the Proposer must submit a draft Community Outreach Plan that includes the following documents:

- Describe how the Proposer will perform outreach to the surrounding community to create a project that accommodates the neighborhood's needs and expectations. Meetings with specific stakeholder groups within a certain radius of the Project Site, as well as residential and commercial neighbors are needed to gauge the neighborhood's needs.
- Describe how and when the Proposer will engage with both the nearby community and population to be served by the proposed Project during the predevelopment and construction periods.
- Describe the team's experience in developing collaborative relationships, including community-based organizations, local community stakeholders, and other strategic partners, to meet the County's vision and community needs. Discuss how the proposed project will meet community needs.

3.8 Workforce Hiring Requirements and HUD Section 3 Compliance

Depending on the funding source(s) that will be used for this Project, Proposers may need to comply with the GAIN/GROW requirements, the County's Local and Targeted Worker Hire Policy, or HUD Section 3 Provisions.

3.8.1 Consideration of GAIN/GROW Participants for Employment

In compliance with the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, the LACDA seeks to assist recipients of CalWorks benefits to make the transition from welfare to employment. The Greater Avenues for Independence (GAIN) Program and the General Relief Opportunities for Work (GROW) program, developed by the County Department of Public Social Services (DPSS), provides job skills workshops for GAIN/GROW participants and employment counselors to support and monitor GAIN/GROW participants' progress. The LACDA encourages the utilization of GAIN/GROW participants in the delivery of contracted services.

As a threshold requirement for consideration for contract award, Proposers shall demonstrate a proven record of hiring GAIN/GROW participants for any future employment opening if they meet the minimum qualifications for the opening. Additionally, Proposers shall agree to provide employed GAIN/GROW participants access to the Proposers employee mentoring program, if available, to assist these individuals in obtaining permanent employment and/or promotional opportunities. Proposers who do not agree to meet this requirement shall not be considered for contract award.

3.8.2 Local and Targeted Worker Hire Programs

All proposed projects must demonstrate a good-faith Local Worker hiring goal of 30 percent of total California construction labor hours and a Targeted Worker hiring goal of 10 percent of total California construction labor hours.

Local Hiring uses a two-tiered preference system. Tier 1 means ZIP Codes within five (5) miles of the proposed project site, and where the average percentage of households living below 200 percent of the Federal Poverty Level (FPL) is greater than the County average for such households. Tier 2 means any ZIP Codes within the County where the average percentage of households living below 200 percent of the FPL is greater than the County average for such households.

A Local Resident is defined as an individual living with the Tier 1 or Tier 2 ZIP Codes of the County. Before employing worker(s) from Tier 2 ZIP Codes, the available pool of local residents whose primary place of residence is within Tier 1 ZIP Codes must first be exhausted.

A Targeted Worker is a resident of the County who has indices of career-limiting circumstances, specifically one or more of the following: (a) has a documented annual income at or below 100 percent of the FPL; (b) no high school diploma or GED; (c) a history of involvement with the criminal justice system; (d) protracted unemployment; (e) is a current recipient of government cash or food assistance benefits; (f) is homeless or has been homeless within the last year; (g) is a custodial single parent; (h) is a former foster youth; or (i) is a veteran, or is the eligible spouse of a veteran of the United States armed forces, under Section 2(a) of the Jobs for Veterans Act (38 U.S.C. 421 5(a)).

At the initial stages of the project establishment, an analysis of jurisdictional or funding source constraints shall be performed to ensure project eligibility for program requirements. An exception to these requirements shall be made for projects in jurisdictions that enforce their own local hiring policy and for projects with federal or state funding prohibitions on geographic preferences. Exceptions will be addressed on a case-by-case basis.

From time to time, the Local and Targeted Worker Hire Policy may be updated or amended by the County Board of Supervisors and/or the County's Chief Executive Office. Projects are expected to adhere to the Local and Targeted Worker Hire Policy in effect at the time of permitting. Reports regarding progress with meeting program requirements will be made monthly and will be a prerequisite to receipt of approval of funds during each construction draw and permanent loan conversion.

Funded projects must provide evidence of outreach to Local Residents and Targeted Workers and report on hiring activities monthly. To demonstrate good faith efforts at achieving the designated hiring goals, the project's lead developer shall provide evidence of outreach efforts that shall include, but are not limited to:

- Advertising the project information and local and targeted worker hiring goals, job fairs, and job opportunities via two separate notices in community newspapers prior to the start of construction
- Conducting outreach to:
 - Local Workforce Investment Board and job centers
 - Area chamber(s) of commerce
 - Any local community colleges, trade and technical schools, and other employment training programs
 - Labor organizations, if union labor is used
 - The local jurisdiction's social services department
- Conducting at least two job fairs at or near the job site prior to start of construction
- Using the lead developer's social media outlets and website to advertise the local and targeted worker hiring aspects of the project

As a result of the above outreach, project teams shall develop a list of qualified Local and Targeted Workers and shall draw from this list to the greatest extent possible for job openings that occur throughout the life of the proposed project. The lead developer is required to facilitate interviews between contractors and Local/Targeted Workers.

The Local and Targeted Worker Hire Policy does not require the project to hire personnel that are not qualified for available job openings, but instead seeks to provide job opportunities to Local and Targeted Workers to the greatest extent possible.

Reporting forms shall be provided to each project prior to commencement of construction. Draft forms are included as a supplemental document to the

RFP. Proposers may refer to Appendix D for the Local and Targeted Worker Hire Policy.

Proposers must describe their plan for implementing the County's Local and Targeted Worker Hire Programs for this Project and must provide a description of their experience with these types of programs.

3.8.3 HUD 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. A Proposer recommended for award must comply with Section 3 requirements, to the extent that it applies.

Proposers should carefully read the information included in Appendix E and describe their plan for implementing HUD Section 3 requirements for this Project in this community. Proposers should also provide a description of their experience with HUD Section 3.

3.8.4 Project Labor Agreement (PLA)

Notwithstanding the foregoing, the selected Developer may also be required to enter into a PLA for this Project. The use of this type of agreement will be determined during the ENA period.

Please describe your approach to securing a PLA and provide a description of your experience with them. Also, please make sure the Financing Strategy requirements outlined in Section 3.6 of this RFP adequately account for the possible use of a PLA.

3.9 References

List five references—either stakeholders or agencies—for similar projects started or completed during the past three years. References *must* include:

- Agency/Stakeholder
- Business/Organization Type
- Address
- Contact Person - the person should be an individual with direct knowledge of performance; include contact name, title, address, telephone number, and email address

4.0 RFP EVALUATION

Proposals received in response to this RFP will be reviewed and scored for their relative strengths and weaknesses based on the responses to the submittal requirements and statement of work. The following criteria are representative of the evaluation each element of the proposal will undergo and are weighted according to the County's priorities.

4.1 Threshold Requirements

- Proposals must be complete and responsive to all items identified in this RFP.
- The Prime Proposer must be a legal entity.
- The Prime Proposer must be a developer with relevant experience and capacity to deliver the Project.
- The Prime Proposer must attend the mandatory pre-proposal meeting.
- Compliance with the GAIN/GROW requirements, County's requirements for workforce hiring, or HUD Section 3 as described in Section 3.8 and Appendices D and E of this RFP, to the extent that they apply.
- Proposers must complete and submit the Ethics Declaration included in Appendix F.

A written submittal to this RFP will be the primary basis on which the County will consider its award for the ENA. Therefore, Proposers should be thorough, detailed, and as concise as possible when responding to each proposal item and in assembling a proposal. In the written proposal, Proposers must include responses to all proposal items requested and Proposer's concept must be aligned with the proposed development. Proposers will not be able to add to or modify their proposals after the proposal due date. The County may deem a Proposer nonresponsive if the Proposer fails to provide all required documents and copies.

In submitting the proposal, the Proposer agrees the proposal will remain valid for 180 days after the deadline for submission of proposals and may be extended beyond that time by mutual agreement. Proposals accepted by the County in writing constitute a legally binding contract offer.

4.2 Evaluation Criteria

EVALUATION CRITERIA (in weighted order)	MAXIMUM POINTS
Development Team Experience and Financial Capability	300
Financing Strategy	250
Vision, Scope, and Design Concept	250
Community Outreach and Engagement Strategy	200
County's Requirements for Workforce Hiring and HUD Section 3	Pass/Fail
Administrative Requirements	Pass/Fail

4.2.1 Development Team Experience and Financial Capability (30%)

- The development team includes an experienced development entity, financial partners, and such disciplines as a licensed architect.
- The development team has experience managing development projects and securing similar funding sources contemplated in the proposed project. This would include in-depth knowledge and a high comfort level with ground lease structures.
- The development team demonstrates strong relationships with financial institutions and there are no reported bankruptcies that may negatively affect the project.
- The Proposer includes key members demonstrating strong expertise and capacity in both development and operation of similar projects.
- The Proposer has provided a credible plan to assemble and engage all necessary team members not part of the initial proposal.
- The Proposer has experience working successfully with local and state regulators.

4.2.2 Financing Strategy (25%)

- The Proposer has clearly identified a reasonable financing structure for the acquisition of the Project Site that allows the County to ground lease it back to the Proposer.
- The proposed plan evidences the Proposer's ability to fund pre-construction activities immediately upon award.
- The Proposer clearly demonstrates ability to provide or obtain its proposed financing for the proposed project.

- The reasonableness of the proposed Project Budget (assumptions of construction costs and timeline).
- The reasonableness and feasibility of the proposed as completed operating budget.
- Prior construction experience or other relevant experience to effectuate the proposed plan.
- The sources of funds identified for construction are readily available (e.g. sources of funds identified for construction will be available in less than 1 year, will be available between 1-2 years; will be available between 2-3 years, or will be available between 3-5 years), noting the extent to which the sources of funds are not conditioned or restricted.
- Clarity of proposed financial structure and relative strength of proposed partners and/or lending institutions identified to provide such funding or other support.
- Experience and success in securing the proposed financing sources.
- The pro forma demonstrates financial feasibility. The Proposer has identified proposed sources of funds to cover financial gaps. The Proposer clearly identifies the anticipated sources of proposed Project funding, both in the construction and permanent financing phase.

4.2.3 Vision, Scope, and Design (25%)

- The proposed design complements the surrounding community.
- The proposed design supports the preferred commercial tenant mix.
- The proposed design provides affordable housing aligned with the goals established in Section 2 of this RFP.
- The proposal provides architectural plans for the proposed project, showing and labeling setbacks, easements, and key features of the design concept including a demonstrated understanding of ADA requirements.
- The development schedule is realistic, phased appropriately, and evidences the Proposer's grasp of the necessary elements of predevelopment and construction, including entitlements and permitting requirements.

4.2.4 Community Outreach and Engagement Strategy (20%)

- The Proposer has demonstrated a clear knowledge of the population to be served.
- The Proposer has submitted a draft community outreach plan.
- The Proposer has shown a history of working with the community which it serves and aligning its outreach, activities, and operations with community needs and expectations.
- The Proposer has past experience and history of community engagement within the surrounding community or a similar community.
- Quality of the plan to engage community members.

4.2.5 County's Requirements for Workforce Hiring and HUD Section 3 (Pass/Fail)

- The Proposer describes a detailed plan for implementation of the County's Local and Targeted Worker Hire Policy and demonstrates relevant experience with local hiring programs.
- The Proposer describes a detailed plan for implementation of any applicable HUD Section 3 requirements and demonstrates relevant experience.
- The Proposer describes its approach for securing a PLA for this Project and demonstrates relevant experience with PLAs.

5.0 THE RFP PROCESS

The RFP timeline is described in Section 5.1 below but may be subject to change. Details regarding the RFP process are provided in Sections 5.2 through 5.14 below. Any changes to the timeline and/or process will be noted in writing and posted accordingly.

The County's expectation is that the selected Proposer would apply for LACDA Notice of Funding Availability (NOFA) funds and other available funds for the proposed project.

Proposers who attended the Pre-Submission Meeting for the Request for Information (RFI) related to this RFP, which was held on June 11, 2019, who are verified via the sign-in sheet circulated that day, are given an additional two weeks to respond to the RFP. A proposer in attendance who is part of more than one proposal submittal may only take credit for one (1) RFP response.

5.1 Timeline

Release of RFP	November 15, 2019
Mandatory Pre-Proposal Meeting	December 5, 2019 at 2:00 p.m.
Written Questions Due	December 16, 2019 at 5:00 p.m.
Questions and Answers Released.....	December 23, 2019
Proposals Due by	January 21, 2020 at 9:30 a.m.
Proposals Due (for Verified Attendees of Pre-Submission Meeting for the RFI that was held on June 11, 2019) by.....	February 4, 2020 at 9:30 a.m.
Oral Interviews (optional).....	TBD
Evaluation Committee Selects a Proposer	February 21, 2020
County Board's Approval of ENA (subject to change)	March 24, 2020

5.2 RFP Pre-Proposal Meeting and Inquiries

A mandatory pre-proposal meeting will be held on Thursday, December 5, 2019 at 2:00 p.m. at the West Los Angeles Municipal Building, 2nd Floor Hearing Room located at 1645 Corinth Avenue, Los Angeles, CA 90025. The meeting is open to all interested proposers (operators and developers), but **Prime Proposers are required to attend this conference**. Proposals submitted by Prime Proposers that did not attend the mandatory pre-proposal meeting will be disqualified. Interested proposers may RSVP by sending the name of their firm, attendee names, and attendee email addresses to emily.codilla@lacda.org by Wednesday, December 4, 2019 at 4:00 p.m. Additional details on the time and location of the mandatory pre-proposal meeting will be sent by email to all attendees who RSVP.

Questions and inquiries requesting interpretation or clarification regarding this RFP must be submitted through email by Monday, December 16, 2019 with "West LA Courthouse Development Project Questions" in the subject line and sent to emily.codilla@lacda.org. Where such interpretation or clarification requires a change in the solicitation documents, County will issue an amendment to this RFP. County shall not be bound by, and the Proposers shall not rely on for any purpose,

any oral interpretation or oral clarification of the solicitation documents. County responses to questions and inquiries will be released by Monday, December 23, 2019. The County reserves the right to modify questions and group similar questions to help improve clarity.

All communication in connection with this RFP must be submitted in writing via e-mail to Emily Codilla on behalf of the LACDA at emily.codilla@lacda.org.

5.3 Proposal Submission

The response to this RFP shall be made according to the requirements set forth in Section 3 - Submittal Requirements/Statement of Work, both for content and for sequence. Noncompliance with these requirements or misrepresentations may be cause for rejection of the proposal. An original **and** four (4) copies of the proposal, along with an unalterable electronic version on flash drive, must be submitted in sealed envelopes by mail or hand-delivered to the address below by Tuesday, January 21, 2020 at 9:30 a.m., or Tuesday, February 4, 2020 at 9:30 a.m. (for those who attended the RFI pre-submission meeting on June 11, 2019). All architectural drawings should be submitted as 11" x 17" documents with a graphic scale as described in Section 3.5.

Los Angeles County Development Authority
Attn: Emily Codilla, Procurement Coordinator
700 W. Main Street
Alhambra, CA 91801
RFP No. LACDA19-106

Proposals received after the stated deadline will not be accepted or considered.

The County does not assume responsibility for documents that are incorrectly submitted.

5.4 Proposal Package Evaluation

The County will assemble an Evaluation Committee, which will review proposal packages received based upon the criteria defined in Section 4 of this RFP.

5.5 Additional Information

The County reserves the right to meet with Proposers to seek clarification and understand further details of their proposals.

The County, at its sole discretion, may conduct interviews with the highest-scoring Proposers. At an interview, Proposers would have the opportunity to answer questions from the Evaluation Committee, as well as community stakeholders.

The County, at its sole discretion, may conduct working meetings with the highest-scoring Proposers. At a working meeting, Proposers would be able to meet with

the Evaluation Committee to discuss their proposal package. The Proposer will have an opportunity to present its initial concepts and will receive input on perceived strengths and weaknesses of its proposal.

County reserves the right to revise the solicitation documents prior to the proposal submittal due date. Such revisions, if any, will be made by amendment or addendum to this RFP and Proposers will be notified.

Proposers shall acknowledge receipt of all amendments to the solicitation documents in their proposal. Failure to acknowledge receipt of all amendments and include all of the requirements of the amendments in the proposal may render the proposal nonresponsive and cause it to be rejected.

Prior to submitting its proposal to County for consideration, each Proposer is responsible for checking the associated vendor websites to ensure that it has received all applicable amendments. The websites can be found at the following links.

<https://camisvr.co.la.ca.us/webven>
<https://wwwa.lacda.org/for-vendors>

Proposers are cautioned to limit exceptions, conditions, qualifications, and limitations to the provisions of this RFP as they may be determined by County to cause the Proposal to be deemed nonresponsive. County may determine in their sole discretion whether a Proposal is responsive and reserves the right, but assumes no obligation to waive deficiencies, informalities, and irregularities to the maximum extent permitted by law.

All Proposals shall be submitted in strict accordance with the RFP documents. Copies of the solicitation, County responses to all written questions, and request for interpretation and clarification will be available through an addendum to this RFP. Should the Proposer be selected, the Proposer is solely responsible for the examination of solicitation documents, reviewing all amendments, and comprehending all conditions that may impact the Proposal and the performance under the ENA. Failure of the Proposer to examine and inform itself is at its sole risk.

The Proposer, by means of a written request signed by the Proposer's authorized representative (identified in the cover letter to the proposal), may withdraw a proposal. Such written request shall be delivered to the Procurement Coordinator prior to the recommendation of the selected proposer to the County's Board of Supervisors.

5.6 Selection of a Developer

Based on the review of the proposals, the County, by and through the LACDA's Executive Director, will recommend the highest-rated Proposer to the County Board of Supervisors for selection as the developer. Notwithstanding a recommendation of a department, agency, individual, or other, the Board of Supervisors retains the right to exercise its judgment concerning the selection of a developer and the terms of any resultant agreement, and to determine which developer best serves the interests of the County. The Board of Supervisors is the ultimate decision-making body and makes the final determinations necessary to arrive at a decision to select a developer.

5.7 Exclusive Negotiating Agreement

County expects to recommend a Proposer to the County Board of Supervisors. Before the selected Proposer is recommended to the County's Board of Supervisors, the selected Proposer will be required to sign an ENA (included herein as Appendix C - Exclusive Negotiating Agreement) with the County. If the County Board approves the selection of the recommended Proposer and authorizes execution of the ENA, the County will then execute the ENA with the selected Proposer. The ENA shall not be effective until signed by the County.

The ENA will provide for an exclusive negotiating period during which final deal terms will be negotiated and documented in a lease agreement and associated agreements. The standard ENA has been developed in accordance with County policies. Should a Proposer desire modification to any provision set forth in this standard form of agreement, County requests these comments be submitted with the proposal in response to the RFP. However, County shall not be obligated to proceed with any selected Proposer that is unwilling to execute the ENA as approved by County's counsel and at the sole and absolute discretion of County.

The initial negotiation period described in the ENA may be extended at the sole discretion of the County. If timely progress is not achieved during the exclusive negotiation period, the County may choose not to extend and may subsequently enter into an exclusive negotiation with the next highest-rated Proposer.

Should the parties negotiate satisfactory terms of the proposed Project during the ENA period including, but not limited to, a project description, development concept, County role in development and project implementation, due diligence, entitlement approach, timeline, lease terms, and compensation structure, then at the conclusion of the ENA process, the County and developer will formalize deal terms through a lease agreement and associated agreements to guide the development of the site final project documentation will be executed upon receipt of all prerequisite approvals, at the discretion of the County Board of Supervisors.

Upon execution of the ENA by all parties, the County will require an ENA deposit, paid to the LACDA. The deposit shall be one percent (1%) of the total development cost of the proposed project, not to exceed \$100,000 (ENA Deposit). During the

term of the ENA, whenever the ENA Deposit balance reaches one half of the initial deposit or less, the Developer will replenish the deposit to the initial amount. Details of the ENA Deposit are set forth in the ENA (Appendix C).

5.8 General Process Guidelines

The County reserves all rights to cancel the selection process, change the selection process, or not select a Proposer.

This RFP and selection process do not constitute any type of offer and imposes no contractual or other liability on the County. There is no guarantee that a ground lease or other agreement will be consummated, or that anything will be developed.

The County reserves all rights with regard to this solicitation, including, but not limited to, the right to amend or modify this RFP, reject all proposals, extend any dates, or, subject to an ENA, or initiate negotiations with the next highest-rated Proposer if negotiations with the highest-rated Proposer do not result in an agreement.

Should the County not receive qualified proposals of interest by a submittal deadline, it reserves the right to extend that deadline until qualified proposals of interest are received.

Proposers are responsible for ensuring submittals are actually received.

All materials submitted during any part of the selection process become the exclusive property of County. Submissions in response to this RFP become a matter of public record. The County shall not, in any way, be liable or responsible for the disclosure of any such record or any parts thereof, if disclosure is required or permitted under the California Public Records Act (PRA) or otherwise by law. The Proposer may designate portions of its submittals that contain proprietary data as "CONFIDENTIAL," but the County cannot guarantee that it will be able to enforce such confidentiality.

Proposer understands that, unless exempt under applicable law, this RFP and any documents that it submits under this RFP may be subject to public inspection or copying under the PRA. For avoidance of doubt, notwithstanding any directions received from Proposer, County, solely in compliance with the PRA, may disclose that information to which County has a reasonable, good faith belief that no applicable exemption under the PRA applies. If any requests for disclosure are made pursuant to the PRA or comparable applicable laws requiring disclosure of information by public entities, prior to releasing any documents, County shall: i) notify Proposer within 10 days of receiving such request, and ii) provide Proposer with reasonable information so that Proposer can determine whether or not to seek any protective orders, petitions and the like to protect Proposer's confidential information, or the confidentiality of all or part of this agreement and documents submitted under this agreement. If Proposer fails to take any of the steps listed in

ii) above, within the time provided, County may disclose the requested records pursuant to the PRA. Proposer hereby waives any and all claims against County arising from or relating to a disclosure of documents by County which County exercises in its discretion pursuant to this section. Nothing herein prevents Proposer from filing an action in equity to enjoin the disclosure of any documents, records, or information. The parties shall not be entitled to an award of damages or attorneys' fees in connection with any such action.

5.9 Process Integrity Guidelines

It shall be the policy of the County to adhere to the following Process Integrity Guidelines during its selection of a Developer team pursuant to this RFP.

Each Proposer is individually and solely responsible for ensuring compliance with the following specific Process Integrity Guidelines. This responsibility extends to the Proposer's employees, agents, consultants, lobbyists, affiliates, and all other parties or individuals engaged by Proposer or otherwise acting in concert with Proposer for purposes of developing or supporting the selection process.

- This policy shall be operative from release of this RFP until such time as the Board of Supervisors meeting at which the County Board of Supervisors awards an agreement.
- Collusive activities among separate Proposer teams are expressly forbidden and may result in immediate disqualification of all involved parties.
- Proposers are prohibited from offering promotional outreach, hospitality, gifts, or other like activities directed toward County staff, elected or appointed officials, or proposal reviewers.
- All communication related to the RFP with the County must be directed to the County's contact(s) identified in the RFP. Contacting any other County staff member, elected or appointed officials, or proposal reviewers may result in disqualification of the Proposer.
- Notwithstanding the restrictions on communications set forth above, nothing in this policy is intended to restrict or prohibit proposers from communicating with County staff and officials during an open and public County Board of Supervisors meeting, or Proposer Presentations.
- Any and all information provided by Proposers during any part of the RFP, selection, or documentation process shall be factually correct.
- Proposers are informed of this policy and are required to provide written acknowledgement and acceptance of these guidelines. Any evidence which indicates a Proposer has failed to comply with the Process Integrity Guidelines described herein may result in that Proposer's disqualification.

- Any questions regarding the Process Integrity Guidelines shall be in writing and shall be transmitted by mail to the County's contact(s) identified in the RFP.

5.10 County Rights

County may investigate the qualifications and responsibility of any Proposer under consideration, using any information available to County. County may require confirmation of information furnished by a Proposer and require additional evidence of qualifications and responsibility to perform as described in this RFP.

County reserves the right to:

- Reject any or all of the proposals at its discretion;
- Negotiate the terms of any proposal;
- Remedy errors in the RFP;
- Cancel the entire RFP;
- Issue subsequent RFP;
- Amend the RFP before and after receipt of Proposals;
- Exercise their sole discretion to determine matters of responsiveness and issues that may be cured or addressed through evaluation of the criteria and sub-criteria identified in the RFP, and request further or additional information from any or all Proposers;
- Appoint evaluation committees to review Proposals;
- Seek the assistance of outside technical experts to review Proposals;
- Request clarification from any or all Proposers of any information contained in Proposals;
- Conduct discussions with any or all of the Proposers;
- Approve or disapprove the use of particular Proposer key team member;
- Exercise their discretion in evaluating Proposals according to the Evaluation Criteria to determine the Proposal most advantageous to County;
- Negotiate with any, all or none of the Proposers;
- Disqualify the Proposal(s) upon evidence of an organizational conflict of interest, false or misleading certifications or representations in its Proposal, or collusion with intent to defraud or other illegal practices on the part of the Proposer(s);
- Waive any informalities or irregularities in any Proposal, to the extent permitted by law;
- Award an ENA without interviews, discussions, or negotiations; or
- Examine any books, records, accounts, and other documents of any Proposer as it relates to the Proposal.

5.11 Rights in Technical Data, Patents, and Copyrights

County shall have the right to use, duplicate, modify, or disclose all documents and materials and the information conveyed therein, in whole or in part, in any manner

whatsoever, and to have or permit others to do so, except as limited by the PRA as mentioned in Section 5.8 - General Process Guidelines.

To the extent the Proposer incorporates documents and materials where the copyrights and other intellectual property rights to such documents and materials belong to third parties, the Proposer shall agree to grant to County and its respective officers, agents, and employees acting within the scope of their official duties, a royalty-free license to publish, translate, reproduce, deliver, create derivative works of, and otherwise use as they deem fit. No such materials shall be included in documents and materials prepared or developed by Proposer and its subcontractors hereunder without the written permission of the copyright owner for County to use such in the manner herein described.

The Proposer warrants that the documents and materials shall be delivered free of any rightful claim of any third party for infringement of any United States patent or copyright. If a suit or proceeding based on a claimed infringement of a patent or copyright is brought against County, the Proposer shall, at its own expense, defend or settle any such suit or proceeding if authorized to do so in writing by County, and indemnify and hold harmless the County and their respective subsidiaries, agents, and employees from all liability, damages, costs, and expenses associated therewith, including, but not limited to, defense costs and attorneys' fees.

5.12 Disqualification of Proposers

Organizational Conflicts of Interest

Organizational conflict of interest rules apply to this procurement. Any person, firm, corporation, joint venture, or partnership, or subcontractor determined to have an organizational conflict of interest is subject to disqualification. Further, the selected Proposer may be ineligible to participate in certain future contracts due to an organizational conflict of interest.

An organizational conflict of interest exists when there is a lack of impartiality or impaired objectivity, unequal access to information, and biased ground rules, and includes, but is not limited to any of the following:

5.12.1 Opportunity to Create Contracting Opportunities

The Proposer's prior work product, whether it is performed on behalf of County or another public or private entity, afforded an opportunity for the Proposer to make or influence the RFP with the intent of proposing on or participating on a joint development at the Project Site.

5.12.2 Evaluation of Prior Work Product

The Proposer would be in position to evaluate its own prior work product as part of the development of the Project Site, whether the prior work product is performed on behalf of County or another public or private entity.

5.12.3 Access to Information

The Proposer received confidential or other information as part of the work performed for County or another public or private entity, which is not otherwise available and cannot be made available to other potential bidders and which provides the Proposer with an unfair competitive advantage in the preparation of its proposal.

5.12.4 Inappropriate Communication with County

After the RFP is issued, any person, firm, corporation, joint venture, or partnership, or other interested party that has discussions regarding this RFP with anyone within County other than the Procurement Coordinator may be considered to have gained an unfair competitive advantage. All communications shall be in accordance with the instruction, "Communication with County." Any person, firm, corporation, joint venture, or partnership, or subcontractor determined to have an inappropriate communication with County are subject to disqualification.

5.13 Filing of Protests

Any non-selected Proposer may submit a written Protest of Agreement Award, in the manner and timeframe as specified by the County.

A Protest of Agreement Award may, in the County's sole discretion, be denied if the request does not satisfy all of the following criteria:

1. The person or entity submitting a Protest of Agreement Award is a Proposer;
2. The Protest of Agreement Award is submitted timely (i.e., by the date and time specified in the Notice of Recommendation for Agreement Award);
3. The person or entity submitting a Protest of Agreement Award asserts in appropriate detail with factual reasons one or more of the following grounds for review:
 - a. The County materially failed to follow procedures specified in its solicitation document. This includes:
 - i. Failure to correctly apply the standards for reviewing the proposal format requirements.
 - ii. Failure to correctly apply the standards and/or follow the prescribed methods for evaluating the proposals as specified in the solicitation document.
 - iii. Use of evaluation criteria that were different from the evaluation criteria disclosed in the solicitation document.

- b. The County made identifiable mathematical or other errors in evaluating proposals, resulting in the Proposer not being selected as the recommended proposer.
 - c. A member of the Evaluation Committee demonstrated bias in the conduct of the evaluation.
 - d. Another basis for review as provided by state or federal law; and
4. The Protest of Agreement Award sets forth sufficient detail to demonstrate that, but for the County's alleged failure, the Proposer would have been the highest-scored proposal.

The assertions included in the Protest of Agreement Award may be with respect to the Protestor's proposal, or with respect to the recommended proposal, provided that the assertions satisfy all the required criteria.

Upon receiving the Protest of Agreement Award, the County shall issue a written Notice of Protest Determination to the Proposer within seven (7) calendar days following receipt of the Protest of Agreement Award. The Notice of Protest Determination shall be final.

5.14 Evaluation Process

Proposals will be evaluated based on their support of the development objectives for the Project Site and responsiveness to the requirements of this RFP. The Evaluation Committee will evaluate submittals and recommend the selection of a Proposer to the County's CEO and eventually the County's Board of Supervisors.

County may request additional information from Proposers in order to fairly and accurately evaluate the proposals before making a recommendation.

APPENDIX A

SITE MAP

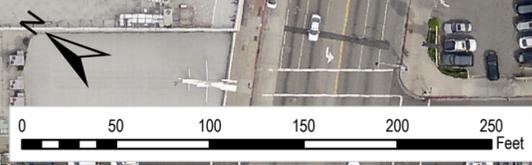
Proprietary Notice:
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Warning Notice:
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West Los Angeles Courthouse Site
 Other Parcel


Project Site
Area: 127,810 sq. ft.

Abandoned Alleyway - Area: 4,500± sq. ft.



West Los Angeles Courthouse

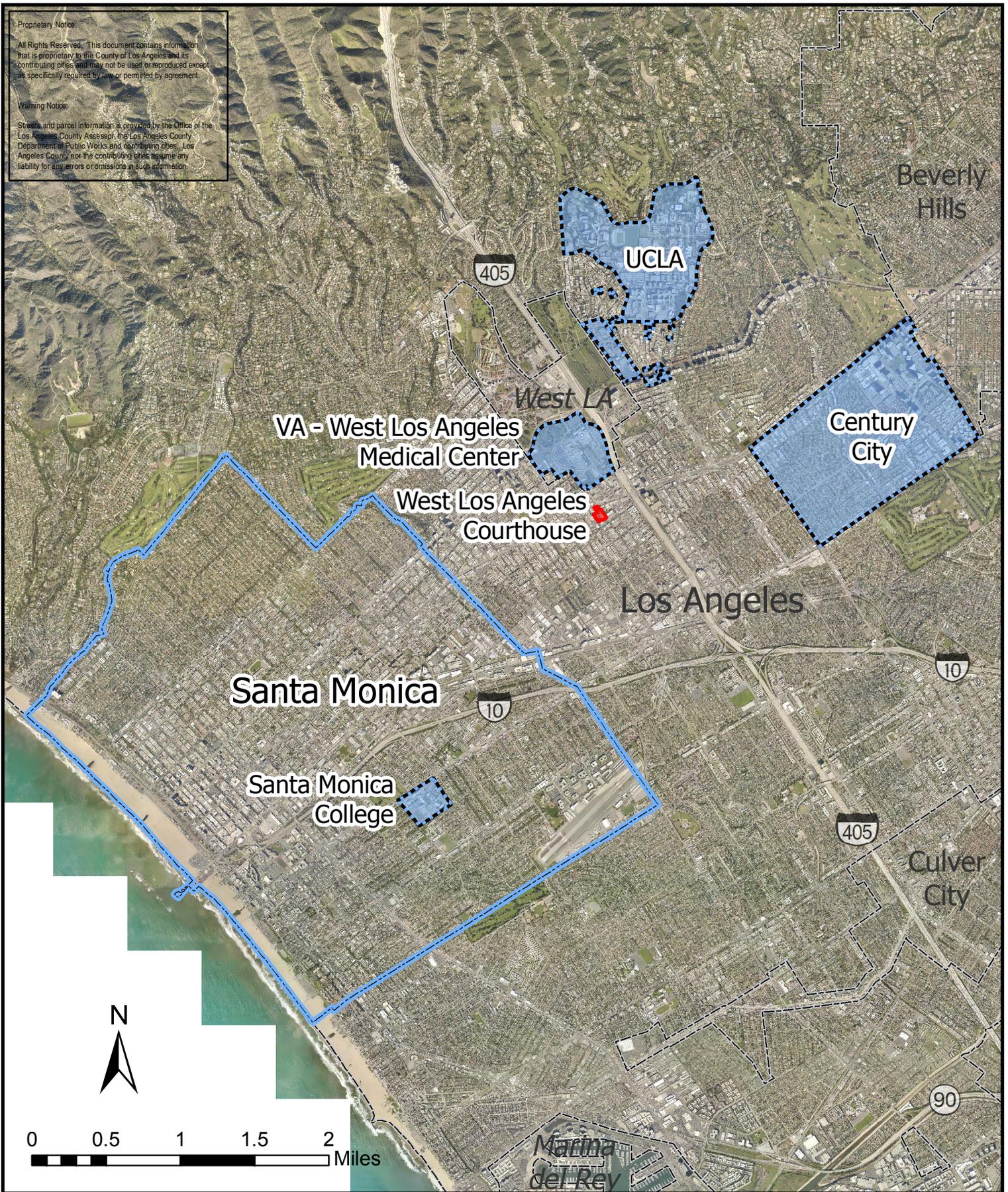
Los Angeles County Development Authority

APPENDIX B

MAP OF LOCATIONS OF INTEREST WITHIN PROJECT SITE VICINITY

Proprietary Notice:
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West Los Angeles Courthouse - Vicinity

APPENDIX C

EXCLUSIVE NEGOTIATING AGREEMENT

WEST LOS ANGELES COURTHOUSE DEVELOPMENT PROJECT

EXCLUSIVE NEGOTIATING AGREEMENT

by and among

THE COUNTY OF LOS ANGELES

and

DEVELOPER

[FORM OF]

EXCLUSIVE NEGOTIATING AGREEMENT

THIS AGREEMENT TO NEGOTIATE EXCLUSIVELY (this “**Agreement**”) is effective this ___ day of _____ 20__ (the “**Effective Date**”), by and among the County of Los Angeles, a public body corporate and politic (“**County**”), its agent, the Los Angeles County Development Authority, a public agency activated pursuant to Part 1.7 of Division of the Health and Safety Code and _____ (“**Developer**”), on the terms and conditions set forth below. County and Developer are sometimes referred to collectively herein as the “**Parties**” and individually as a “**Party**.”

RECITALS

- A. County leases real property located at 1640 Butler Avenue, 1636 Butler Avenue, 1640 Butler Avenue, 1633 Purdue Avenue, 1644 Butler Avenue, 1650 Butler Avenue, and 11404 Santa Monica Boulevard, Los Angeles, CA 90025, in the West Los Angeles area of the County (Third Supervisorial District) further described in Exhibit A (“**County Property**”). The lease is for a period of 24 months from the date of its effectiveness, which is _____. The County has full site control over the property.
- B. Any references to the County shall also include the Los Angeles County Development Authority (LACDA), acting as the agent of the County.
- C. The County Property is sometimes referred to herein as the “**Proposed Property**.”
- D. Developer proposes to develop _____ (“**Proposed Project**”).

Notwithstanding the foregoing description, the Proposed Project is a preliminary proposal that is subject to change through negotiation as well as input derived from the County’s community outreach efforts.

- E. Developer has provided County a proposal to develop the Proposed Project. In order to develop the Proposed Project on the County Property a preliminary design concept plan for the Proposed Project is attached as Exhibit B.
- F. County and Developer desire to explore the possibility of having Developer develop the Proposed Project in a way that is consistent with the County’s goals of: (i) creating affordable housing and (ii) enhancing the land use and economic development goals of the surrounding community.
- G. Once a proposal is received and approved, the County will present the proposal to the County Board of Supervisors (“**Board**”) for approval authorizing execution of this Agreement with Developer, for the purpose of (i) analyzing the potential development of the Proposed Project on the County Property and (ii) negotiating

the potential terms and conditions of a long-term ground lease agreement (the “**Ground Lease**”). The Ground Lease and all associated agreements are sometimes referred to collectively as the “**Project Agreements**.” The contemplated disposition (via ground lease), the development of the Proposed Project and execution of the Ground Lease and any other associated agreements are collectively referred to as the “**Transaction**.”

- H. The execution of the Project Agreements is subject to and contingent upon the Board’s approval after compliance with the California Environmental Quality Act (“**CEQA**”).
- I. County is required to comply with CEQA in connection with the consideration and analysis of the environmental impacts of the development of the Proposed Project. Because County has not committed to any project, including the Proposed Project, and has not completed environmental review pursuant to CEQA, this Agreement does not constitute or evidence an approval by County of, or commitment of County to, any action for which prior environmental review is required under CEQA. County retains the absolute sole discretion to make decisions under CEQA with respect to the Proposed Project, which discretion includes: (i) deciding not to proceed with development of the Proposed Project, (ii) deciding to proceed with development of the Proposed Project, and (iii) deciding to proceed with any alternative development of any portion of the Property (the “**Potential County Actions**”). There shall be no approval or commitment by County regarding the Transaction or any alternative development of any portion of the Proposed Property, unless and until County, or other agency serving as the Lead Agency with respect to the Proposed Project, considers the environmental impacts of the Proposed Project, in full compliance with CEQA.

Now, therefore, in consideration of the foregoing Recitals, which are hereby deemed a contractual part hereof, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

- 1. **Exclusive Negotiating Agreement: Good Faith Negotiations**
 - A. **Exclusive Negotiation**. During the Term (defined in Section 2A), so long as Developer is negotiating in good faith and is not otherwise in default of its obligations under this Agreement, County will not solicit offers or proposals from other parties concerning potential development or the sale, transfer, or other disposition of the County Property. The Parties will negotiate exclusively and in good faith in accordance with this Agreement regarding the negotiations and drafting of the Project Agreements. Notwithstanding the foregoing, County may, from time to time, be contacted by other developers regarding the Proposed Property and that such contact is expressly permitted so long as County does not initiate the contact and indicates to such developers that County has executed this Agreement and

that County is prohibited from: (i) discussing anything concerning these negotiations with such developers; (ii) considering any offer or proposal from such other developers; or (iii) negotiating with any such developers, until this Agreement expires or is terminated pursuant to its terms. The parties further agree and acknowledge that the County shall not dispose of or transfer the Proposed Property to any other third party during the Term.

- B. Essential Terms. The Parties acknowledge and agree that this Agreement does not establish all the essential terms of the Transaction and that although they have set forth herein a framework for negotiation of the essential terms of the Transaction: (i) they have not set forth herein nor agreed upon many of the essential terms of the Transaction, including, among other things, the price or terms of and timing of any development; (ii) they do not intend this Agreement to be a statement of the essential terms of the Transaction; and (iii) the essential terms of the Transaction, if agreed to by the Parties, shall be set forth, if at all, in documentation and agreements negotiated, approved and executed by duly authorized representatives of each of the Parties after any and all applicable requirements of CEQA have been completed and determinations/findings made by the CEQA lead agency.

2. Duration of this Agreement

- A. Term. This Agreement shall commence on the Effective Date and shall terminate one year thereafter (the "**Term**"). Notwithstanding the foregoing, if (i) the Parties have not executed and delivered the Ground Lease within such period and (ii) substantial progress has been made toward fulfillment of the requirements of this Agreement, the Parties may determine, in each Party's sole and absolute discretion, to extend the Term for a maximum of two 180-day extensions. The Term may be extended only by written amendment to this Agreement executed by authorized representative(s) of the Parties and no other act or failure to act by County or any of its representative(s) shall result in an extension of the Term.
- B. Execution. No agreement or documentation that may hereafter be negotiated between the Parties with respect to the Project Agreements shall become final and binding unless and until: (i) County and Developer have complied with all applicable requirements of CEQA pertaining to the Transaction; (ii) such documentation is approved by the Board; and (iii) such documentation is executed by the authorized representatives of each of the Parties.
- C. Approval of the Potential County Actions. Prior to the satisfaction of the terms set forth in Section 2B, no: (i) negotiation or preparation of any development or purchase documentation (including the Ground Lease), including without limitation, any specific terms and provisions or any form of document; (ii) review or approval by County of various stages of proposed plans and specifications for the Proposed Project; nor (iii) cooperation or participation by

County in development applications or submittals for the Proposed Project (including County's execution of any such applications or submittals), shall constitute County's approval of the Proposed Project or the Transaction or a commitment to take any actions.

3. Payment and Deposit

- A. Deposit. Within five (5) business days of the Effective Date, Developer shall deposit the amount equal to one percent (1%) of the total development cost of the Proposed Project not to exceed One Hundred Thousand Dollars (\$100,000.00) ("**Initial Amount**") via wire transfer or Automated Clearing House electronic funds transfer as directed by County in writing (the "**Deposit**"), which Deposit shall cover reasonable costs related to the evaluation of the Proposed Project and negotiation of the potential Ground Lease and other related agreements ("**Transaction Expenses**"). The Transaction Expenses shall include, without limitation the actual cost of third party consultation fees (including, but not limited to, consultants, engineers, architects, outside counsel, and advisors) for the performance of financial analyses, design review (including reviewing Developer's Plans and Specifications for the Proposed Project and engineering and other reports related to the Proposed Project), negotiations, appraisals, document preparation, and other reasonable services related to the Proposed Project and the Transaction. County shall provide documentation of Transaction Expenses to Developer upon Developer's request, provided that the form of documentation will be such that is available to County and in its possession, in County's sole good faith determination. During the Term, whenever the Deposit balance reaches one-half (1/2) of the Initial Deposit or less, Developer will replenish the Deposit to the Initial Amount, upon written notice from County. Notwithstanding anything to the contrary contained herein, if County is requested to perform any engineering studies, technical services or other similar services, or supervision of on-site testing or inspections, or if the Deposit is insufficient to cover Transaction Expenses, County shall have the right to request additional monies, which may exceed the Initial Amount, as may be reasonably necessary to cover the costs of providing those services or Transaction Expenses. If Developer does not consent and make such additional payments or replenish the Deposit as set forth herein, County may decline to provide the services and/or terminate this Agreement.
- i. In the event this Agreement terminates or is terminated, the Deposit will become non-refundable to the extent necessary to pay Transaction Expenses incurred or contractually committed to be paid as of the date of termination, and County shall return to Developer any portion of the Deposit that is not needed to pay such Transaction Expenses along with any accounting of the Transaction Expenses. The Parties agree that County (a) has no obligation to pay interest on the Deposit to Developer, and (b) is not required to deposit the

Deposit in an interest-bearing account. Interest, if any, earned on the Deposit, may remain in the Deposit account and may be added to the amount of the Deposit. Any refund of all or a portion of the Deposit to Developer will not include any interest earned on the Deposit.

4. Agreements to be Negotiated.

- A. Project Agreements. County and Developer shall work in good faith to negotiate and jointly prepare the Project Agreements. The Project Agreements shall include, without limitation, provisions relating to the design and development of the Proposed Project, a schedule of performance, the Parties' obligations during the term of the Project Agreements.
- B. Other Agreements. If the Transaction will involve other agreements, such licenses and/or dedications, each of those agreements shall be addressed in the Project Agreements and negotiated in accordance with applicable County policies and procedures and the Board's authority.

5. County Responsibilities.

- A. Exclusive Negotiations. So long as Developer is negotiating in good faith and is not otherwise in default of its obligations under this Agreement, County shall negotiate exclusively and in good faith with Developer, as set forth in Section 1A.
- B. Schedule of Performance. County shall endeavor to meet the milestones required of County, as set forth in the schedule of performance attached hereto as Exhibit C, which schedule may be modified during the Term as agreed between the Parties (the "**Schedule of Performance**").
- C. County Discretion. County is not approving, committing to, or agreeing to undertake: (i) the Proposed Project or any development; (ii) disposition, sale, or lease of land to Developer; or (iii) any other acts or activities requiring the subsequent independent exercise of discretion by County.
- D. Funding. County shall perform such other covenants and obligations required of County as explicitly set forth in this Agreement.
- E. Other Covenants. County shall perform such other covenants and obligations required of County as explicitly set forth in this Agreement.

6. Developer's Responsibilities.

Without limiting any other provision of this Agreement, during the Term, Developer, at its sole cost and expense, shall prepare and submit the following information

and documents and perform the following acts, all in furtherance of the negotiation process:

- A. Project Information. County and all agencies having regulatory jurisdiction over the Proposed Project, will require planning and design approval for the Proposed Project. Developer shall meet with representatives of County to review and come to a clear understanding of the planning and design requirements of County and other agencies for the Proposed Project.
- B. Schedule of Performance. Developer shall meet the milestones and submit the information required of Developer, as set forth in the Schedule of Performance, unless otherwise modified during the Term as agreed between the Parties through written notice.
- C. Notice of Governmental Meetings. Developer shall provide at least two (2) weeks' prior written notice to County of any substantive meetings with governmental officials (including staff) relating to the Proposed Project and allow County to attend such meetings, at County's sole discretion. Developer shall keep County fully informed during the Term regarding all substantive matters and meetings affecting the Proposed Project.
- D. Environmental Documents and Entitlements. Developer shall provide to County, in accordance with the Schedule of Performance, conceptual plans, renderings, schematic drawings, programmatic plans, and all other information and documentation (the "**Project Plans**") necessary for County to make appropriate findings pursuant to CEQA. Developer shall bear all costs and expenses associated with the preparation and certification of any required environmental documents (including an Environmental Impact Report, if required by CEQA) and of the Project Plans.
- E. Further Information. County reserves the right, at any time, to request from Developer, and Developer shall provide in a timely manner, additional or updated non-legally privileged information about Developer or the Proposed Project as may be related to the development of the Proposed Project and as requested by County.
- F. Design Review Process. Developer shall engage and coordinate with County on the design of the Proposed Project, and the design shall be subject to County's review and approval (as well as that of any other agency having jurisdiction) as set forth in the Project Agreements. Developer shall provide at least two (2) weeks prior written notice to County of all design meetings and a three (3) week review period for each design submittal, excepting the initial submittal of the Project Plans, which the County will have thirty (30) days to review pursuant to the Schedule of Performance.
- G. Other Covenants. Developer shall perform such other covenants and obligations required of Developer as explicitly set forth in this Agreement.

7. No Commitment to Any Project; Independent Judgment.

- A. No Commitment to Any Project. The Parties acknowledge and agree that County: (a) has not committed to, authorized or approved the development of the Proposed Project or any other proposed improvements on the Property; (b) retains the absolute sole discretion to modify the Proposed Project as may be necessary to comply with CEQA or for any other reason; (c) may modify the Proposed Project, or decide not to proceed with the Proposed Project, as may be necessary to comply with CEQA, or for any other reason as determined in County's sole and absolute discretion; and (d) is not precluded from rejecting the Proposed Project, or from weighing the economic, legal, social, technological, or other benefits of the Proposed Project against its unavoidable environmental risks when determining whether to approve the Proposed Project. Further, the Parties acknowledge and agree that no activities that would constitute a project under CEQA, including the Proposed Project, may be commenced until necessary findings and consideration of the appropriate documentation under CEQA are considered by the Board and feasible mitigation measures and alternatives to the Proposed Project, including the "no project" alternative, required in connection with CEQA, may be adopted by the Board.
- B. Independent Judgment. County will exercise independent judgment and analysis in connection with any required environmental reviews or determinations under CEQA for the Proposed Project, shall have final discretion over the scope and content of any document prepared under CEQA and shall have final discretion over the extent of any studies, tests, evaluations, reviews, or other technical analyses. Any consultants retained for the purpose of preparing CEQA documentation shall reasonably comply with any directions from County with respect thereto.

8. Inspections.

During the Term, Developer may conduct such inspections, tests, surveys, and other analyses ("**Inspections**") as Developer and County deem reasonably necessary to determine the condition of the Proposed Property or the feasibility of designing, developing, constructing, leasing, and financing the Project and shall complete such Inspections as promptly as reasonably possible within the Term. Any entry onto the County Property by Developer or its employees, agents, contractors, successors, and assigns, shall be in accordance with a Right of Entry agreement ("**ROE**"), in the form attached hereto as Exhibit D. Pursuant to the ROE, Developer shall coordinate and schedule the time(s) of its entry on to the County Property to meet County requirements. Developer's and its contractors' access to the County Property shall not interfere, conflict with, or impair any other operations or activities on the County Property, as set forth in the ROE.

9. Plans, Reports, Studies, and Entitlements.

- A. County Information. County, in its reasonable discretion, may make available to Developer, upon Developer's written request, existing information and plans regarding County's existing improvements on the County Property held by County and needed for the development of the Proposed Project.
- B. Provision of Development Documents. All plans and any reports, investigations, studies (including reports relating to the soil, geotechnical, subsurface, environmental, and groundwater conditions of the Proposed Property, entitlement applications, CEQA-related and other environmental documents, and reports filed in connection therewith) with respect to the Proposed Property, Proposed Project, and Developer's intended use of the Proposed Property (collectively, the "**Development Documents**") shall be prepared at Developer's sole cost and expense. Developer shall timely provide County without representation as to warranty, subject to the confidentiality provisions in Section 15, without cost or expense to County, copies of all final non-legally privileged Development Documents prepared by or on behalf of Developer. Developer shall include in its contractors' and consultants' contracts the right to assign the Development Documents to County.
- C. Entitlements. County, as the entity with site control of the County Property, and as a market participant in this Agreement shall cooperate with Developer in Developer's attempt to procure the necessary entitlements for the Proposed Project, provided (i) such entitlements and any related applications, submittals, and/or covenants do not encumber County's leasehold interest in the County Property or place obligations on County; and (ii) Developer timely provides County with copies of all proposed and final filings, submittals, and correspondence relating to any entitlement applications. Should Developer abandon an entitlement application, County shall have the right to take over such application and Developer shall cooperate with County to complete any such entitlement process started by Developer provided that County shall indemnify, or defend and hold Developer harmless from any future actions of the County or any of its successors and assigns in connection therewith with such usage of the application or Developer's cooperation. If the Proposed Project is not built, Developer shall cooperate with County to seek removal of any entitlement obtained by Developer for the County Property, which County desires to be removed. Developer acknowledges and agrees that nothing in this Agreement constitutes a waiver of County's regulatory or police powers with respect to the Transaction or the Proposed Project, and that County's regulatory review and regulation of the Proposed Project, the desired entitlements and the construction and operation of the Proposed Project shall not be subject to any terms or conditions set forth in this Agreement. The obligations contained in this Section 9C shall survive termination, expiration, or revocation of this Agreement.

10. Indemnity and Insurance.

- A. Indemnity. Developer shall indemnify, defend (with counsel reasonably approved by County), and hold harmless County and its representatives, employees, officials, directors, attorneys, consultants, successors, and assigns (collectively, the “**Indemnitees**”) from any liability, claims, losses, costs, expenses, or damages (including, without limitation, reasonable attorneys’ fees and costs) (collectively, “**Claims**”), in any way arising out of acts or omissions related to the following, and without requirement that County first pay such Claims: (i) damage to property or bodily injury or death of any person caused by Developer, its agents, employees, or contractors; or (ii) any entry upon the County Property by Developer, its agents, employees, or contractors; (iii) any Inspection made by Developer, its agents, employees, or contractors; or (iv) the planning and preparation of, or challenge to any report or Development Documents (including the cost of such reports or Development Documents), except to the extent such Claims arise solely from the gross negligence or willful misconduct of any Indemnitee. The obligations contained in this Section 10A shall survive the termination, expiration, or revocation of this Agreement.
- B. Insurance. Prior to Developer’s or its employees’, contractors’ or consultants’ entry onto the County Property, Developer shall provide County with evidence of insurance in the form and subject to the requirements set forth in the ROE.

11. Failure to Reach Agreement.

This Agreement is an agreement to enter into exclusive negotiations with respect to the Transaction. Each Party expressly reserves the right to decline to enter into any other agreement, if the Parties working in good faith fail to agree to terms satisfactory to all Parties with respect to the Transaction. Except as expressly provided in this Agreement, none of the Parties shall have any obligation, duty, or liability hereunder in the event the Parties fail to timely agree upon and execute the Project Agreements. If the Parties have not executed the Project Agreements prior to the expiration or termination of this Agreement, then upon expiration or termination of this Agreement, any rights or interest that Developer may have under this Agreement shall cease without requiring any notice from County, and County shall have the right thereafter to use, develop (alone or with any other entity), or dispose of the County Property as County shall determine appropriate in its sole and absolute discretion.

12. Termination, Default and Remedies.

- A. Right to Terminate. In addition to any other right of termination set forth in this Agreement, either Party may terminate this Agreement upon thirty (30) days’ prior written notice to the other Party, if such terminating Party in good faith determines any of the following: (i) a successful consummation of the

Transaction is not likely, (ii) the Proposed Project is not feasible, (iii) the Proposed Project is not capable of being financed in a commercially reasonable manner, or (iv) the Proposed Project is not likely to be developed and constructed in a timely manner.

- B. Breach. The occurrence of any one or more of the following events shall constitute a breach under this Agreement (each a “**Breach**”):
- i. The failure of a Party to perform any obligation, or to comply with any covenant, restriction, term, or condition of this Agreement;
 - ii. The failure of a Party to meet the milestones set forth in the Schedule of Performance, unless otherwise modified and agreed to in writing by the Parties; or
 - iii. Any material representation or warranty made by a Party proves to be false or misleading in any material respect at the time made.
- C. Default. A Breach shall become a default under this Agreement (each a “**Default**”) if the Party committing the Breach fails to cure the Breach within the following time periods:
- i. For all monetary Breaches, five (5) Business Days after receipt of written notice of monetary breach;
 - ii. For all non-monetary Breaches, twenty (20) Business Days after receipt of written notice (“**Cure Notice**”) thereof from the aggrieved Party specifying such non-monetary Breach in reasonable detail, delivered in accordance with the provisions of this Agreement, where such non-monetary Breach could reasonably be cured within such twenty (20) Business Day period; or
 - iii. Where such non-monetary Breach could not reasonably be cured within such twenty (20) Business Day period, such reasonable additional time as is necessary to promptly and diligently complete the cure but in no event longer than forty (40) Business Days (“**Outside Date**”); provided that the breaching Party promptly commences to cure such non-monetary Breach after receiving the Cure Notice and thereafter diligently and continuously pursues completion of such cure.
- D. Unavoidable Delay. If a non-monetary Breach is due to an Unavoidable Delay (as defined below), then the Party claiming the delay shall have the right to extend the Outside Date by a period equal to the duration of the Unavoidable Delay by written notice to the other Party. The duration of the Unavoidable Delay shall be deemed to commence only after written notice of such Unavoidable Delay is delivered to the other Party, provided that if written notice of such Unavoidable Delay is given within five (5) Business

Days after the commencement of the delay, then the date of the commencement of the Unavoidable Delay shall be retroactive to the actual commencement date of the delay. A written notice of Unavoidable Delay must reasonably specify: (i) the nature of the delay; (ii) the date the delay commenced and (if not ongoing) ended; and (iii) the reason(s) such delay is an Unavoidable Delay. Upon the documentation of an Unavoidable Delay pursuant to this Section 12D, the Outside Date shall be delayed by the period of the Unavoidable Delay; provided, however, under no circumstances may the Outside Date be extended by more than a total of forty (40) Business Days as a result of Unavoidable Delay without the written consent of both Developer and County.

The term Unavoidable Delay shall mean a delay that is caused by war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions or priority; litigation; severe weather; inability to secure necessary labor, materials or tools; delays of any contractor, subcontractor or supplier; acts of another party; acts or the failure to act of any public or governmental agency or entity (except that acts or the failure to act of the Developer shall not excuse performance by the Developer) or any other causes beyond the control or without the fault of the party claiming an extension of time to perform.

- E. Remedies. If any Default occurs, the non-defaulting Party shall have the right, but not the obligation, to avail itself of any one or more of the following remedies:
- i. The non-defaulting Party may, at its sole election, terminate this Agreement upon not less than five (5) days' prior written notice of termination provided to the defaulting Party.
 - ii. Unless otherwise provided herein, in addition to the foregoing, the non-defaulting Party may exercise any right or remedy it has under this Agreement, or which is otherwise available at law or in equity or by statute. All rights, privileges and elections or remedies of the Parties are cumulative and not alternative to the extent permitted by law (including suit for damages) or in equity.
- F. Upon Termination of Agreement. Upon termination of this Agreement, (1) any rights or interest that Developer may have hereunder shall cease and County shall have the right thereafter to use, develop (alone or with any other entity), or dispose of the County Property as County shall determine appropriate in its sole and absolute discretion; and (2) any rights or interest that County may have hereunder shall cease and Developer shall have the right to use, develop (alone or with any other entity), or dispose of the Developer Property as it determines appropriate in its sole and absolute

discretion. In any event, the Development Documents shall become the property of County.

13. Entire Agreement; Amendments.

This Agreement, including all exhibits, constitutes the entire understanding among the Parties and supersedes all other agreements, oral or written, with respect to the subject matter herein. Additionally, this Agreement may not be amended except in writing signed by all of the Parties.

14. Covenant Against Discrimination.

Developer shall not discriminate against, nor segregate, in employment or the development, construction, sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of all or portions of the Proposed Property, nor deny the benefits of or exclude from participation in, the Project and all activities of Developer in connection with the Proposed Property, any person, or group of persons, on account of race, color, religion, creed, national origin, ancestry, sex, sexual preference/orientation, marital status, age, disability, medical condition, Acquired Immune Deficiency Syndrome (AIDS), acquired or perceived, or retaliation for having filed a discrimination complaint.

15. Confidentiality.

A. Proprietary Documents. The Parties anticipate that during the Term each shall from time to time disclose and provide to the other certain proprietary reports, correspondence, and other information related to the Project. Unless otherwise required by law, no Party shall disclose (except to its own and to the other Party's employees, officers, directors, agents, advisors, existing and prospective lenders, investors, counsel, and consultants) information regarding or related to the Proposed Project which is not already public, and which has been delivered to such Party pursuant to the terms hereof.

B. Public Disclosure. Notwithstanding the foregoing Section 15A, Developer acknowledges and agrees that County, as a government agency, (i) is subject to broad disclosure obligations under applicable law, including the Public Records Act, and (ii) holds Board meetings which are open to the public and at which information concerning the Proposed Project may be disclosed including reports to the Board describing the Proposed Project, and including any documents to be approved by the Board. Nothing in this Agreement shall prohibit any disclosure required by law.

16. Compliance with Laws.

During the Term, Developer, at its expense, shall comply with all applicable federal, state, and local laws, ordinances, regulations, rules, and orders with respect to the subject matter of this Agreement.

17. Successors and Assigns.

This Agreement shall be binding on and inure to the benefit of the Parties and their respective permitted successors and assigns.

18. Notices.

All notices shall be in writing and either (a) personally served at the appropriate address (including by means of professional messenger service or recognized overnight delivery service, provided that any such delivery is confirmed by written receipts signed on behalf of the receiving Party or by adequate proof of service) or (b) deposited in the United States mail, postage prepaid, certified, or registered mail, return receipt requested, addressed to the appropriate addressee and shall be deemed received and effective on the day such notice is actually received if received before 5:00 p.m. on a regular business day, or on the following business day if received at any other time. All addresses of the Parties for receipt of any notice to be given pursuant to this Proposed Project are as follows:

To the County:

Los Angeles County Development Authority
700 W. Main Street
Alhambra, CA 91801
Attention: Davon Barbour, Director of Community & Economic
Development Division

To the Developer:

Developer's Name
Developer's Address
City, State, Zip
Attention: Chief Financial Officer

With copies to:

Developer's Name
Developer's Address
City, State, Zip
Attention: General Counsel

Los Angeles County Development Authority
700 W. Main Street
Alhambra, CA 91801
Attention: Carey Jenkins, Manager of Economic Development Unit

19. Interpretation.

- A. Construction. This Agreement shall be construed in accordance with its fair meaning, and not strictly for or against either Party.
- B. Gender. When the context of this Agreement requires, (i) the neuter gender includes the masculine and feminine and any entity, and (ii) the singular includes the plural.
- C. Section Headings. The headings of the Sections of this Agreement are inserted solely for convenience of reference and are not intended to govern, limit, or aid in the construction of any term or provision hereof. Unless otherwise explicitly provided, all references to “Sections” are respectively to articles or sections of this Agreement.
- D. Interpretation. The word “including” shall be construed as though the words “but not limited to” were, in each case, appended thereafter, and shall not be deemed to create a limitation to the list that follows “including.”
- E. Incorporation of Recitals. The Recitals of this are incorporated herein by reference.
- F. Exhibits. All references in this Agreement to exhibits shall be construed as though the words “hereby made a part hereof and incorporated herein by this reference” were, in each case, appended thereto. In the event of a conflict between this Agreement and any of the exhibits attached hereto, the terms of this Agreement shall govern.
- G. No Third-Party Beneficiaries. Except as expressly set forth in this Agreement, no parties other than the Parties and their successors and assigns, shall be a beneficiary of the rights conferred in this Agreement, and no other party shall be deemed a third-party beneficiary of such rights.
- H. Severability. If (i) any provision of this Agreement is held by a court of competent jurisdiction as to be invalid, void, or unenforceable and (b) the invalidity or unenforceability of such a provision does not deny a Party the material benefit of this Agreement, then the remainder of this Agreement which can be given effect without the invalid provision shall continue in full force and effect and shall in no way be impaired or invalidated.
- I. No Partnership. Nothing in this Agreement shall be deemed or construed as creating a partnership, joint venture, or association between the Parties, or cause either Party to be responsible in any way for the debts or obligations of the other Party.
- J. No Assignment by Developer. The Parties acknowledge and agree that County has entered into this Agreement in reliance on Developer’s unique abilities to develop the Project; consequently, Developer shall have no right to assign its rights or duties under this Agreement. Notwithstanding the foregoing, upon written approval by the County, which approval shall not be

unreasonably withheld, Developer shall be permitted to assign its rights and duties under this Agreement to (i) an affiliate of Developer, (ii) a single purpose entity created by Developer for the purpose of purchasing the Proposed Property and developing the Proposed Project or (iii) an entity owned or controlled by the joint venture between Developer.

- K. Prevailing Party. In the event that either Party to this Agreement brings an action to enforce the terms of this Agreement or declare the Party's rights under this Agreement, each Party shall bear its own costs and expense, including attorneys' fees, regardless of prevailing Party.

20. Limitations of this Agreement

This Agreement does not constitute a commitment of any kind by County regarding the sale, transfer, or development of all or any part of the County Property. Execution of this Agreement by County is merely an agreement to enter into a period of exclusive negotiations according to the terms hereof, reserving final discretion and approval by the Board as to any Project Agreements and all proceedings and decisions in connection therewith.

21. Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The delivery of a signed counterpart of this Agreement by facsimile or email shall have the same legal effect as delivery of an original signed counterpart by hand. This Agreement shall only be effective as a binding legal agreement among the parties after signed counterparts have been exchanged among the parties.

[Signatures continue on the next page]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date and year first above written.

COUNTY OF LOS ANGELES:

By: _____
Monique King-Viehlend
Executive Director
Los Angeles County Development Authority

Date

APPROVED AS TO FORM FOR THE COUNTY:

Mary C. Wickham
County Counsel

By: _____
Behnaz Tashakorian
Principal Deputy County Counsel

Date

DEVELOPER:

Name of Authorized Signer
Title

EXHIBIT A
DEPICTION OF COUNTY PROPERTY

APN	Address
4261-011-915	11404 Santa Monica Blvd, Los Angeles, CA 90025
4261-011-910	1633 Purdue Ave, Los Angeles, CA 90025
4261-011-914	1650 Butler Ave, Los Angeles, CA 90025
4261-011-913	1644 Butler Ave, Los Angeles, CA 90025
4261-011-908	1640 Butler Ave, Los Angeles, CA 90025
4261-011-909	1636 Butler Ave, Los Angeles, CA 90025

EXHIBIT B

PRELIMINARY DESIGN CONCEPT PLAN FOR THE PROJECT

EXHIBIT C

SCHEDULE OF PERFORMANCE

1.	Developer shall submit to the County Project Plans necessary for County to make appropriate findings pursuant to CEQA and Design Review Process. Developer shall bear all costs and expenses associated with the preparation and certification of any required environmental documents (including an Environmental Impact Report, if required by CEQA) and of the Project Plans.	Within 120 days of the Effective Date.
2.	Developer shall submit to the County project financial information (the “ Project Financial Information ”) that shall include: (1) an estimate of development costs, including construction and non-construction costs, such as the proposed purchase price of the County land; (2) a description of the proposed method of financing; (3) a proposed construction and operating pro forma which identifies all sources and uses of funds; (4) evidence that Developer has the financial resources necessary for development of the Proposed Project, such as preliminary loan approvals and/or audited financial statements, or other form of evidence reasonably acceptable to the County.	Within 120 days of the Effective Date.
3.	The County will provide to the Developer its evaluation (the “ Project Evaluation ”) of the Project Plans and Project Financial Information. The Project Evaluation shall indicate the County’s preliminary determinations as to the appropriate level of review under CEQA.	Within 60 days of the date of receipt of the Project Plans and Project Financial Information.
4.	Pursuant to the Right-of-Entry Agreement, Developer may conduct inspections, tests, surveys, and other analyses (“ Inspections ”) as Developer and County deem reasonably necessary to determine the condition of the Proposed Property or the feasibility of designing, developing, constructing, and financing the	Within the one-year term of the ENA.

	Project and shall complete such Inspections as promptly as reasonably possible.	
5.	Based on the information submitted by Developer and the Project Evaluation, the Parties shall negotiate and finalize the terms of a Ground Lease and related documents and shall process any CEQA review documents as may be necessary. Developer shall bear all costs and expenses associated with the preparation and certification of any required environmental documents (including an Environmental Impact Report, if required by CEQA) and of the Project Plans.	120 days after Project Evaluation is provided to Developer.

EXHIBIT D

FORM OF RIGHT OF ENTRY AGREEMENT

RIGHT OF ENTRY PERMIT

This Right of Entry Permit ("**Permit**") is made and entered into this ___ day of _____, 20___, by and between the County of Los Angeles, a public body corporate and politic ("**County**"), its agent, the Los Angeles County Development Authority, a public agency activated pursuant to Part 1.7 of Division of the Health and Safety Code, and _____ ("**Permittee**"). Any references to the County shall also include the Los Angeles County Development Authority (LACDA), acting as the agent of the County. County and Permittee agree as follows:

1. **PREMISES:** Permittee, after execution by County, is hereby granted permission to enter County's property identified as County Assessor's Parcel Numbers ("**APN**") 4261-011-908, 4261-011-909, 4261-011-910, 4261-011-913, and 4261-011-914, and 4261-011-915, also known as 1640 Butler Avenue, 1636 Butler Avenue, 1640 Butler Avenue, 1633 Purdue Avenue, 1644 Butler Avenue, 1650 Butler Avenue, and 11404 Santa Monica Boulevard, Los Angeles, CA 90025, respectively, as described in Exhibit A, attached hereto and incorporated herein by this reference ("**Premises**"). Entry constitutes acceptance by Permittee of all conditions and terms of this Permit.
2. **PURPOSE:** The sole purpose of this Permit is to allow Permittee and its subcontractors to enter the Premises to conduct _____.
3. **TERM:** The term of this Permit shall be for a period of 180 days, commencing upon the date that County executes this Permit. This Permit shall terminate 180 days after the Commencement Date. The parties may determine, in each Party's sole and absolute discretion, to extend the term for a maximum of two 90-day extensions. The hours of operation for this Permit shall be between 8:00 a.m. and 5:00 p.m. The term may be extended by mutual agreement in writing between Permittee and County.
4. **CONSIDERATION:** Consideration for this Permit shall be Permittee's faithful performance of its obligations under this Permit.
5. **ADDITIONAL CHARGES:** Permittee agrees to pay any charges for utilities that may be required and for the safekeeping of the Premises for the prevention of any accidents as a result of the Permittee's activities thereon.
6. **NOTICE:** Notices desired or required to be given by this Permit or by any law now or hereinafter in effect may be given by enclosing the same in a sealed envelope, Certified Mail, Return Receipt Requested, addressed to the party for whom intended and depositing such envelope with postage prepaid in the U.S. Post

Office or any substation thereof, or any public letter box, and any such notice and the envelope containing the same shall be addressed to Permittee as follows:

Developer
Address
City, State, Zip
Attention: Chief Financial Officer

or such other place in California as may hereinafter be designated in writing by the Permittee. The Notices, Certificates of Insurance and Envelopes containing the same to County shall be addressed to:

Los Angeles County Development Authority
700 W. Main Street
Alhambra, CA 91801
Attn: Director of Community and Economic Development Division
Fax No. (626) 943-3838

Los Angeles County, Chief Executive Office
Real Estate Division
320 W. Temple Street, 7th Floor
Los Angeles, CA 90012
Attn: Manager of Chief Executive Office - Real Estate Division
Fax No. (213) 830-0926

7. INDEMNIFICATION: Developer shall indemnify, defend (with counsel reasonably approved by County), and hold harmless County, LACDA, and their representatives, employees, officials, directors, attorneys, consultants, successors, and assigns (collectively, the “**Indemnitees**”) from any liability, claims, losses, costs, expenses, or damages (including, without limitation, reasonable attorneys’ fees and costs) (collectively, “**Claims**”), in any way arising out of acts or omissions related to the following, and without requirement that County and LACDA first pay such Claims: (i) damage to property or bodily injury or death of any person caused by Developer, its agents, employees, or contractors; or (ii) any entry upon the County Property by Developer, its agents, employees, or contractors; (iii) any Inspection made by Developer, its agents, employees, or contractors; or (iv) the planning and preparation of, or challenge to any report or Development Documents (including the cost of such reports or Development Documents), except to the extent such Claims arise solely from the gross negligence or willful misconduct of any Indemnitee. The obligations contained in this Section 7 shall survive the termination, expiration, or revocation of this Agreement.
8. GENERAL INSURANCE REQUIREMENTS: While this permit is in effect, Permittee or its contractor shall, at its sole cost and expense, obtain and maintain in full force and effect throughout the term of this Permit, insurance, as required by

County, in the amount and coverages specified on, and issued by insurance companies as described in Exhibit B.

Notification of Incidents, Claims, or Suits: Permittee shall report to County any accident or incident relating to Permittee's entry which involves any material injury or property damage which may result in the filing of a claim or lawsuit against Permittee and/or County in writing within three business days of occurrence.

9. RESERVED

10. RESERVED

11. OPERATIONAL RESPONSIBILITIES: Permittee shall:

- a. Comply with and abide by all applicable rules, regulations, and directions of County.
- b. Comply with all applicable County ordinances and all applicable State and Federal laws, and in the course thereof obtain and keep in effect all permits and licenses required to conduct the permitted activities on the Premises.
- c. Maintain the Premises and surrounding area in a clean and sanitary condition to the satisfaction of County.
- d. Conduct the permitted activities in a courteous and non-profane manner; operate without interfering with the use of the Premises by County. County has the right to request Permittee to remove any agent, servant, or employee who fails to conduct permitted activities in the manner heretofore described.
- e. Assume the risk of loss, damage, or destruction to any and all fixtures and personal property belonging to Permittee that are installed or placed within the area occupied.
- f. Repair or replace any and all County property lost, damaged, or destroyed as a result of or connected with the conduct or activities of the Permittee. In the event utility services, including but not limited to sewer services, for the Premises are interrupted, Permittee shall promptly make repairs. Should Permittee fail to promptly make any and all repairs required by County during or following completion of Permittee's project, County may have repairs made at Permittee's cost and Permittee shall pay costs in a timely manner.
- g. Pay charges for installation and service costs for all utilities used for the conduct of the permitted activities, if needed.
- h. Except for the purpose described in Section 2, Permittee agrees to restore the Premises, prior to the termination of this Permit, and to the satisfaction

of County, to the conditions that existed prior to the commencement of the permitted activities, excepting ordinary wear and tear or damage or destruction by the acts of God beyond the control of Permittee. This shall include removal of all rubbish and debris, as well as structures placed on the Premises by Permittee in order that the Premises will be neat and clean and ready for normal use by County on the day following the termination of this Permit. Should Permittee fail to accomplish this, County may perform the work and Permittee shall pay the cost.

- i. Allow County to enter the Premises at any time to determine compliance with the terms of this Permit, or for any other purpose incidental to the performance of the responsibilities of County.
 - j. Provide all security devices required for the protection of the fixtures and personal property used in the conduct of the permitted activities from theft, burglary, or vandalism, provided written approval for the installation thereof is first obtained from County.
 - k. Prohibit all advertising signs or matter from display at the Premises, other than signs displaying the name of Permittee.
 - l. Prohibit the sale of food.
 - m. Keep a responsible representative of the Permittee available on the Premises during the times that Permittee is using said Premises for the purposes stated in Section 2 above. This person shall carry copies of this Permit for display upon request.
 - n. Prior to entry onto the Premises pursuant to this Permit, notify County, in writing, of the times and dates the work or activity is to take place.
 - o. Request permission of County to enter occupied portions of the Premises not less than twenty-four (24) hours in advance, together with a description of the nature and extent of activities to be conducted on the Premises.
 - p. At Permittee's sole cost and expense, be responsible for the cost of repairing the parking lot, sidewalks, driveways, landscaping, and irrigation systems on the Premises which may be damaged by Permittee or Permittee's agents, employees, invitees or visitors, during and/or following the construction of Permittee's project, to County's satisfaction. Said repairs shall include the restoration of said landscaping and rerouting of said irrigation systems affected by Permittee's work on the Premises, if necessary.
12. **INDEPENDENT STATUS:** This Permit is by and between County and Permittee and is not intended and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association as between County and Permittee. Permittee understands and agrees to bear the sole responsibility

and liability for furnishing Workers' Compensation benefits to any person for injuries arising from or connected with services performed on behalf of Permittee pursuant to this Permit.

13. **EMPLOYEES:** All references to the "Permittee" in the Permit are deemed to include the employees, agents, assigns, contractors, and anyone else involved in any manner in the exercise of the rights therein given to the undersigned Permittee.
14. **LIMITATIONS:** It is expressly understood that in permitting the right to use said Premises, no estate or interest in real property is being conveyed to Permittee, and that the right to use is only a nonexclusive, revocable, and unassignable permission to enter the Premises in accordance with the terms and conditions of the Permit for the purpose of conducting the activities permitted herein.
15. **ASSIGNMENT:** This Permit is personal to Permittee, and in the event Permittee shall attempt to assign or transfer the same in whole or part all rights hereunder shall immediately terminate.
16. **AUTHORITY TO STOP:** In the event that an authorized representative of County finds that the activities being held on the Premises unnecessarily endanger the health or safety of persons on or near said property, the representative may require that this Permit immediately be terminated until said endangering activities cease, or until such action is taken to eliminate or prevent the endangerment.
17. **DEFAULT:** Permittee agrees that if default shall be made in any other terms and conditions herein contained, County may forthwith revoke and terminate this Permit after having afforded Permittee a period of 20 days within which to cure such default.
18. **ALTERATIONS AND IMPROVEMENTS:** Permittee has examined the Premises and knows the condition thereof. Permittee accepts the Premises in the present state and condition and waives any and all demand upon County for alteration, repair, or improvement thereof. Permittee shall make no alteration or improvements to the Premises, except those identified in Section 2 hereof, without prior written approval from County, and any fixtures and/or personal property incidental to the purposes described in Section 2 hereof shall be removed by Permittee prior to the termination of this Permit, and in the event of the failure to do so, title thereto shall vest in County. All betterments to the Premises shall become the property of County upon the termination of this Permit.
19. **COUNTY LOBBYIST ORDINANCE:** Permittee is aware of the requirements of Chapter 2.160 of the Los Angeles County Code with respect to County Lobbyists as such are defined in Section 2.160.010 of said Code, and certifies full compliance therewith. Failure to fully comply shall constitute a material breach upon which County may terminate or suspend this Permit.

20. **INTERPRETATION:** Unless the context of this Permit clearly requires otherwise: (i) the plural and singular numbers shall be deemed to include the other; (ii) the masculine, feminine, and neuter genders shall be deemed to include the others; (iii) "or" is not exclusive; and (iv) "includes and "including" are not limiting.
21. **ENTIRE AGREEMENT:** This Permit contains the entire agreement between the parties hereto, and no addition or modification of any terms or provisions shall be effective unless set forth in writing, signed by both County and Permittee.
22. **TIME IS OF THE ESSENCE:** Time is of the essence for each and every term, condition, covenant, obligation, and provision of this Permit.
23. **POWER AND AUTHORITY:** The Permittee has the legal power, right, and authority to enter into this Permit, and to comply with the provisions hereof. The individuals executing this Permit on behalf of any legal entity comprising Permittee have the legal power, right, and actual authority to bind the entity to the terms and conditions of this Permit.
24. **SURVIVAL OF COVENANTS:** The covenants, agreements, representations, and warranties made herein are intended to survive the termination of the Permit.
25. **COUNTERPARTS:** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The delivery of a signed counterpart of this Agreement by facsimile or email shall have the same legal effect as delivery of an original signed counterpart by hand. This Agreement shall only be effective as a binding legal agreement among the parties after signed counterparts have been exchanged among the parties.

PERMITTEE:
Developer

By: _____
Name
Title

Who hereby personally covenants, guarantees, and warrants that he/she has the power and authority to obligate the Permittee to the terms and conditions in this Permit. Please sign before a Notary Public and return for approval. Upon approval a signed copy will be mailed to Permittee.

[Signatures continue on the next page]

This Permit has been executed on behalf of County on the _____ day of _____, 20__.

COUNTY OF LOS ANGELES:

By: _____
Monique King-Viehlend
Executive Director
Los Angeles County Development Authority

Date

APPROVED AS TO FORM FOR THE COUNTY:

Mary C. Wickham
County Counsel

By: _____
Behnaz Tashakorian
Principal Deputy County Counsel

Date

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of _____
County of _____)

On _____ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

RIGHT OF ENTRY PERMIT
PERMITTEE: Developer

EXHIBIT A

LEGAL DESCRIPTION

(to be added)

RIGHT OF ENTRY PERMIT
PERMITTEE: Developer

EXHIBIT B

INSURANCE REQUIREMENTS

Without limiting Permittee's duties to indemnify and defend as provided in this Right of Entry Permit, Permittee shall procure and maintain, at Permittee's sole expense, the insurance policies described herein. Such insurance shall be secured from carriers admitted in California, or authorized to do business in California. Such carriers shall be in good standing with the California Secretary of State's Office and the California Department of Insurance. Such carriers must be admitted and approved by the California Department of Insurance or must be included on the California Department of Insurance List of Approved Surplus Line Insurers (hereinafter "LASLI"). Such carriers must have a minimum rating of or equivalent to A:VIII in A.M. Best's Insurance Guide. Permittee shall, concurrent with the execution of this Right of Entry Permit, deliver to County certificates of insurance with original endorsements evidencing the insurance coverage required by this Right of Entry Permit. If original endorsements are not immediately available, such endorsements may be delivered subsequent to the execution of this Right of Entry Permit, but no later than thirty (30) days following execution of this Right of Entry Permit. The certificates and endorsements shall be signed by a person authorized by the insurers to bind coverage on its behalf. During the term of this Permit, Permittee shall ensure that County has current certificates of insurance and applicable endorsements. County reserves the right to require complete certified copies of all policies at any time. Said insurance shall be in a form acceptable to County and all deductible amounts must be provided in advance to County for its approval. Any self-insurance program and self-insured retention must be separately approved by County. In the event such insurance does provide for deductibles or self-insurance, Permittee agrees that it will defend, indemnify and hold harmless County, LACDA, and their elected and appointed officers, officials, representatives, employees, and agents in the same manner as they would have been defended, indemnified and held harmless if full coverage under any applicable policy had been in effect. Permittee shall provide County at least thirty (30) days' written notice in advance of any cancellation or any reduction in limit(s) for any policy of insurance required herein. Permittee shall give County immediate notice of any insurance claim or loss which may be covered by insurance. Permittee represents and warrants that the insurance coverage required herein will also be provided by any entities with which Permittee contracts, as detailed below. All certificates of insurance and additional insured endorsements shall carry the following identifier:

"West Los Angeles Courthouse Development Project"

The insurance policies set forth herein shall be primary insurance and non-contributory with respect to County and LACDA. The insurance policies shall contain a waiver of subrogation for the benefit of County and LACDA. Failure on the part of Permittee, and/or any entities with which Permittee contracts, to procure or maintain the insurance coverage required herein may, upon County's sole discretion, constitute a material breach of this Right of Entry Permit pursuant to which County may immediately terminate this Right of

Entry Permit and exercise all other rights and remedies set forth herein, at its sole and absolute discretion, and without waiving such default or limiting the rights or remedies of County, procure or renew such insurance and pay any and all premiums in connection therewith and all monies so paid by County shall be immediately repaid by Permittee to County upon demand including interest thereon at the default rate. In the event of such a breach, County shall have the right, at its sole election, to participate in and control any insurance claim, adjustment, or dispute with the insurance carrier. Permittee's failure to assert or delay in asserting any claim shall not diminish or impair County's rights against Permittee or the insurance carrier.

When Permittee, or any entity with which Permittee contracts, is naming County as an additional insured on the general liability insurance policy set forth below, then the additional insured endorsement shall contain language similar to the language contained in ISO form CG 20 10 11 85. In the alternative and in County's sole and absolute discretion, it may accept both CG 20 10 10 01 and CG 20 37 10 01 in place of CG 20 10 11 85.

The following insurance policies shall be maintained by Permittee and any entity with which Permittee contracts for the duration of this Right of Entry Permit, unless otherwise set forth herein:

A. GENERAL LIABILITY INSURANCE (written on ISO policy form CG 00 01 or its equivalent) including coverage for bodily injury, personal injury, and property damage with limits of not less than the following:

General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000
Personal and Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000

County, LACDA, and each of their elected and appointed officers, officials, representatives, employees, and agents (hereinafter collectively referred to as the "Public Agencies and their Agents"), shall be named as additional insureds for contractor's work on such policy. If Permittee contracts for or performs any digging, excavation or any work below grade, Permittee shall require such contractor to provide coverage for explosion, collapse, and underground ("XCU") property damage liability in addition to insurance required in this Exhibit.

B. WORKERS' COMPENSATION and EMPLOYER'S LIABILITY insurance providing workers' compensation benefits, as required by the Labor Code of the State of California. This must include a waiver of subrogation in favor of the Public Agencies and their Agents. In all cases, the above insurance also shall include Employer's Liability coverage with limits of not less than the following:

Each Accident.....	\$1,000,000
Disease-Policy Limit	\$1,000,000
Disease-Each Employee	\$1,000,000

C. AUTOMOBILE LIABILITY INSURANCE (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than one million dollars (\$1,000,000) for each incident. Such insurance shall include coverage of all “owned,” “hired,” and “non-owned” vehicles, or coverage for “any auto.”

D. POLLUTION LIABILITY INSURANCE (in the event that Permittee or any of its employees, agents or contractors intends to perform any invasive testing, remediation of hazardous substances or any other activity that might be reasonably expected to include or release hazardous substances) including coverage for bodily injury, personal injury, death, property damages, and environmental damage with limits of not less than the following:

General Aggregate	\$2,000,000
Completed Operations.....	\$2,000,000
Each Occurrence.....	\$1,000,000

Said policy shall also include, but not be limited to: coverage for any and all remediation costs, including, but not limited to, brownfield restoration and cleanup costs, and coverage for the removal, repair, handling, and disposal of asbestos and/or lead containing materials where applicable. The Public Agencies and their Agents shall be covered as additional insureds on the pollution liability insurance policy. If the general liability insurance policy and/or the pollution liability insurance policy is written on a claims-made form, then said policy or policies shall also comply with all of the following requirements:

- (i) The retroactive date must be shown on the policy and must be before the date of this Permit or the beginning of the work or services that are the subject of this Permit;
- (ii) Insurance must be maintained and evidence of insurance must be provided for the duration of this Permit or for five (5) years after completion of the work or services that are the subject of this Permit, whichever is greater;
- (iii) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of this Permit, then the contractor must purchase an extended period coverage for a minimum of five (5) years after completion of work or services that are the subject of this Permit;
- (iv) A copy of the claims reporting requirements must be submitted to County for review; and
- (v) If the work or services that are the subject of this Permit involve lead based paint or asbestos identification/remediation, then the pollution liability shall not contain any lead-based paint or asbestos exclusions.

APPENDIX D

LOCAL AND TARGETED WORKER HIRE POLICY

**MOTION BY SUPERVISOR MARK RIDLEY-THOMAS AND
CHAIR HILDA L. SOLIS**

SEPTEMBER 6, 2016

Countywide Local and Targeted Worker Hire Policy

A countywide local and targeted worker hire policy would use Los Angeles County’s (County) investment in public works, County-financed affordable housing projects and developer-financed economic development projects on County property as a catalyst for local job creation, construction careers training, and revenue generation for the County. Local hire policies have proven to be effective tools for addressing a job crisis that particularly affects vulnerable workers who face barriers to employment, such as homeless persons, former foster youth, and formerly incarcerated individuals. Such policies could also address joblessness and poverty concentrated in communities that have not realized the benefits of broader economic development. This is oftentimes the case in areas where affordable housing is constructed.

To date, the County has implemented a variety of local or targeted worker hire approaches with different standards and requirements that make it difficult to track efficacy and costs. Since 2011, the County has collected empirical data to measure the efficacy of the County’s various local worker hire approaches. This data has demonstrated that mandatory local worker hire policies performed the best in ensuring that jobs went to local community members and targeted vulnerable populations.

For example, at the LAC+USC Medical Center Replacement Project which adopted a “good faith” local worker hire policy, only 10% of the total construction hours

- MORE -

MOTION

RIDLEY-THOMAS _____

KUEHL _____

KNABE _____

ANTONOVICH _____

SOLIS _____

**MOTION BY SUPERVISOR MARK RIDLEY-THOMAS AND
CHAIR HILDA L. SOLIS
SEPTEMBER 6, 2016
PAGE 2**

were performed by workers living within a five mile radius of the project. Similarly, the Harbor-UCLA Emergency Room Replacement Project adopted a good faith local worker hire policy approach. Roughly 11% of the total construction hours were performed by County residents living within a five mile radius of the job site.

By contrast, in October 2010, the Board of Supervisors (Board) voted to establish a mandatory local worker hire policy for the inpatient tower and ambulatory care projects at the Martin Luther King, Jr. (MLK) Medical Center campus. The policy ensured that at least 30% of the total construction hours associated with those projects was reserved for workers in the construction trades who lived within a five mile radius of the new MLK campus or lived in 144 zip codes experiencing 150% of the County's average rate of unemployment. Nearly 60% of all total construction hours at the MLK inpatient tower were ultimately performed by local workers (defined as living within five miles of the project site and within high zip codes), with 71% of all total job hours performed by County residents. Further, 26% of the project hours were performed by County targeted workforce residents who met the definition of "Disadvantaged Local Workers." The MLK Outpatient Center had similar outcomes. Importantly, both projects were completed on time and on budget.

There are also significant opportunities for the housing development industry to adopt a local and targeted worker hire policy. On October 27, 2015, the Board instructed the Affordable Housing Coordinating Committee to report back with an assessment of the feasibility of implementing local worker hire requirements in the construction, operation, and maintenance of affordable housing developments supported by the Affordable Housing Programs Budget Unit. In addition, on February 9, 2016, the Board directed the Chief Executive Officer (CEO), working with County Counsel and the Director of Public Works, to develop a Countywide local and targeted worker hire policy that would apply to all capital projects undertaken as part of the Homeless Initiative and County construction projects with a project budget greater than \$2.5 million.

**MOTION BY SUPERVISOR MARK RIDLEY-THOMAS AND
CHAIR HILDA L. SOLIS
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The Board now has an opportunity to create a uniform countywide approach and apply clear and consistent definitions across all construction projects with County direct involvement. In its responding August 1, 2016 memo to the Board, the CEO proposes a mandatory policy on County capital projects that would effectively leverage County taxpayer dollars to promote health and wellness, workforce development and economic and neighborhood revitalization with nominal project costs. Additionally, County-funded affordable housing projects and privately-financed economic development projects on County property also provide targeted employment opportunities. Adopting a local and targeted worker hire policy would further demonstrate the County's commitment to see all public dollars be leveraged in a manner that promotes local wealth and job creation.

WE THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:

1. Direct the Chief Executive Officer (CEO), in consultation with the Directors of Public Works (DPW), Internal Services, Parks and Recreation, Community and Senior Services (CSS) or designee overseeing workforce development programs, and Consumer and Business Affairs (DCBA) or designee overseeing the Social Enterprise Certification program, and the Executive Director of the Community Development Commission (CDC) and the Housing Authority of the County of Los Angeles (HACOLA) to adopt a consolidated Local and Targeted Worker Hire Policy (Policy) consistent with the CEO Report to the Board dated August 1, 2016, as further defined below, that shall be applicable to all departments, commissions, and agencies delivering County capital and construction projects and privately-financed economic development projects on County property.
 - a. A Local Resident shall be defined as an individual living within the Tier 1 or Tier 2 ZIP Codes of the County. Before employing worker(s) from Tier 2 ZIP Codes, the available pool of local residents whose primary place of residence is within Tier 1 ZIP Codes must first be exhausted. Tier 1 means ZIP Codes within five (5) miles of the proposed project site, and where the average

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percentage of households living below 200 percent of the Federal Poverty Level (FPL) is greater than the County average for such households. Tier 2 means any ZIP Codes within the County where the average percentage of households living below 200 percent of the FPL is greater than the County average for such households. This definition shall also apply to affordable housing projects and for privately financed developments located on County property.

- b. For all projects with a project budget greater than \$2.5 million, with the exception of affordable housing projects, at least 30 percent of total California construction labor hours worked on each project must be performed by a qualified Local Resident. Where allowable, contractors shall be encouraged to achieve higher participation levels for Local Residents.
- c. For all projects with a project budget of \$500,000 to \$2.5 million, with the exception of affordable housing projects, there shall be utilization of best efforts to achieve the Local Resident hire goal of 30 percent.
- d. For affordable housing projects and mixed-use affordable housing projects that receive funds from the County that are administered by CDC and HACOLA funded projects that have a project budget greater than \$2.5 million, there shall be utilization of best efforts to achieve the Local Resident hire goal of 30 percent of total California construction labor hours. Exceptions may be provided for projects in jurisdictions enforcing its own local hire policy and for projects with federal or State funding prohibitions on geographic preferences on a case-by-case basis. This would also apply to other non-County-funded affordable housing programs, such as the Mental Health Services Act administered by the Department of Mental Health (DMH).

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- e. For all projects, except affordable housing projects, at least 10 percent of total California hours worked on each project valued at greater than \$2.5 million shall be performed by County residents classified as a Targeted Worker facing barriers to employment. Hours worked by a Targeted Worker who is also a Local Resident may be applied towards the 30 percent Local Resident hire goal. The CEO shall work with the Director of CSS to develop a system of consistently tracking the Board-designated Targeted Worker categories and Targeted Worker placement according to a process consistent with reporting mandated by the Workforce Innovation and Opportunity Act of 2014. A Target Worker is a resident of the County who has indices of career-limiting circumstances, specifically, one or more of the following:
1. has a documented annual income at or below 100 percent of the FPL;
 2. no high school diploma or GED;
 3. a history of involvement with the criminal justice system;
 4. protracted unemployment;
 5. is a current recipient of government cash or food assistance benefits;
 6. is homeless or has been homeless within the last year;
 7. is a custodial single parent;
 8. is a former foster youth; or
 9. is a veteran, or is the eligible spouse of a veteran of the United States armed forces, under Section 2(a) of the Jobs for Veterans Act (38 U.S.C.4215[a]).
- f. For affordable housing projects and mixed-use affordable housing projects that receive funds from the County that are administered by CDC and HACOLA with a project budget greater than \$2.5 million, there shall be utilization of best efforts to achieve the Targeted Worker hire goal of 10 percent of total California construction labor hours. Exceptions for projects in jurisdictions enforcing their own local hiring policy, and for

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projects with federal or State funding prohibitions on hiring preferences will be established on a case-by-case basis. This would also apply to other County-funded affordable housing programs, such as the Mental Health Services Act administered by the Department of Mental Health.

- g. At the initial stages of project planning, an analysis of funding source constraints shall be performed to determine eligibility for mandatory as opposed to a best efforts standard for Local and Targeted Worker hire requirements.
2. The CEO in consultation with the Director of DPW shall provide oversight of the consolidated Countywide Local and Targeted Worker Hire Policy, while departments and agencies implementing a project subject to the Policy shall remain responsible for reporting and compliance activities. The CEO in consultation with CSS shall provide quarterly written reports to the Board and the Economic Development Policy Committee based on empirical data that measures compliance and the efficacy of the Local and Targeted Worker Hire Policy. The CEO shall conduct a regular review of best efforts undertaken under the Policy with the first report no later than September 30, 2018 and at annual intervals thereafter to assess the effectiveness of the best efforts standard as compared to the mandatory requirement and determine if the goal requirement percentages can be feasibly increased based on this documented performance. Data for each project governed under the Countywide Local and Targeted Worker Hire Policy shall be posted online monthly.
3. The consolidated Local and Targeted Worker Hire Policy shall become effective for project development agreements, including but not limited to ground leases, loan agreements, grant agreements, design/build contracts, and construction contracts, approved by the Board after October 31, 2016, with the exception of affordable housing projects and mixed-use affordable housing projects that receive funds from the County that are administered by CDC or HACOLA.

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4. The Local and Targeted Worker Hire Policy shall become effective for affordable housing projects and mixed-use affordable housing projects that receive funds from the County that are administered by CDC or HACOLA that receive funds through the Notice of Funds Availability Year 22 and are approved by the Board thereafter.

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(DR/YV/KK/RH)

APPENDIX E

HUD SECTION 3

SECTION 3 CLAUSE NOTICE

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

DEFINITION OF SECTION 3 TERMS NOTICE

1. **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.
2. **Housing development** means low-income housing owned, developed, or operated by public housing agencies in accordance with HUD's public housing program regulations codified in 24 CFR Chapter IX.
3. **HUD Youth build programs** mean 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, 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.
4. **JTPA** means the Job Training Partnership Act.
5. **Metropolitan area** means a metropolitan statistical area, as established by the Office of Management and Budget.
6. **Neighborhood area** means:
 - A. For HUD public 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 geographical designation.
 - B. For HUD community development programs, a neighborhood is defined as:
 - (1) A geographic location within the jurisdiction of a unit of general local government (but not the entire jurisdiction) designated in comprehensive plans, ordinances, or other local documents as a neighborhood, village, or similar geographical designation;
 - (2) The entire jurisdiction of a unit of general local government which is under 25,000 population; or
 - (3) A neighborhood, village, or similar geographical designation in a New Community (which term means a new community project approved by the United States Secretary of Housing and Urban Development under Title VII of the Housing and Urban Development Act of 1970 or Title IV of the Housing and Urban Development Act of 1968).
7. **New hires** mean full-time employees for permanent, temporary or seasonal

employment opportunities.

8. **Non-metropolitan county** means any county outside of a metropolitan area.
9. **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 of local government, public housing authority, 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, 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.
10. **Section 3 business concern** means a business concern:
 - A. That is 51 percent or more owned by Section 3 residents; or
 - B. 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
 - C. 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 10a and 10b in this definition of Section 3 business concern.
11. **Section 3 covered assistance** means:
 - A. Public and Indian housing development assistance provided pursuant to Section 5 of the 1937 Act;
 - B. b. Public and Indian housing operating assistance provided pursuant to Section 9 of the 1937 Act;
 - C. c. Public and Indian housing modernization assistance provided pursuant to Section 14 of the 1937 Act;
 - D. Assistance provided under any HUD housing or community development program that is expended for work arising in connection with:
 - (1) Housing rehabilitation (including reduction and abatement of lead-based paint hazards, but excluding routine maintenance, repair and replacement);
 - (2) Housing construction; or
 - (3) Other public construction project (which includes other buildings or improvements, regardless of ownership).

- 12. 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. "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.
- 13. 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.
- 14. Section 3 resident** means:
- A. A public housing resident; or
 - B. An individual who resides in the metropolitan area or non-metropolitan county in which the Section 3 covered assistance is expended, and who is:
 - (1) A low-income person, as this term is defined in Section 3(b)(2) of the 1937 Act. This Section 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 HUD, with adjustments for smaller and larger families; or
 - (2) A very low-income person, as this term is defined in Section 3(b)(2) of the 1937 Act. This Section defines this term to mean families (including single persons) whose incomes do not exceed 50 per centum of the median family income for the area, as determined by HUD, with adjustments for smaller and larger families.
- 15. Service area** means the geographical area in which the persons benefiting from the Section 3 covered project reside. The service area shall not extent beyond the unit of general local government in which the Section 3 covered assistance is expended.

APPENDIX F

ETHICS DECLARATION

ETHICS DECLARATION

- A. The following questions in Section D below are designed to ensure Proposers, the Los Angeles County Development Authority (LACDA) and the Los Angeles County (County), including its employees and Board of Commissioners, are able to comply with their obligations to avoid conflicts of interest issues. Your company, including all subsidiaries, affiliates, and “related business entities,” as that term is defined in California Code of Regulations 18438.5(b)(2), (collectively, “Declarant Company”) should make or cause to be made a reasonably diligent investigation prior to responding to the questions in Section D to ensure the responses are correct and a person legally authorized to act for or on behalf of the Declarant Company (“Authorized Representative”) signs below where indicated.

The Authorized Representative is responding on behalf of Declarant Company that Declarant Company has been designated to perform the work requested in the solicitation.

An affirmative response to any of the questions in Section D will not automatically cause Declarant Company to be disqualified. However, failure to answer the questions in good faith or providing material false answers may subject Declarant Company to consequences up to and including disqualification of its Proposal.

For questions related to this Ethics Declaration, please contact the Contract Administrator assigned to this procurement.

- B. State the name(s) of your company, and all parent, subsidiaries, affiliates, and “related business entities,” comprising the Declarant Company. If none, circle “none” under each category below:

Name of parent: (none)

Name of subsidiaries (use additional sheet if necessary): (none)

Name of affiliates (use additional sheet if necessary): (none)

Name of “related business entities” (use additional sheet if necessary): (none)

- C. For purposes of this Ethics Declaration, the term “Employee(s)” shall be defined as employees, officers, shareholders, partners, owners, or directors of Declarant Company.

- D. Please answer the following questions:

Questions	Yes/No
1. In the past 12 months, has any Employee been a LACDA or County Board member or employee?	
2. Is any Employee related to a LACDA or County Board member or employee?	
3. Is any Employee presently a LACDA or County Board member or employee?	
4. Do any LACDA or County Board members or employees own any stock in Declarant Company?	

PROPOSER: _____

ETHICS DECLARATION

5. In the past 12 months, has any Employee given any gifts to a LACDA or County Board member or employee?	
6. In the past 4 years, has any Employee or family member of any Employee, made any campaign contributions to any present LACDA or County Board member or employee?	
7. Does Declarant Company now employ as a lobbyist, or intend to employ as a lobbyist, any former LACDA or County Board Member or employee?	
8. Did any Employee receive, or have access to, any confidential information concerning this Contract?	
9. Did any Employee perform work within the last 3 years relating to the Project or the Services contemplated to be performed under this Contract, including any involvement with earlier phases of the Project or Services to be provided under this Contract?	
10. If you answered "yes" to any question 1 through 9 above, provide, on a separate sheet, a detailed explanation of the facts and circumstances that give rise to the "yes" answer. This explanation shall contain all relevant facts and information. This explanation shall, include names, dates, facts, amounts, and other and anything else necessary for a thorough response. Each explanation shall identify which of the 9 questions it is responding to and a separate explanation for each "yes" response is required.	No. of Pages Attached

E. By signing this Ethics Declaration, Declarant Company attests that: (1) It has read, understands, and shall abide by the LACDA and/or the Los Angeles County's Code of Conduct for Contractors at all times during its relationship with the LACDA and the County, (2) Declarant Company's consultants and subcontractors retained by Declarant Company (if any) to perform any work/services under the Contract have or will promptly upon Declarant Company's hiring of those persons, read and abide by the LACDA and or the County's Code of Conduct for Contractors, (3) Declarant Company has read and will continually remain in compliance with the LACDA and the County's Lobby Ordinance.

F. Declaration

I, _____ (name of Authorized Representative), on behalf of _____ (name of Proposer/Declarant Company), at which I am employed as _____ (your title), declare that after having made or caused to be made a reasonably diligent investigation regarding the Declarant Company, the foregoing responses, and the explanation on the attached sheet(s), if any, in response to question 10, are correct to the best of my knowledge and belief. Further, I understand that failure to answer the questions in good faith or providing material false answers may subject Declarant Company to consequences up to and including disqualification of its Proposal.

Signature

Date