

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

L.A. FOR KIDS STEERING COMMITTEE MEETING, AUGUST 28, 2025
AGENDA ITEM (5)
THE HOUSING AUTHORITY OF THE CITY OF LOS ANGELES (HACLA),
Mar Vista Gardens Child Care Center Project (S97, CD 11)

DATE: August 28, 2025

TO: Proposition K – L.A. for Kids Steering Committee

FROM: Ohaji K. Abdallah, Program Manager *OKA*
Proposition K, L.A. for Kids Program
Bureau of Engineering

SUBJECT: THE HOUSING AUTHORITY OF THE CITY OF LOS ANGELES (HACLA), MAR VISTA GARDENS CHILD CARE PROJECT (PROJECT) REIMBURSEMENT OF REMAINING HACLA FORCE ACCOUNT LABOR AND MATERIAL COSTS, DIR DIRECT EMPLOYEE UNDERPAYMENT REIMBURSEMENT AND APPROVAL OF AMENDMENT NO. 1 TO PROPOSITION K GRANT AGREEMENT NO. C-124145 (CD 11, S97)

RECOMMENDATIONS

The Bureau of Engineering (BOE) - Recreational and Cultural Facilities Program requests that the L.A. for Kids Steering Committee recommend that the City Council:

1. Approve the Housing Authority of the City of Los Angeles (HACLA's) request to reimburse the labor and material costs incurred by HACLA's own construction force personnel (i.e. Construction Force Account) which are directly related to the construction of the Project and incurred during the term of the Proposition K Grant Agreement No. C-124145 (Agreement) as set forth in §106.A. of the Agreement, provided such reimbursement of labor and/or materials costs shall be subject to review and approval by the City prior to reimbursement of any such costs, and;
2. Approve HACLA's request for reimbursement of payments made by HACLA to the California Department of Industrial Relations (DIR) which were made to pay employees of the contractors and sub-contractors for the Project for unpaid and underpaid wages in connection with their construction services performed on the Project and where were not previously invoiced by and paid to HACLA's contractors and sub-contractors for the Project, such amount not to exceed \$9,030.35, and;
3. Authorize the City Engineer to negotiate and execute Amendment No. 1 to Proposition K Grant Agreement No. C-124145 in the form attached as Attachment 3 to this Report, to provide for the reimbursement of costs more fully described in

Recommendations 1 and 2 of this Report from the Proposition K funds allocated to HACLA under the Agreement.

DISCUSSION/BACKGROUND

The HACLA Mar Vista Gardens Recreation Center New Childcare Center Project (Project) (CD11, S 97) is a Proposition K – L.A. for Kids Specified Project. In 1996, when Proposition K was approved by the voters, the City’s Department of Recreation and Parks (RAP) was operating and maintaining the Mar Vista Gardens Recreation Center, pursuant to an Operating License Agreement with HACLA that had been executed on July 13, 1992. At the time, it was contemplated that RAP would implement the Childcare Center Project. However, in January 2013, HACLA resumed responsibility for operating and maintaining the recreational facility at Mar Vista Gardens from RAP, and contracted with the Boys and Girls Club of Santa Monica to provide recreation services at the facility. On January 30, 2014, the L.A. for Kids Steering Committee recommended, and on April 8, 2014, the City Council authorized, HACLA to use the remaining \$1,275,274 in Proposition K funds plus the inflation allocation (\$489,726) to implement the Childcare Center Project at Mar Vista Gardens (Council File No. 14-0260). A total of \$24,726 out of the original \$1,300,000 allocation had been used for pre-development costs. With the inflation allocation of \$489,726, a total of \$1,765,000 was available in Proposition K funds to implement the Child Care Project.

On June 26, 2014, Proposition K Grant Agreement No. C-124145 between the City and the Housing Authority of the City of Los Angeles (HACLA) was executed for the design and construction of the Mar Vista Gardens Child Care Project (the “Project”), which allocated \$1,765,000 in Proposition K funds for the Project and specified that the deadline for completion of design and construction would be three years from the execution of the Grant Agreement, which was June 25, 2017. The scope of the Project was as follows:

“The Grantee will use the Proposition K funds to construct a childcare center serving youth ages 6 to 18 years by reconfiguring and renovating an existing multi-purpose structure and adding an additional 2,305 square feet. The resulting 9,567 square foot facility will house a lobby, kitchen, social recreation center, technology center, education center, tutoring offices, art shop, restrooms, staff office, and a teen center with a music practice room, sound booth and sound studio, as more fully described in *Section 203* of this Agreement. The childcare center is being developed as part of a master project that includes renovation of the existing gymnasium. Renovation of the gymnasium is not part of the Proposition K project. Therefore, Proposition K funds may not be used to pay for work related to renovation of the gymnasium.”

On or about March 18, 2015, HACLA entered into a construction contract with California Averland Construction, Inc. (“Cal-Averland”) to perform certain construction work for the Project. Following is a brief summary of the Project milestones:

3/18/2015 – HACLA issued a Notice To Proceed to construction contract (Contract No. HA-2015-1764-A) with Cal-Averland to renovate the Child Care Recreation Center at Mar Vista Gardens Housing Development under the term ending September 30, 2016.

8/19/2016 – Cal-Averland ceased work due to their having underestimated the complexity of the project, and the fact that they had assigned inexperienced staff to manage the project. After a number of attempted contacts by phone and in writing to Cal-Averland, HACLA subsequently completed the required portions of the Project work with its own forces (Construction Force Account staff) to obtain final inspection and Certificate of Occupancy with the Los Angeles Department of Building and Safety (LADBS).

10/18/2016 – LADBS inspected and signed off on the Project as Building Final, and issued a Certificate of Occupancy on 10/21/2016.

10/09/2017 – HACLA again contacted Cal-Averland regarding outstanding work under the Architect's Punch List and Field Reports; HACLA did not receive any response from Cal-Averland.

12/29/2017 – HACLA received from the Department of Industrial Relations (DIR) notice of a Civil Wage and Penalty Assessment against Cal-Averland regarding outstanding wages and penalties. According to the notice, HACLA was required to retain \$121,193.30 for possible wages due and penalties.

3/22/2018 – HACLA staff met with Mary Dennis, Deputy City Attorney, Martin Peery, Housing Services Director, and Patrick Choy to discuss:

- a. Stop Notices that HACLA received which had expired;
- b. Ms. Dennis was to reach out to DIR;
- c. HACLA's construction Force Account staff was given approval to commence completion of Punch List and Field Report items;
- d. Ms. Dennis was to prepare a letter for Mr. Peery's signature regarding (a) the DIR's pending investigation of Cal-Averland; and (b) the fact that HACLA will be exercising its rights to correct work with its own forces.

3/22/2018 – HACLA mailed a certified letter to Cal-Averland as noted above; HACLA did not receive a response from Cal-Averland.

9/6/2018 – HACLA received an email from DIR regarding a settlement between the Division of Labor Standards Enforcement and Cal-Averland.


9/05/2019 – A survey of the California Contractor's Licensing Board determined that Cal-Averland's license had expired and remains under suspension.

3/2021 – 4/2022 – HACLA staff contacted Cal-Averland's subcontractors, material suppliers, and sureties to determine whether any outstanding payments were due and

owing, based on stop notices that were filed on the Project in 2016. HACLA staff also attempted to contact Cal-Averland, but has not been able to locate anyone responsive to the now suspended entity.

HACLA has determined that there are no longer any outstanding payments due to Cal-Averland's subcontractors, material suppliers, and sureties, as there were no claims filed against the sureties, and the 2016 stop notices are no longer enforceable. Therefore, HACLA requested that BOE release the final retention amount in the amount of \$132,471.19.

Based on the paperwork submitted from HACLA, PMT Request #11, BOE reviewed and approved the retention release, in the amount of \$132,471. The retention paperwork has been submitted for processing. After payment of this amount the Project will have a total balance of approximately \$420,288.13 not spent from the total \$1,765,000 of Proposition K funds allocated to HACLA for the Project.

 HACLA has requested that some of the remaining labor and/or material's costs incurred by HACLA's Construction Force Account personnel to complete the Child Care project be reimbursed from the remaining balance of the Proposition K funds allocated to the Project. Due to the cessation of construction activities by Cal-Averland, HACLA used their own construction force personnel and materials to complete the Project. HACLA has indicated that they are still compiling the Force Account personnel labor and materials costs together. The Project received its Certificate of Occupancy (COC) on October 21, 2016 (see copy attached), prior to the expiration of the Grant Agreement, and all labor and materials costs were incurred prior to this date. Therefore, it is recommended that the Grant Agreement be amended to allow reimbursement of Grantee's Construction Force Account labor and materials costs which are directly related to the construction of the Project and incurred during the term of the Agreement, as set forth in §106.A., provided such reimbursement of labor and/or materials costs shall be subject to review and approval by the City prior to reimbursement of any such costs. The maximum reimbursement amount shall not exceed the remaining available funds after reimbursement of DIR-related costs described below.

As discussed above, the DIR has required HACLA to pay a total of \$46,793.30 for penalties and underpayment of the Project's contractors and/or sub-contractors employees' wages. While the City cannot reimburse the penalty portion, it is recommended that the employee wage nonpayment or underpayments, in the amount of \$9030.35, be reimbursed to HACLA, as the Project work related to nonpayment or underpayment on the Project was completed by Cal-Averland or their sub-contractors' construction employees during the term of the Grant Agreement, and the delay in invoicing was due to a legal settlement process not within HACLA's control. None of the reimbursed payments would be for services previously invoiced or paid to Cal-Averland. Assuming approval of this request, a project balance of \$411,257.78 will remain for the Project.

In order to allow for the reimbursement of the costs described above, Grant Agreement C-124145 will need to be amended to allow for the reimbursement of such costs. A form of such amendment is attached as Attachment 3 to this Report. Staff requests authorization to execute such amendment. Any remaining funds for the Project after the reimbursement of such costs can be returned to Proposition K program, and can be reallocated to other eligible Proposition K - L.A. for Kids projects with LA for Kids Steering Committee and City Council approval.

Due to the protracted legal issues between HACLA, DIR and Cal Averland, BOE and HACLA have met a number of times over the past few years to discuss project delays and issues. After the most recent meeting with the HACLA staff via a phone call, in May 2025, BOE staff believes that, inasmuch as the delays to completion of construction and closeout were in no way the fault of HACLA, it is in the best interest of the City and HACLA that Proposition K Grant Agreement No. C-124145 be amended to allow for the reimbursement of the costs described in this Report.

- Attachments –
1. Letter from HACLA, dated October 2024
 2. Copy of Certificate of Occupancy
 3. Amendment No.1 to grant agreement C-124145



Build HOPE: Investing in People and Place

October 16, 2024

Ohaji K. Abdallah
 Project Manager
 City of Los Angeles Bureau of Engineering
 201 N. Figueroa Street,
 Los Angeles, CA 90012

VIA MAIL AND EMAIL

RE: Project Closeout – Proposition K Grant Agreement Contract C-124145

Dear Mr. Abdallah,

This correspondence is in reference to the Proposition K Grant Agreement Contract C-124145 Mar Vista Gardens Childcare Center (“Project”). Specifically, this is in response to your request to explain the delay in completing the Project, submission of certain Project close-out documentation, and request payment of the outstanding retention balance that remains on this Project. As you are aware, on or about March 18, 2015, the Housing Authority of the City of Los Angeles (“HACLA”) entered into a construction contract with California Averland Construction, Inc. (“Cal-Averland”) to perform certain construction work for the Project. Following is a brief summary of the Project milestones:

3/18/2015 – HACLA issued a Notice To Proceed to construction contract (Contract No. HA-2015-1764-A) with Cal-Averland to renovate the Child Care Recreation Center at Mar Vista Gardens Housing Development under the term ending 9/30/2016.

8/19/2016 – Cal-Averland ceased work due to an underestimating of the complexity of the project and assigned inexperienced staff to manage the project. HACLA subsequently completed required portions of the Project work with its own forces to obtain final inspection with the Los Angeles Department of Building and Safety (LADBS).

10/18/2016 – LADBS inspected and signed the Project as Building Final and issued a Certificate of Occupancy on 10/21/2016.

10/09/2017 – HACLA contacted Cal-Averland regarding outstanding work under the Architect’s Punch List and Field Reports; HACLA did not receive any response from Cal-Averland.

12/29/2017 – HACLA received from the Department of Industrial Relations (DIR) a Civil Wage and Penalty Assessment against Cal-Averland regarding outstanding wages and penalties. According to the notice, HACLA was required to retain \$121,193.30 for possible wages due and penalties.

3/22/2018 – HACLA staff met with Mary Dennis, Deputy City Attorney, Martin Peery, Housing Services Director, and Patrick Choy to discuss:

Housing Authority of the City of Los Angeles

📍 2600 Wilshire Blvd., Los Angeles, CA 90057 📞 833-HACLA-4-U ✉ info@hacla.org 🖱 hacla.org

- (1) Stop Notices that HACLA received had expired;
- (2) Ms. Dennis was to reach out to DIR;
- (3) HACLA's construction staff can commence completion of Punch List and Field Report items;
- (4) Ms. Dennis to prepare a letter for Mr. Peery's signature regarding (a) the DIR's pending investigation of Cal-Averland; and (b) HACLA will be exercising its rights to correct work with its own forces.

3/22/2018 – HACLA mailed a certified letter to Cal-Averland as noted above; HACLA did not receive a response from Cal-Averland.

9/6/2018 – HACLA received an email from DIR regarding a settlement between the Division of Labor Standards Enforcement and Cal-Averland.

9/05/2019 – Cal-Averland's license had expired and remains under suspension.

3/2021 – 4/2022 – HACLA staff contacted (if possible) Cal-Averland's subcontractors, material suppliers, and sureties to determine whether any outstanding payments were due and owing, based on stop notices that were filed on the Project in 2016. HACLA staff also attempted to contact Cal-Averland, but has not been able to locate anyone responsive to the now suspended entity.

HACLA has determined that there are no longer any outstanding payments due to Cal-Averland's subcontractors, material suppliers, and sureties, as there were no claims filed against the sureties and the 2016 stop notices are no longer enforceable. HACLA understands that the City is withholding an outstanding retention balance of \$132,471.19 plus an additional \$46,793.30 for expenses related to the California Division of Industrial Labor (DIR) penalty. HACLA requests that those funds be released.

Enclosed are the Project inspection records, certificate of occupancy, DIR Conditional Release of Civil Wage and Penalty Assessment, and DLSE Release Agreement.

Sincerely,

Francisco Perez

Assistant Director of Housing Services

francisco.perez@hacla.org

CITY OF LOS ANGELES CALIFORNIA



ERIC GARCETTI
MAYOR

CERTIFICATE OF OCCUPANCY

OWNER L A CITY HOUSING AUTHORITY 0	No building or structure or portion thereof and no trailer park or portion thereof shall be used or occupied until a Certificate of Occupancy has been issued thereof. Section 91.109.1 LAMC <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">CERTIFICATE:</td> <td style="width: 33%; text-align: center;">Issued-Valid</td> <td style="width: 34%;">DATE:</td> </tr> <tr> <td>BY:</td> <td style="text-align: center;">DAVID TSAU</td> <td style="text-align: center;">10/21/2016</td> </tr> </table> GREEN - MANDATORY	CERTIFICATE:	Issued-Valid	DATE:	BY:	DAVID TSAU	10/21/2016
CERTIFICATE:	Issued-Valid	DATE:					
BY:	DAVID TSAU	10/21/2016					

SITE IDENTIFICATION
ADDRESS: 4901 S MARIONWOOD DR 90230

TRACT	BLOCK	LOT(s)	ARB	CO. MAP REF #	PARCEL PIN	APN
TR 16585		7		M B 507-46/49	108B161 250	4218-002-907

This certifies that, so far as ascertained or made known to the undersigned, the vacant land, building or portion of building described below and located at the above address(es) complies with the applicable construction requirements (Chapter 9) and/or the applicable zoning requirements (Chapter 1) of the Los Angeles Municipal Code for the use and occupancy group in which it is classified and is subject to any affidavits or building and zoning code modifications whether listed or not.

COMMENT ADDITION OF OFFICES AND EDUCATIONAL FACILITIES AT DETACHED RECREATION CENTER OF AN APARTEMENT COMPLEX. CONVERT PATIO COVER TO ENCLOSED SPACE. OCCUPANCY GROUP: A3/E. MAXIMUM OCCUPANT LOAD: 378 FOR A3, 89 FOR E.

USE	PRIMARY	OTHER
	Club private nonprofit	Community Center operated by g Recreation Room

PERMITS
 13014-10000-04772 | 13014-10001-04772 | 13014-10002-04772 | 13014-10003-04772

STRUCTURAL INVENTORY	CHANGED	TOTAL
ITEM DESCRIPTION		
Floor Area (ZC)	1310 Sqft	8572 Sqft
Floor Construction - Concrete Slab on Grade		
Foundation - Continuous Footing		
Height (ZC)	0 Feet	26 Feet
Length	5.5 Feet	164 Feet
NFPA-13 Fire Sprinklers Thru-out		
Roof Construction - Wood Frame/Sheathing		
Stories	0 Stories	1 Stories
Type V-B Construction		
Wall Construction - Masonry		
Wall Construction - Wood Stud		
Width	0 Feet	66.33 Feet
A3 Occ. Group	0 Sqft	5533 Sqft
A3 Occ. Group(2)	0 Sqft	5533 Sqft
A3 Occ. Load		378 Max Occ.
E Occ. Group	1310 Sqft	3049 Sqft
E Occ. Group(2)	1310 Sqft	3049 Sqft
E Occ. Load		89 Max Occ.
Parking Req'd for Bldg (Auto+Bicycle)	0 Stalls	



APPROVAL

CERTIFICATE NUMBER: 133979

BRANCH OFFICE: WLA

COUNCIL DISTRICT: 11

BUREAU: INSPECTN

DIVISION: BLDGINSP

STATUS: CofO Issued

STATUS BY: DAVID TSAU

STATUS DATE: 10/21/2016

APPROVED BY: DAVID TSAU

EXPIRATION DATE:

PERMIT DETAIL

PERMIT NUMBER	PERMIT ADDRESS	PERMIT DESCRIPTION	STATUS - DATE - BY
13014-10000-04772	4901 S Marionwood Dr	ADDITION OF OFFICES AND EDUCATIONAL FACILITIES AT DETACHED RECREATION CENTER OF APARTEMENT COMPLEX. CONVERT PATIO COVER TO ENCLOSED SPACE. REMODEL EXISTING ACTIVITY ROOM AND OFFICE.	CofO Issued - 10/21/2016 DAVID TSAU
13014-10001-04772	4901 S Marionwood Dr	Supplemental permit 13014-10000-04772 to create opening in (E) CMU wall at gymnasium to install dowuble door and add accessible ramp.	Permit Finaled - 08/01/2016 RAFAEL ESPINOZA
13014-10002-04772	4901 S Marionwood Dr	SUPPLEMENTAL PERMIT TO 13014-10000-04772 TO REVISE STRUCTURAL PLAN AND DETAILS TO INCLUDE REPLACEMENT OF ROOF RAFTER DUE TO FIRE DAMAGED, INSTALL NEW BEAMS AND COLUMNS AS NEEDED. NO CHANGE OF ARCHITECTURAL PLAN.	Permit Finaled - 07/28/2016 RAFAEL ESPINOZA
13014-10003-04772	4901 S Marionwood Dr	SUPPLEMENTAL PERMIT TO UPDATE STRUCTURAL INVENTORY TO INCLUDE OCCUPANT LOAD AND CORRECT THE FLOOR AREA. NO CHANGE ON FLOOR PLANS. DEPARTMENT ERROR.	Permit Finaled - 09/23/2016 RAFAEL ESPINOZA

PARCEL INFORMATION

Airport Hazard Area: 450' Height Limit Above Elevation 126	Area Planning Commission: West Los Angeles	Census Tract: 2755.00
Certified Neighborhood Council: Del Rey	Community Plan Area: Palms - Mar Vista - Del Rey	Council District: 11
District Map: 108B161	Earthquake-Induced Liquefaction Area: Yes	Energy Zone: 6
LADBS Branch Office: WLA	Near Source Zone Distance: 3.8	School Within 500 Foot Radius: YES
Thomas Brothers Map Grid: 672-E5	Thomas Brothers Map Grid: 672-F5	Zone: R1-1

PARCEL DOCUMENT

Affidavit (AFF) AF-93-1156886-LT	Baseline Mansionization Ordinance (BMO) Yes	City Planning Cases (CPC) CPC-2005-8252-CA
City Planning Cases (CPC) CPC-3604	Specific Plan Area (SPA) Los Angeles Coastal Transportation Corridor	Zoning Administrator's Case (ZA) ZA-1998-923-ZAI

CHECKLIST ITEMS

Attachment - Plot Plan	Fabricator Reqd - Structural Steel	Permit Flag - Fire Life Safety by LADBS
Special Inspect - Anchor Bolts	Special Inspect - Epoxy Bolts	Special Inspect - Masonry
Special Inspect - Structural Observation	Std. Work Descr - Seismic Gas Shut Off Valve	

PROPERTY OWNER, TENANT, APPLICANT INFORMATION

OWNER(S)	0	0
L A City Housing Authority		
TENANT		
APPLICANT		
Relationship: Agent for Owner		
Christine Cho-	1625 Olympic Blvd	SANTA MONICA, CA 90404 (310) 399-7975

BUILDING RELOCATED FROM:**(C)ONTRACTOR, (A)RCHITECT & (E)NGINEER INFORMATION**

NAME	ADDRESS		CLASS	LICENSE #	PHONE #
(A) Killefer, Wade	1625 Olympic Blvd,	Santa Monica, CA 90404	NA	C10522	
(C) California Averland Construction Inc	339 North Virgil Avenue,	Los Angeles, CA 90004	B	810681	(323) 667-0071
(C) California Averland Construction Inc	339 North Virgil Avenue,	Los Angeles, CA 90004	B	810681	(626) 487-1358
(C) California Averland Construction Inc	339 North Virgil Avenue,	Los Angeles, CA 90004	B	810681	
(E) Shoraka, Khojasteh Farhang	1423 S Beverly Glen Unit A,	Los Angeles, CA 90024	NA	C33555	

SITE IDENTIFICATION-ALL

ADDRESS:
4901 S MARIONWOOD DR 90230

LEGAL DESCRIPTION-ALL

TRACT	BLOCK	LOT(s)	ARB	CO.MAP REF #	PARCEL PIN	APN
TR 16585		7		M B 507-46/49	108B161 250	4218-002-907

City of Los Angeles
Bureau of Engineering

**AMENDMENT NO. 1
TO GRANT AGREEMENT, C-124145**

Contract Implementing Proposition K: L.A. for Kids Program

Key Elements and Conditions

K1	Contract:	Contract Number: Amendment No.1 to C-124145	Contract Term: Design & Construction: 3 years from execution of grant agreement Service & Maintenance: 30 years from Certificate of Occupancy, Notice of Completion or Certificate of Completion issued by BOE, as appropriate	Ref. §106
K2	Grantee:	Name Housing Authority of The City of Los Angeles	Principal Office 2600 Wilshire Boulevard Los Angeles, CA 90057	§101
K3	Representative of the Grantee	Name & Title Marlene Garza Chief Administrative Officer	Mailing Address 2600 Wilshire Boulevard, 3 rd Floor Los Angeles, CA 90057	§105
		Phone Phone: (213) 252- 1810	Fax (213) 383-9719	
K4	Project	Project Title: Mar Vista Gardens Child Care Center	Project Site: 4901 S. Marionwood Drive, Los Angeles, Ca 90230	§204, §208 of Grant Agreement
K6	Funding Amount	Prop K Grant Amount: \$1,765,000	Capital Matching Fund: SEE CONTRACT C-124145, ATTACHMENT E, FUNDING SOURCES AND AMOUNTS	§107
K7	Funding Source:	Proposition K – LA For Kids Program, (City of Los Angeles Landscaping and Lighting District No. 96-1) Benefit Assessment Fund		EXH. G

	Note:	<p>This AMENDMENT No. 1 incorporates the provisions of Grant Agreement No. C-124145, and modifies said Agreement as follows:</p> <p>a. Amends §401 of the Agreement to include as an allowable cost (a) the labor costs incurred by Grantee's own construction force personnel (i.e. Grantee's Construction Force Account) which are directly related with the construction of the Project and incurred during the term of the Agreement as set forth in §106.A., provided such reimbursement of labor costs shall be subject to review and approval by the City prior to reimbursement of any such costs, and (b) payments made by Grantee to the California Department of Industrial Relations which were made to pay employees of the contractors and sub-contractors for the Project for unpaid and underpaid wages in connection with their construction services performed on the Project and which were not previously invoiced by and paid to Grantee's contractors and sub-contractors for the Project, such amount not to exceed \$9,030.35.</p>	§401
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This AMENDMENT NO. 1 TO **CONTRACT NO. C-124145** (“**AMENDMENT NO. 1**”) is made and entered into by and between The CITY OF LOS ANGELES, which is a municipal corporation, (hereinafter referred to as **CITY**) and Housing Authority of The City of Los Angeles, which is a government agency (hereinafter referred to as **GRANTEE**), who agree as follows:

RECITALS

This **AMENDMENT No. 1** is made with reference to the following facts and objectives:

WHEREAS, on January 30, 2014, the L.A. for Kids Steering Committee recommended, and on April 8, 2014, the City Council authorized, HACLA to use \$1,275,274 in Proposition K funds plus up to \$500,000 in Proposition K inflation funds to implement the Childcare Center Project at Mar Vista Gardens (“Project”) (Council File No. 14-0260). A total of \$24,726 out of the original \$1,300,000 Proposition K ballot allocation for the Project had been used for pre-development costs. With the inflation allocation of \$489,726, a total of \$1,765,000 was awarded to HACLA through Grant Agreement Contract No. C-124145 (“Agreement”) for the design and construction of the Project; and

WHEREAS, during construction of the Project, Grantee’s prime contractor for the Project ceased work on the project, requiring Grantee to use its own construction forces, and acquire materials and/or equipment to complete the Project (“Construction Force Costs”); and

Commented [JJ1]: Revised entire paragraph

WHEREAS, subsequent to the cessation of Grantee’s prime contractor’s work on the Project, the California Department of Industrial Relations (“DIR”) found that certain employees of Grantee’s contractors and sub-contractors on the Project have not been paid, or have been underpaid for their services performed and delivered on the Project, necessitating Grantee to pay for such services (“DIR Costs”); and

Commented [SH2]: Is it just wages?

Commented [JJ3R2]: For DIR is employee wages only, for HACLA Forced account it is labor & materials.

WHEREAS, Grantee has requested that the Proposition K funds allocated to it under the Agreement be allowed to reimburse Grantee for its Construction Force Costs and the DIR Costs that have not been previously invoiced by and paid to Grantee’s contractors and sub-contractors for the Project, and at its meeting on August 28, 2025, the L.A. for Kids Steering Committee recommended that the Agreement be amended to allow for the reimbursement of such costs from Proposition K funds, such recommendation being subsequently approved by City Council (Council File No. 14-0260).

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein and in **Contract No. C-124145**, and the mutual benefits to be derived therefrom,

Housing Authority of The City of Los Angeles – _____
Page 3

the parties mutually agree as follows:

1. **CITY** and **GRANTEE** mutually agree that the terms and conditions contained in the Grant Agreement between the **CITY** and **GRANTEE**, **City Contract No. C-124145**, as amended herein (**collectively referred to hereinafter as the "GRANT AGREEMENT"**), are hereby incorporated by reference as if fully set forth herein, and, except as specifically modified by this **AMENDMENT NO. 1**, the terms and conditions of the referenced **GRANT AGREEMENT**, as amended shall remain in full force and effect.
2. Section 401 (Allowable and Unallowable Costs) — of the **GRANT AGREEMENT** is amended to include the following Subsection D as follows:
 - D. Notwithstanding anything to the contrary in this Agreement, the following expenditures shall be an allowable cost under this Agreement: (a) the labor and materials costs incurred by Grantee's own construction force personnel (i.e. Grantee's Construction Force Account) which are directly related with the construction of the Project and incurred during the term of the Agreement as set forth in §106.A., provided such reimbursement of labor and materials costs shall be subject to review and approval by the City prior to reimbursement of any such costs, and (b) payments made by Grantee to the California Department of Industrial Relations which were made to pay employees of the contractors and sub-contractors for the Project for unpaid and underpaid wages in connection with their construction services performed on the Project and which were not previously invoiced by and paid to Grantee's contractors and sub-contractors for the Project, such amount not to exceed \$9,030.35.
3. Full Force and Effect. Except as specifically amended by this **AMENDMENT NO. 1**, the terms of the **GRANT AGREEMENT** shall remain in full force and effect.

Commented [SH4]: Is it just wages or also materials?

Commented [JJ5R4]: DIR is wages only. All of the payments made in (b) were made by HACLA to the DIR and the DIR to the employees who were paid or underpaid. No contractor or subcontractor received any payment under (b).

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, CITY OF LOS ANGELES, a municipal corporation, acting by and through the City Engineer, and **HOUSING AUTHORITY OF THE CITY OF LOS ANGELES**, a government agency, **GRANTEE** herein, have caused this **AMENDMENT NO. 1 of Grant Agreement Implementing Proposition K – L.A. for Kids**, CITY CONTRACT NO. C-1241415, to be executed as of the date of attestation by the City Clerk.

APPROVED AS TO FORM:

Hydee Feldstein Soto, City Attorney

By: _____

Steven Hong
Deputy City Attorney IV

Date: _____

FOR THE CITY OF LOS ANGELES

APPROVED AND AGREED TO:

By: _____

Alfred Mata, P.E.
INTERIM CITY ENGINEER

Date: _____

ATTEST: PETTY F. SANTOS, Interim City Clerk

By: _____

Deputy

Date: _____

For the GRANTEE:

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

APPROVED AND AGREED TO:

By*: _____

Print Name: Marlene Garza

Print Title: Chief Administrative Officer

Date: _____

(NOTE: If the GRANTEE is a corporation, two signatures are required. _____
*The signature of President, Chairman of the Board, or Vice President is required here; and
** An additional signature of Secretary, Assistant Secretary, Chief Financial Officer, or Assistant Treasurer is also required for the Corporation.)

Commented [JN6]: As a government agency, HACLA is not a corporation covered by the two signature provisions of CA Corporations Code section 313.

Los Angeles City Tax License No. (Exempt)
Council File No. CF-14-0260
Contract No. C-124145