


0220-03145-0407

**TRANSMITTAL**

TO The City Council	DATE 08/29/25	COUNCIL FILE NO.
FROM Proposition K – L.A. For Kids Steering Committee	COUNCIL DISTRICT 11	

At its meeting held on August 28, 2025, the L.A. for Kids Steering Committee approved the recommendations of the attached Bureau of Engineering (BOE) report, which is hereby transmitted for Council consideration, subject to the concurrence of the Mayor. Adoption of the report recommendations would authorize BOE to 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 subject to review and approval by the City; 2) approve HACLA's request to reimburse HACLA for payments made to the California Department of Industrial Relations; and, 3) authorize the City Engineer to negotiate and execute Amendment No. 1 to Proposition K Grant Agreement No. C124145 to provide for the reimbursement payments.

There is no additional impact on the General Fund as the funding commitments recommended through the report recommendations are funded by Special Fund monies.

  
 for Matthew W. Szabo  
 City Administrative Officer  
 Chair, L.A. For Kids Steering Committee

MWS:MMG:05250180c

**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](mailto:francisco.perez@hacla.org)

# CITY OF LOS ANGELES CALIFORNIA



ERIC GARCETTI  
MAYOR

## CERTIFICATE OF OCCUPANCY

<b>OWNER</b> <b>L A CITY HOUSING AUTHORITY</b>  <div style="text-align: center; font-size: 24pt; font-weight: bold;">0</div>	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%;"> <b>CERTIFICATE:</b>  <b>BY:</b> </td> <td style="width: 33%; text-align: center;"> <b>Issued-Valid</b>  <b>DAVID TSAU</b> </td> <td style="width: 33%; text-align: center;"> <b>DATE:</b>  <b>10/21/2016</b> </td> </tr> </table>	<b>CERTIFICATE:</b> <b>BY:</b>	<b>Issued-Valid</b> <b>DAVID TSAU</b>	<b>DATE:</b> <b>10/21/2016</b>
<b>CERTIFICATE:</b> <b>BY:</b>	<b>Issued-Valid</b> <b>DAVID TSAU</b>	<b>DATE:</b> <b>10/21/2016</b>		
0	GREEN - MANDATORY			

### SITE IDENTIFICATION

**ADDRESS:**    **4901 S MARIONWOOD DR 90230**

### LEGAL DESCRIPTION

<u>TRACT</u>	<u>BLOCK</u>	<u>LOT(s)</u>	<u>ARB</u>	<u>CO. MAP REF #</u>	<u>PARCEL PIN</u>	<u>APN</u>
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.**

<b>USE</b> <u>PRIMARY</u>	<u>OTHER</u>
<b>Club private nonprofit</b>	<b>Community Center operated by g    Recreation Room</b>

### PERMITS

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

### STRUCTURAL INVENTORY

ITEM DESCRIPTION	CHANGED	TOTAL
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:    BLDGINSF  
 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-E5	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)**

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

	<p><b>Note:</b></p> <p>This <b>AMENDMENT No. 1</b> incorporates the provisions of <b>Grant Agreement No. C-124145</b>, 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

**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

**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, 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.

**(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.)

Los Angeles City Tax License No. (Exempt)

Council File No. CF-14-0260

Contract No. C-124145



