



Agenda Item 4
September 7, 2016

DATE: August 29, 2016

TO: Children and Families Commission of Orange County

FROM: Kimberly Goll, Executive Director 

ACTION: Receive termination of agreement with Colette's Children's Home

SUMMARY:

The Children and Families Commission of Orange County funds HomeAid Orange County to administer catalytic funding to support the construction and operations of emergency shelters for families with young children. Colette's Children's Home received funding for two projects that they can no longer complete. This agenda item is notification of termination of the agreement with Colette's Children's Home.

DISCUSSION:

Colette's Children's Home, Inc. has been a long standing partner with the Commission providing homeless prevention services to many Orange County families. In May 2014 the Commission approved \$580,000 to Colette's Children's Home from the Emergency Shelter Catalytic Investment fund administered by HomeAid Orange County. In March 2015 the Commission approved a second project with Colette's in the amount of \$564,000. Both projects met the catalytic funding objectives to support the construction and operation of emergency shelter projects focusing on the unique needs of families with children ages 0-5.

Representatives from the Commission, HomeAid Orange County and Colette's Children's Home met on June 3, 2016 to discuss the status of Colette's projects. The representative from Colette's Children's Home expressed their need to review and reassess their operations in light of lost leveraged funding. In response, the Commission representatives offered to discuss potential programmatic adjustments that could be made to the existing agreement.

On August 7, 2016, Colette's Children's Home sent an email informing the Commission that they will not be moving forward with either project. The terms of the termination have been clarified with Commission counsel and a formal response recognizing the right to early termination, as written in the agreement, has been submitted to Colette's Children's Home (Attachment 1). The termination date has been declared as August 8, 2016. In addition, Colette's Children's Home never met the security obligations as a pre-condition for payment. Accordingly, no payment, or partial payment, is or will be owed by the Commission to Colette's Children's Home under this agreement.

Colette's Children's Home was commended for their endeavors in serving the families with young children and for their continued partnership on other projects.

STRATEGIC PLAN & FISCAL SUMMARY:

The information presented in this staff report has been reviewed in relation to the Commission's Strategic Plan and are consistent with Strong Families goals and outcomes.

PRIOR COMMISSION ACTIONS:

- March 2015- Approved agreement Colette's Children's Home and HomeAid Orange County for \$564,000.
- May 2014- Approved agreement Colette's Children's Home and HomeAid Orange County for \$580,000.

RECOMMENDED ACTION:

Receive termination of Agreement FCI-HA-02 with Colette's Children's Home.

ATTACHMENT:

Termination letter to Colette's Children's Home dated August 8, 2016

Contact: Kim Goll



August 8, 2016

Attachment 1

VIA EMAIL & U.S. MAIL

William O'Connell
Colette's Children Home, Inc.
7372 Prince Drive #106
Huntington Beach, CA 92647

SUBJECT: Agreement FCI-HA-02

Dear Mr. O'Connell:

Colette's Children Home, Inc. has been a long standing partner with the Commission providing homeless prevention services to many Orange County families. Please accept this letter as acknowledgement of Colette's Children Home's email declaration, on August 7, 2016, that Colette's will not be moving forward with Agreement FCI-HA-02 ("Agreement") among Colette's Children Home, Inc., the Commission and HomeAid. We regret that Colette's is unable to move forward with the Catalytic Emergency Shelter project. Unfortunately, as you know, Colette's intent to not move forward is considered to be a default under the Agreement.

The Commission understands that Colette's was unable to meet the security obligations as a pre-condition for payment. Accordingly, the Commission has determined that Colette's has not met its pre-condition obligations under the Agreement and no payment, or partial payment, is or will be owed by the Commission to Colette's under this Agreement.

Therefore, this correspondence serves as notification of the Commission's invocation of its right to early termination pursuant to the Paragraphs 23 and 24 of the Agreement due to Colette's default. The termination date, as stated in Paragraph 1 of the Agreement, is hereby declared to be **August 8, 2016**.

We appreciate your endeavors in serving the families with young children and look forward to our continued partnership on other projects.

Sincerely,

Lucy Lin
Contracts Manager

Cc: Scott Larson, HomeAid