

**A REGULAR MEETING OF THE
BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF
SAN BERNARDINO**

TO BE HELD TELEPHONICALLY
June 9, 2020 AT 3:00 P.M.

Zoom Meeting – Board of Commissioners will be forwarded instructions
Members of the public may call:
Call In Number (669) 900-6833
Meeting ID: 816 9202 0345
Password: 585595

This meeting is being held in accordance with the Brown Act as currently in effect under the State of Emergency Services Act, the Governor's Emergency Declaration related to COVID-19 and the Governor's Executive Order N-29-20 issued on March 17, 2020, that allows attendance by the Board of Commissioners, Housing Authority staff, and the public to participate and conduct the meeting by teleconference, videoconference, or both.

Members of the public wishing to participate should call in using the teleconference information stated above. Public comments, limited to 250 words or less, can only be submitted via web at <http://ww2.hacsb.com/contact/public-comments-for-board-meetings> and/or via email at publiccomment@hacsb.com and will be read into the record, limited to 3 minutes per comment. Some comments may not be read due to time limitations.

AGENDA

PUBLIC SESSION

- 1) Call to Order and Roll Call
- 2) Additions or deletions to the agenda
- 3) General Public Comment - Any member of the public may address the Board of Commissioners on any matter not on the agenda that is within the subject matter jurisdiction of the Board. To make a comment on a specific agenda item, please submit your comments via email or online by 1:00 p.m. on the Tuesday of the Board meeting. Comments should be limited to 250 words or less. Please submit your comments via web at <http://ww2.hacsb.com/contact/public-comments-for-board-meetings> and email at publiccomment@hacsb.com. Your comments will be placed into the record at the meeting. Efforts will be made to read the comments into the record, but some comments may not be read due to time limitations.

DISCUSSION CALENDAR

(Public comment is available for each item on the discussion calendar)

- 4) Receive the Executive Director's Report dated June 9, 2020. (Page 1)
- 5)
 - 1 - Approve Memorandum of Understanding with Foothill AIDS Project to administer the Housing Opportunities for Persons with AIDS program for one year effective July 1, 2020 through June 30, 2021, in the amount not to exceed \$546,100, and may be extended for one-year periods upon written agreement by both parties. (Pages 2-12)
 - 2 – Authorize and direct the Executive Director to execute and deliver Memorandum of Understanding to Foothill AIDS Project, and upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.
- 6)
 - 1 – Approve Project-Based Voucher Housing Assistance Payments Contract with 7 Arrows Properties LLC for a 10 year period from August 1, 2020 through July 31, 2030 for the Housing Opportunities for Persons with AIDS Program. (Pages 13-47)
 - 2 – Authorize and direct the Executive Director to execute and deliver the Project-Based Voucher Contract to 7 Arrows Properties LLC, and upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.
- 7)
 - 1 – Approve Amendment No. 2 to non-financial Memorandum of Understanding with the San Bernardino County Department of Behavioral Health for the Veterans Housing Initiative Program, updating contractual language, and extending the term one additional year, effective July 1, 2020 through June 30, 2021. (Pages 48-53)
 - 2 – Authorize and direct the Executive Director to execute and deliver the contract amendment to the County of San Bernardino, and upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.
- 8)
 - 1 – Approve a contract, effective July 1, 2020, with the County of San Bernardino's Transitional Assistance Department for the provision of California Work Opportunity and Responsibility to Kids Housing Support Program services in an amount not to exceed \$6,480,000 through June 30, 2021. (Pages 54-85)
 - 2 – Authorize and direct the Executive Director to execute and deliver the contract to the County of San Bernardino's Transitional Assistance Department and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.
- 9)
 - 1 – Approve a contract, effective July 1, 2020, with Knowledge and Education for Your Success, Inc. for the provision of California Work Opportunity and Responsibility to Kids Housing Support Program Housing Navigator Services in an amount not to exceed \$6,480,000 through June 30, 2021. (Pages 86-116)
 - 2 – Authorize and direct the Executive Director to execute and deliver the contract to Knowledge and Education for Your Success, Inc. and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.
- 10) 1 – Adopt Resolution No. 86:

- a. Authorizing acceptance of the transfer of title of the real property located at 15876 Chehalis Road, Apple Valley, CA 92307 from HPI Property Acquisitions LLC to the Housing Authority of the County of San Bernardino;
- b. Authorizing the addition of the Housing Authority of the County of San Bernardino as 49% member of HPI Property Acquisitions LLC; and
- c. Authorizing the Housing Authority of the County of San Bernardino to serve as co-Nonrecourse Guarantor for the benefit of PNC bank with regard to the loan(s) refinancing five properties owned by HPI Property Acquisitions LLC.
- d. Authorize and direct the Executive Director, upon consultation with Legal Counsel, to execute and deliver all documents and agreements necessary to accept the title to the Chehalis property and consummate the role in the limited liability company, including the Articles of Organization and Operating Agreement, the Nonrecourse Guaranty, and other ancillary documents necessary to carry out and close the refinancing of the HPI Property Acquisitions LLC's loan with PNC Bank and to approve any non-substantive revisions necessary to complete the transaction. (Pages 117–163)

CONSENT CALENDAR

- 11) APPROVAL OF CONSENT ITEMS: # 12-14
- 12) Approve the meeting minutes for the Board of Commissioners of the Housing Authority of the County of San Bernardino Regular Meeting held on May 12, 2020. (Pages 164-168)
- 13) Approve vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month ending in April 2020. (Pages 169-173)
- 14) Approve and file Agency-wide Financial Statements through February 2020. (Pages 174-176)
- 15) Individual Board member Comments
- 16) Adjourn

This agenda contains a brief description of each item of business to be considered at the meeting. In accordance with the Ralph M. Brown Act, this meeting agenda is posted at least 72 hours prior to the regularly scheduled meeting at the Housing Authority of the County of San Bernardino (HACSB) Building located at 715 East Brier Drive, San Bernardino, California, 92408. The agenda and its supporting documents can be viewed online at <http://www.hacsb.com>. However, the online agenda may not include all available supporting documents or the most current version of documents.

If you challenge any decision regarding any of the above proposal in court, you may be limited

to raising only those issues you or someone else raised during the public testimony period regarding that proposal or in written correspondence delivered to the Board of Commissioners at, or prior to, the public hearing.

It is the intention of the HACSB to comply with the Americans with Disabilities Act (ADA). If you require special assistance, HACSB will attempt to accommodate you in every reasonable manner. Please contact Sylvia Robles at (909) 890-6318 at least 48 hours prior to the meeting to inform us of your particular needs.

HACSB ofrece asistencia idiomática gratis. Para ayuda con este documento, por favor llámenos al (909) 890-0644.

**REPORT/RECOMMENDATION TO THE BOARD OF COMMISSIONERS OF THE
HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO AND RECORD
OF ACTION**

June 9, 2020

FROM

MARIA RAZO, Executive Director, Housing Authority of the County of San Bernardino

SUBJECT

Executive Director's Report for June 9, 2020

RECOMMENDATION(S)

Receive the Executive Director's Report dated June 9, 2020.
(Presenter: Maria Razo, Executive Director, 332-6305)

GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

FINANCIAL IMPACT

Approval of this item will not result in a financial impact to the Housing Authority of the County of San Bernardino (HACSB) as there is no financial impact associated with this item.

BACKGROUND INFORMATION

The Executive Director's report summarizes ongoing initiatives of HACSB's strategic plan, Moving to Work activities, overall agency updates, as well as other initiatives federally regulated by the United States Department of Housing and Urban Development. The focus of this month's report is HACSB's response to the COVID-19 global pandemic.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by Legal Counsel (Julie J. Surber, Principal Assistant County Counsel, 387-5455) on May 18, 2020

REPORT/RECOMMENDATION TO THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO AND RECORD OF ACTION

June 9, 2020

FROM

MARIA RAZO, Executive Director, Housing Authority of the County of San Bernardino

SUBJECT

Memorandum of Understanding with Foothill AIDS Project for the Housing Opportunities for Persons with AIDS Program

RECOMMENDATION(S)

1. Approve Memorandum of Understanding with Foothill AIDS Project to administer the Housing Opportunities for Persons with AIDS program for one year effective July 1, 2020 through June 30, 2021, in the amount not to exceed \$546,100, and may be extended for one-year periods upon written agreement by both parties.
2. Authorize and direct the Executive Director to execute and deliver Memorandum of Understanding to Foothill AIDS Project, and upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.
(Presenter: Maria Razo, Executive Director, 332-6305)

GOALS & OBJECTIVES

HACSB has secured the resources needed for accomplishing its mission.

HACSB clients, programs, and properties are embraced by all communities.

HACSB clients live in safe and desirable homes and communities where they can develop and prosper.

FINANCIAL IMPACT

Under the Memorandum of Understanding (MOU), Foothill AIDS Project (FAP) will provide up to \$546,100 to the Housing Authority of the County of San Bernardino (HACSB) which will fund the rental assistance payment program for approximately 62 households, which includes administering a new project-based housing assistance payments contract for 12 households and all other costs including administrative costs related the program. The revenue and expenses will be included in the fiscal year ending 2020 and 2021 budgets.

BACKGROUND INFORMATION

The Housing Opportunity for Persons with AIDS (HOPWA) program is funded by the United States Department of Housing and Urban Development (HUD) Office of HIV/AIDS Housing and was established to provide housing assistance and related supportive services for low-income persons living with HIV/AIDS and their families. The program goals are to maintain stable housing, reduce the risk of homelessness, and increase access to care.

FAP contracts with HACSB to administer the HOPWA grant in San Bernardino County. This partnership provides housing assistance and personal stability for HOPWA participants so they can achieve and maintain an enriched quality of life. HACSB provides housing assistance payments to private market landlords on behalf of the eligible family and covers all administrative duties related to the housing assistance component. FAP provides ongoing case management and supportive services for HOPWA participants. This MOU will ensure continued provision of rental assistance administered

Memorandum of Understanding with Foothill AIDS Project for the Housing Opportunities for
Persons with AIDS Program
June 9, 2020

by HACSB for up to 50 households, and through this revised MOU will also provide project-based assistance to an additional 12 families in the coming year.

As mentioned above, the MOU also adds 12 HOPWA project-based units, for a total of 62 households. FAP has acquired two properties under its affiliate non-profit, 7 Arrows Properties LLC in order to increase housing options for HOPWA families and has requested HACSB to administer a Project Based Voucher Contract for the 12 units. 7 Arrows Properties LLC is responsible for all management and maintenance functions, and HACSB is responsible for all rental assistance related functions, including inspections, tenant eligibility, rent calculation and payment of housing subsidy. Under the MOU, FAP will reimburse HACSB for the housing assistance payments (HAP) made to 7 Arrows Properties LLC and provide an additional amount equal to 7.5% of HAP for administrative costs. The Housing Assistance Payments Contract (HAP) covers only four of the 12 units, because the other eight units are currently undergoing renovation. The HAP contract will be amended to add the other units after the units pass inspection. The HAP Contract is for 10 years effective August 1, 2020 through July 31, 2030 subject to continued funding. Another memorandum on today's agenda addresses the units owned by 7 Arrows Properties LLC.

The MOU is effective as of July 1, 2020 and expires June 30, 2021, and can be extended for one-year periods upon mutual agreement by both parties.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by Legal Counsel (Julie J. Surber, Principal Assistant County Counsel, 387-5455) on May 18, 2020.

MEMORANDUM OF UNDERSTANDING
Between
HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO
and
FOOTHILL AIDS PROJECT
for
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM

JULY 1, 2020 – JUNE 30, 2021

WHEREAS, The Foothill AIDS Project (FAP) has grant funding via the United States Department of Housing and Urban Development, Housing Opportunities for Persons with AIDS (HOPWA) program, which provides permanent housing subsidies to homeless individuals and families with AIDS who are also in need of supportive services; and

WHEREAS, HACSB has experience in administering housing subsidy programs, including conducting Housing Quality Standards Inspections, subsidy calculations, and contracting with landlords, and HACSB agrees to work with FAP in order to provide eligible families housing subsidy assistance, and in return FAP agrees to provide housing subsidy grant funding to HACSB and case management services to all eligible participants as referred by FAP; and

WHEREAS, HACSB and FAP desire an agreement for the purpose of defining their respective roles in both providing housing units and case management services to participants in the in order to achieve and maintain an enriched quality of life; and

NOW THEREFORE, FAP and HACSB mutually agree to the following terms and conditions:

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I. PURPOSE

The Housing Opportunities for Persons with AIDS program, administered and funded by the Foothill AIDS Project provides permanent housing subsidies with supportive services to homeless persons with HIV/AIDS (and their families) who are residents of San Bernardino County. The Housing Authority of the County of San Bernardino, referred to herewith as HACSB or Housing Authority provides administration in regard to housing assistance services. Subsidy for approximately sixty-two (62) permanent housing units is available through the HOPWA program. The FAP will identify and refer eligible households to be assisted with housing subsidy and HACSB will administer the housing subsidy and corresponding family obligation requirements, while FAP will provide ongoing case management to the families and ensure they continue to meet program eligibility.

The HOPWA program is a federal program funded by the United States Department of Housing and Urban Development (HUD) and FAP is the local jurisdiction grantee for HOPWA. As such, it is FAP's responsibility to determine if the household meets the federal guidelines in regard to their medical and housing status eligibility. HACSB does not determine, nor confirm either the housing status or the medical (AIDS/HIV) status of the applicant household. HACSB solely determines the income and criminal background eligibility for the subsidized program.

II DEFINITIONS

- A. Administrative Plan – Policy manual that details rules and policies that govern the subsidized programs under the HACSB.
- B. Central Coordinating Agency (CCA) - The HOPWA grantee, in this case, FAP.
- C. Family – Is used interchangeably with “applicant”, “participant” or “client.”
- D. Family Obligations Agreement/Voucher – Contract between the eligible participant and the HACSB that details the requirements, rules, policies, and responsibilities for participation in the program. A contract signed by the eligible participant with HACSB does not preclude or override any requirements made by FAP, or contained in the landlord/tenant lease.
- E. Housing Assistance Payment (HAP) Contract – The agreement between the Housing Authority and the landlord that details the rights and responsibilities for participation in the program and receipt of housing subsidy funds to support the eligible tenant during their approved tenancy in the unit.
- F. Housing Quality Standards (HQS) Inspection – An inspection to ensure the unit meets health, safety and quality standards, under HUD guidelines, that takes place prior to the execution of the lease between the landlord and the tenant and before execution of the HAP contract between the landlord and the Housing Authority and is also conducted on an annual basis to ensure ongoing compliance of the subsidized rental unit.
- G. Landlord – An individual, firm, corporation, partnership, HACSB or similar entity; or a designated property manager that holds title to the housing that receives funding through rental subsidies on behalf of this program.
- H. Lease - The private market rental lease that outlines the rights and responsibilities of both the tenant and the landlord during the lease term.

- I. Request for Tenant Approval (RFTA) – The form submitted by the participant and owner when a unit has been identified and is being submitted for HQS inspection and rent reasonableness prior to the execution of the lease.
- J. Target Population – Homeless, at-risk of homelessness families and medically fragile individuals with HIV/AIDS.

III. HACSB SERVICE RESPONSIBILITIES

- A. Provide housing services to qualified applicants who are members of the target population and County residents. Services will be provided through the HACSB offices located in San Bernardino, Upland, and Victorville or at other non-HACSB sites as needed to accommodate the client.
- B. Maintain releases of information signed by each participant in the program to ensure open communication between FAP and HACSB in order to support the household's housing stability.
- C. Provide housing services that include:
 - 1. Screening Eligibility and Verification of Applications: Screen applicants and ensure individuals meet the qualifications as outlined in the Housing Services Program Administrative Plan and HUD determined guidelines governing the HOPWA program (income and criminal background only). Ensure families understand the obligations of the voucher, including: family must remain in compliance with the Central Coordinating Agency (FAP).
 - 2. Orientation Briefings, Issuance of Family Obligations Agreement/ Voucher: Notify the applicant of acceptance into the program and coordinate briefings with FAP staff. Conduct orientation meetings to provide instructions to applicants on policies, the Family Obligations/ Voucher Agreement, and to outline applicant's rental responsibilities.
 - 3. Initial and Regular HQS Inspections: Inspect the rental property to assure that housing is decent, safe, and sanitary and in compliance with HUD's Housing Quality Standards (HQS).
 - 4. Determination of Reasonable Rents: Determine if the contract rent for each lease approved unit is reasonable in relation to rent currently charged for comparable units in the private unassisted market, and not in excess of rents currently being charged by the owner for comparable units.
 - 5. Payments to the Landlord: Approve payment of the difference between the rent approved by the Housing Authority and 30% of the participant's adjusted monthly income. The approved rent will not exceed the "Rent Reasonableness" as established by the Housing Authority and HUD guidelines, for the actual unit size. Generate checks monthly to appropriately disburse funds to owners of approved occupied units.
 - 6. Landlord Responsibilities: HACSB will ensure that landlords understand their rights and responsibilities under the program and respond to complaints and appeals regarding housing services.

- D. To the extent permitted by law, facilitate regular case conference meetings with FAP to discuss identification of barriers to productive treatment, mutual problem solving, and future planning; Communicate and coordinate with FAP's Lead Housing Case Manager to facilitate the program, reduce problems, and to ensure that services are provided appropriately. Housing Authority staff will notify FAP's Housing Program Manager when there are changes in program participants' income, household composition, and/or other changes relevant to the program. Notices shall be emailed to litza@fapinfo.org or another individual identified by FAP.
- E. Housing Authority staff will request that documentation be submitted by FAP or the client demonstrating FAP's approval of changes in household composition prior to the Housing Authority reviewing the request against HUD regulations and administrative policies governing the HOPWA program. Any change to household composition will only be processed by HACSB once approval has been received by the FAP caseworker.
- F. Inform applicants of the benefits in participating in the HOPWA Program activities. Participants that do not participate may jeopardize their opportunity to successfully maintain ongoing housing assistance.
- G. Send reimbursement requests to FAP fifteen days after the calendar month in which the services were provided and include an administrative charge of 7.5% of the Housing Assistance Payment amount for each approved tenant.
- H. May absorb two (2) clients per month into regular federal Housing Choice Voucher Program (HCV) if: 1. Accounts receivable payments from FAP are current (within 1 month, and remain current on an ongoing basis), and 2. HCV program has available funding to absorb clients, and 3. FAP can demonstrate a verified need for release of additional HOPWA vouchers. (In order for clients to be absorbed into the HCV program, the following criteria must be met: Family must have been on the program for at least three (3) years prior to absorption; be in compliance with all HACSB Voucher program policies; be in compliance with all CCA policies; have a written statement from CCA indicating that the household is eligible for absorption and in compliance with all CCA program policies).

IV. FAP RESPONSIBILITIES

- A. Receive referrals (referral form) from Case Managers/Housing Case Managers in San Bernardino County and conduct an initial assessment (pre-briefing) and complete application packet to determine eligibility.
- B. Conduct pre-briefing with applicants to explain rental assistance including tenant's rights and responsibilities. Compliance with CCA's requirements.
- C. Obtain the following: proof of San Bernardino County residency, documentation of HIV/AIDS diagnosis (and maintain in client's confidential case file), documentation of case management with referring agency for at least 1 year (verified by registration date, progress notes, etc.).

- D. Verify that: Monthly income does not exceed 50% of the area median income, based on family size, as defined by current published HUD Income Limits for San Bernardino County, and that applicant is currently paying more than 30% of their adjusted income for rent.
- E. Submit original application packet and all supporting documents to the Housing Authority (referral form), and accompany clients to pre-briefing and Housing Authority briefing.
- F. For tenant-based program, assist the client, when necessary, to locate suitable safe, decent, and sanitary housing to meet the client's needs, conduct site visits for FAP clients prior to submission of RFTA.
- G. For project-based program, select property in accordance with HUD requirements, provide HACSB with a move-in ready contracted unit and coordinate tenant referrals.
- H. Conduct quarterly meetings to update clients on program guidelines, update client files, evaluate client health, mental and social outcomes, and provide ongoing educational forums, and assess the duration of participation in a case management program located in San Bernardino County.
- I. Communicate and coordinate with Housing Authority to facilitate the program, reduce problems, and to ensure that services are provided appropriately, as well as address barriers, disparities and discuss successes with Housing Authority coordinating staff.
- J. Request termination of clients not in compliance with CCA requirements. The request will be made in writing and will detail all attempts made to reach out to the participant and engage them in supportive services and case management as required within program rules and with the CAA.
- K. Collect data in order to track, monitor and provide measurable outcomes.
- L. FAP will reimburse Housing Authority for rental assistance provided on behalf of eligible participants and remain current (within 1 month), and remunerate to the Housing Authority a 7.5% monthly administrative fee based on rental assistance provided and remain current (within 1 month).
- M. FAP's client file will include documentation of the following:
 - a. Completed copy of application packet, signed consent to release information, photo identification, Social Security/Residency card, copy of HIV/AIDS diagnosis with physician's signature, (copy of HIV/AIDS diagnosis form for clients enrolled with other San Bernardino County case management agencies).
 - b. Proof of income (every six months).
 - c. Proof of dependents and family unit status (including: Social Security cards and birth certificates for children less than 18 years of age).
 - d. Determination of 30% of the participant's adjusted monthly income.

- e. Proof of eligibility collected every 6 months.
 - f. Agreement between participant and FAP consent to participant.
 - g. Required releases of information.
 - h. Agreement between participants and FAP (consent to participate).
- N. FAP shall cooperate with HACSB in the implementation, monitoring and evaluation of this MOU and comply with any and all reporting requirements established by this MOU.

V. MUTUAL RESPONSIBILITIES

- A. FAP and HACSB agree they will establish mutually satisfactory methods for the exchange of such information as may be necessary in order that each party may perform its duties and functions under this agreement; and appropriate procedures to ensure all information is safeguarded from improper disclosure in accordance with applicable State and Federal laws and regulations.
- B. FAP and HACSB agree they will establish mutually satisfactory methods for problem resolution at the lowest possible level as the optimum, with a procedure to mobilize problem resolution up through FAP and Housing Authority's mutual chain of command, as deemed necessary.
- C. FAP and HACSB agree to adhere to mutually developed grievance procedures with regard to participant satisfaction, and in respect of the grievance procedures clearly defined in HACSB's Housing Services Administrative Plan, in accordance with Department of Housing and Urban Development(s) Code of Federal Regulations.
- D. FAP and HACSB agree they will collaborate in providing In-Service Training to staff about the Housing Opportunities for Persons with Aids program and services offered under this MOU.
- E. FAP and HACSB will collaborate to assist customers with landlord issues, and when necessary refer the customer to Inland Fair Housing and Mediation Board.

VI. FISCAL PROVISIONS

FY 2020/2021 Housing Opportunity for Persons with AIDS (HOPWA); Current budget of \$546,100, (which may be modified in the sixth (6th) month of the contract year), is projected to cover approximately 62 households, dependent on per unit cost per household per month.

VII. RIGHT TO MONITOR AND AUDIT

HACSB and FAP shall cooperate in the implementation, monitoring and evaluation of this MOU and comply with any and all reporting requirements as established by HUD in administering the HOPWA program.

VIII. TERM

This MOU is effective as of July 1, 2020 and expires June 30, 2021, but may be terminated earlier in accordance with provisions of Section IX of this MOU. This MOU may be extended for one-year periods upon written agreement of both parties, unless terminated earlier under the provisions of Section IX.

IX. EARLY TERMINATION

- A. This MOU may be terminated without cause upon thirty (30) days written notice by either party. The HACSB Executive Director is authorized to exercise HACSB rights with respect to any termination of this MOU. The FAP Director, or his/her appointed designee, has authority to terminate this MOU on behalf of DBH.
- B. If, during the term of this MOU, State and/or Federal funds appropriated for the purposes of this MOU are reduced or eliminated, either party may immediately terminate this MOU upon written notice to the other party.

X. INDEMNIFICATION

- A. The HACSB agrees to indemnify, defend and hold harmless the FAP and its authorized officers, employees, agents, and volunteers from any and all claims, actions, losses, damages, and or liability arising out of this MOU from the negligence of the HACSB, including the acts, errors or omissions of the HACSB and for any costs or expenses incurred by the FAP on account of any claim resulting from the acts or negligence of the HACSB or its authorized officers, employees, agents, and volunteers, except where such indemnification is prohibited by law.
- B. The FAP agrees to indemnify, defend and hold harmless the HACSB and its authorized officers, employees, agents, and volunteers from any and all claims, actions, losses, damages, and or liability arising out of this MOU from the negligence of the FAP, including the acts, errors or omissions of the FAP and for any costs or expenses incurred by the HACSB on account of any claim resulting from the acts or negligence of the FAP or its authorized officers, employees, agents, and volunteers, except where such indemnification is prohibited by law.

XI. GENERAL PROVISIONS

- A. No waiver of any of the provisions of the MOU documents shall be effective unless it is made in a writing which refers to provisions so waived and which is executed by the Parties. No course of dealing and no delay or failure of a Party in exercising any right under any MOU document shall affect any other or future exercise of that right or any exercise of any other right. A Party shall not be precluded from exercising a right by its having partially exercised that right or its having previously abandoned or discontinued steps to enforce that right.
- B. Any alterations, variations, modifications, or waivers of provisions of the MOU, unless specifically allowed in the MOU, shall be valid only when they have been reduced to writing, duly signed and approved by the Authorized Representatives of both parties as an amendment to this MOU. No oral understanding or agreement not incorporated herein shall be binding on any of the Parties hereto.

- C. This MOU may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same MOU. The parties shall be entitled to sign and transmit an electronic signature of this MOU (whether by facsimile, PDF or other email transmission), which signature shall be binding on the party whose name is contained therein. Each party providing an electronic signature agrees to promptly execute and deliver to the other party an original signed MOU upon request.

XII. CONCLUSION

- A. This MOU, consisting of nine (9) pages is the full and complete document describing services to be rendered by DBH and HACSB including all covenants, conditions and benefits.
- B. The signatures of the Parties affixed to this MOU affirm that they are duly authorized to commit and bind their respective departments to the terms and conditions set forth in this document.

FOOTHILL AIDS PROJECT

By: _____
Maritza Tona, Executive Director

Date: _____

HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

By: _____
Maria Razo, Executive Director

Date: _____

REPORT/RECOMMENDATION TO THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO AND RECORD OF ACTION

June 9, 2020

FROM

MARIA RAZO, Executive Director, Housing Authority of the County of San Bernardino

SUBJECT

Project-Based Voucher Housing Assistance Payments Contract with 7 Arrows Properties LLC for the Housing Opportunities for Persons with Aids Program

RECOMMENDATION(S)

1. Approve Project-Based Voucher Housing Assistance Payments Contract with 7 Arrows Properties LLC for a 10 year period from August 1, 2020 through July 31, 2030 for the Housing Opportunities for Persons with AIDS Program.
2. Authorize and direct the Executive Director to execute and deliver the Project-Based Voucher Contract to 7 Arrows Properties LLC, and upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.

(Presenter: Maria Razo, Executive Director, 332-6305)

GOALS & OBJECTIVES

HACSB has secured the resources needed for accomplishing its mission.

HACSB clients, programs, and properties are embraced by all communities.

HACSB clients live in safe and desirable homes and communities where they can develop and prosper.

FINANCIAL IMPACT

The proposed Memorandum of Understanding (MOU) with Foothill AIDS Project (FAP), which is also on today's agenda, will provide up to \$546,100 to the Housing Authority of the County of San Bernardino (HACSB) which will fund the rental assistance payment program for approximately 62 households. The item is for a new project based voucher assistance payments agreement with 7 Arrows Properties LLC for 12 of the 62 households. The revenue and expenses will be included in the fiscal year ending 2020 and 2021 budgets.

BACKGROUND INFORMATION

The Housing Opportunity for Persons with AIDS (HOPWA) program is funded by the United States Department of Housing and Urban Development (HUD) Office of HIV/AIDS Housing and was established to provide housing assistance and related supportive services for low-income persons living with HIV/AIDS and their families. FAP contracts with HACSB to administer the HOPWA grant in San Bernardino County. This partnership provides housing assistance and personal stability for HOPWA participants so they can achieve and maintain an enriched quality of life. HACSB provides housing assistance payments to private market landlords on behalf of the eligible family and covers all administrative duties related to the housing assistance component. FAP provides ongoing case management and supportive services for HOPWA participants. This proposed contract adds 12 HOPWA project-based units, for a total of 62 households.

FAP has acquired two properties under its affiliate non-profit, 7 Arrows Properties LLC in order to increase housing options for HOPWA families and has requested HACSB to administer a Project Based Voucher Contract for the 12 units. 7 Arrows Properties LLC is responsible for all management and maintenance functions, and HACSB is responsible for all rental assistance related functions,

Project-Based Contract with 7 Arrows Properties LLC for Housing Opportunities for Persons
with AIDS Program
June 9, 2020

including inspections, tenant eligibility, rent calculation and payment of housing subsidy. Under the MOU, FAP will reimburse HASCB for the housing assistance payments (HAP) made to 7 Arrows Properties LLC and provide an additional amount equal to 7.5% of HAP for administrative costs. Initially, the Housing Assistance Payments Contract (HAP) cover four (4) of the 12 units, because the other eight (8) units are currently undergoing renovation. The HAP contract will be amended to add the other units after the units pass inspection.

The HAP Contract is for 10 years effective August 1, 2020 through July 31, 2030 subject to continued funding.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by Legal Counsel (Julie J. Surber, Principal Assistant County Counsel, 387-5455) on May 20, 2020.

**U.S. Department of Housing and Urban Development
Office of Public and Indian Housing**

**SECTION 8 PROJECT-BASED VOUCHER PROGRAM
HOUSING ASSISTANCE PAYMENTS CONTRACT**

EXISTING HOUSING

PART 1 OF HAP CONTRACT
Housing Opportunities for Persons with AIDS

Public reporting burden for this collection of information is estimated to average 2 hours. This includes the time for collecting, reviewing and reporting the data. The information is being collected as required by 24 CFR 983.202, which requires the PHA to enter into a HAP contract with the owner to provide housing assistance payments for eligible families, and, as applicable, 24 CFR 983.10. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number. Assurances of confidentiality are not provided under this collection.

Privacy Act Statement. HUD is committed to protecting the privacy of individuals' information stored electronically or in paper form, in accordance with federal privacy laws, guidance, and best practices. HUD expects its third-party business partners, including Public Housing Authorities, who collect, use maintain, or disseminate HUD information to protect the privacy of that information in Accordance with applicable law.

1. CONTRACT INFORMATION

a. Parties

This housing assistance payments (HAP) contract is entered into between:

_____ (PHA) and

_____ (owner).

b. Contents of contract

The HAP contract consists of Part 1, Part 2, and the contract exhibits listed in paragraph c.

c. Contract exhibits

The HAP contract includes the following exhibits:

EXHIBIT A: TOTAL NUMBER OF UNITS IN PROJECT COVERED BY
THIS HAP CONTRACT; INITIAL RENT TO OWNER; AND

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DESCRIPTION OF THE CONTRACT UNITS. (See 24 CFR 983.203 for required items.)

- EXHIBIT B: SERVICES, MAINTENANCE AND EQUIPMENT TO BE PROVIDED BY THE OWNER WITHOUT CHARGES IN ADDITION TO RENT TO OWNER
- EXHIBIT C: UTILITIES AVAILABLE IN THE CONTRACT UNITS, INCLUDING A LISTING OF UTILITY SERVICES TO BE PAID BY THE OWNER (WITHOUT CHARGES IN ADDITION TO RENT TO OWNER) AND UTILITIES TO BE PAID BY THE TENANTS
- EXHIBIT D: FEATURES PROVIDED TO COMPLY WITH PROGRAM ACCESSIBILITY FEATURES OF SECTION 504 OF THE REHABILITATION ACT OF 1973

ADDITIONAL EXHIBITS

d. Effective date and term of the HAP contract

1. Effective date

- a. The PHA may not enter into a HAP contract for any contract unit until the PHA (or an independent entity, as applicable) has determined that the unit meets the PBV inspection requirements.
- b. For all contract units, the effective date of the HAP contract is:
_____.
- c. The term of the HAP contract begins on the effective date.

2. Length of initial term

- a. Subject to paragraph 2.b, the initial term of the HAP contract for all contract units is:
_____.
- b. The initial term of the HAP contract may not be less than one year, nor more than twenty years.

3. Extension of term

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The PHA and owner may agree to enter into an extension of the HAP contract at the time of initial HAP contract execution, or any time prior to expiration of the contract. Any extension, including the term of such extension, must be in accordance with HUD requirements. A PHA must determine that any extension is appropriate to achieve long-term affordability of the housing or expand housing opportunities.

4. Requirement for sufficient appropriated funding

- a. The length of the initial term and any extension term shall be subject to availability, as determined by ~~HUD~~ Foothill Aids Project (FAP), or by the PHA in accordance with HUD requirements, of sufficient appropriated funding ~~(budget authority)~~, as provided in the Memorandum of Understanding with FAP ~~appropriations acts and in the PHA's annual contributions contract (ACC) with HUD~~, to make full payment of housing assistance payments due to the owner for any contract year in accordance with the HAP contract.
- b. The availability of sufficient funding must be determined by ~~HUD~~ FAP or by the PHA in accordance with HUD requirements. If it is determined that there may not be sufficient funding to continue housing assistance payments for all contract units and for the full term of the HAP contract, the PHA has the right to terminate the HAP contract by notice to the owner for all or any of the contract units. Such action by the PHA shall be implemented in accordance with HUD requirements.

e. Occupancy and payment

1. Payment for occupied unit

During the term of the HAP contract, the PHA shall make housing assistance payments to the owner for the months during which a contract unit is leased to and occupied by an eligible family. If an assisted family moves out of a contract unit, the owner may keep the housing assistance payment for the calendar month when the family moves out ("move-out month"). However, the owner may not keep the payment if the PHA determines that the vacancy is the owner's fault.

2. Vacancy payment

THE PHA HAS DISCRETION WHETHER TO INCLUDE THE VACANCY PAYMENT PROVISION (PARAGRAPH e.2), OR TO STRIKE THIS PROVISION FROM THE HAP CONTRACT FORM.

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- a. ~~If an assisted family moves out of a contract unit, the PHA may provide vacancy payments to the owner for a PHA-determined vacancy period extending from the beginning of the first calendar month after the move-out month for a period not exceeding two full months following the move-out month.~~
- b. ~~The vacancy payment to the owner for each month of the maximum two-month period will be determined by the PHA, and cannot exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the owner (including amounts available from the tenant's security deposit). Any vacancy payment may cover only the period the unit remains vacant.~~
- e. ~~The PHA may make vacancy payments to the owner only if:~~
 - 1. ~~The owner gives the PHA prompt, written notice certifying that the family has vacated the unit and the date when the family moved out (to the best of the owner's knowledge and belief);~~
 - 2. ~~The owner certifies that the vacancy is not the fault of the owner and that the unit was vacant during the period for which payment is claimed;~~
 - 3. ~~The owner certifies that it has taken every reasonable action to minimize the likelihood and length of vacancy; and~~
 - 4. ~~The owner provides any additional information required and requested by the PHA to verify that the owner is entitled to the vacancy payment.~~
- d. ~~The PHA must take every reasonable action to minimize the likelihood and length of vacancy.~~
- e. ~~The owner may refer families to the PHA and recommend selection of such families from the PHA waiting list for occupancy of vacant units.~~
- f. ~~The owner must submit a request for vacancy payments in the form and manner required by the PHA and must provide any information or substantiation required by the PHA to determine the~~

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~~amount of any vacancy payments.~~

3. PHA is not responsible for family damage or debt to owner

Except as provided in this paragraph e (Occupancy and Payment), the PHA will not make any other payment to the owner under the HAP contract. The PHA will not make any payment to the owner for any damages to the unit, or for any other amounts owed by a family under the family's lease.

f. Income-mixing requirement

1. Except as provided in paragraphs f.2 through f.5 below, the PHA will not make housing assistance payments under the HAP contract for more than the greater of 25 units or 25 percent of the total number of dwelling units (assisted or unassisted) in any project. The term "project" means a single building, multiple contiguous buildings, or multiple buildings on contiguous parcels of land assisted under this HAP contract.
2. The limitation in paragraph f.1 does not apply to single-family buildings.
3. In referring eligible families to the owner for admission to the number of contract units in any project exceeding the 25 unit or 25 percent limitation under paragraph f.1, the PHA shall give preference to elderly families or to families eligible for supportive services, for the number of contract units designated for occupancy by such families. The owner shall rent the designated number of contract units to such families referred by the PHA from the PHA waiting list.
4. Up to the greater of 25 units or 40 percent of units (instead of the greater of 25 units or 25 percent of units) in a project may be project-based if the project is located in a census tract with a poverty rate of 20 percent or less.
5. Units that were previously subject to certain federal rent restrictions or receiving another type of long-term housing subsidy provided by HUD do not count toward the income-mixing requirement if, in the five years prior to issuance of the Request for Proposal or notice of owner selection (for projects selected based on a prior competition or without competition), the unit received one of the forms of HUD assistance or was under a federal rent restriction as described in f.6 and f.7, below.
6. The following specifies the number of contract units (if any) that received one of the following forms of HUD assistance (enter the number of

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contract units in front of the applicable form of assistance):

- ___ Public Housing or Operating Funds;
- ___ Project-Based Rental Assistance (including Mod Rehab and Mod Rehab Single-Room Occupancy);
- ___ Housing for the Elderly (Section 202 or the Housing Act of 1959);
- ___ Housing for Persons with Disabilities (Section 811 of the Cranston-Gonzalez Affordable Housing Act);
- ___ Rent Supplement Program;
- ___ Rental Assistance Program;
- ___ Flexible Subsidy Program.

The following total number of contract units received a form of HUD assistance listed above: _____. If all of the units in the project received such assistance, you may skip sections g.7 and g.8, below.

7. The following specifies the number of contract units (if any) that were under any of the following federal rent restrictions (enter the number of contract units in front of the applicable type of federal rent restriction):

- ___ Section 236;
- ___ Section 221(d)(3) or (d)(4) BMIR (below-market interest rate);
- ___ Housing for the Elderly (Section 202 or the Housing Act of 1959);
- ___ Housing for Persons with Disabilities (Section 811 of the Cranston-Gonzalez Affordable Housing Act);
- ___ Flexible Subsidy Program.

The following total number of contract units were subject to a federal rent restriction listed above: _____. If all of the units in the project were subject to a federal rent restriction, you may skip section g.8, below.

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8. The following specifies the number of contract units (if any) designated for occupancy by elderly families or by families eligible for supportive services:
- a. Place a check mark here ____ if any contract units are designated for occupancy by elderly families; The following number of contract units shall be rented to elderly families:
- _____.
- b. Place a check mark here ____ if any contract units are designated for occupancy by families eligible for supportive services. The following number of contract units shall be rented to families eligible for supportive services:
- _____.
9. The PHA and owner must comply with all HUD requirements regarding income mixing.

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EXECUTION OF HAP CONTRACT FOR EXISTING HOUSING

PUBLIC HOUSING AGENCY (PHA) Name of PHA (Print)
By:
Signature of authorized representative
Name and official title (Print)
Date
OWNER Name of Owner (Print)
By:
Signature of authorized representative
Name and official title (Print)
Date

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**U.S. Department of Housing and Urban Development
Office of Public and Indian Housing**

SECTION 8 PROJECT-BASED VOUCHER PROGRAM

**HOUSING ASSISTANCE PAYMENTS CONTRACT
EXISTING HOUSING**

PART 2 OF HAP CONTRACT

Housing Opportunities for Persons with AIDS

Public reporting burden for this collection of information is estimated to average 2 hours. This includes the time for collecting, reviewing and reporting the data. The information is being collected as required by 24 CFR 983.202, which requires the PHA to enter into a HAP contract with the owner to provide housing assistance payments for eligible families. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number. Assurances of confidentiality are not provided under this collection.

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2. DEFINITIONS

Contract units. The housing units covered by this HAP contract. The contract units are described in Exhibit A.

Controlling interest. In the context of PHA-owned units (see definition below), controlling interest means:

- (a) Holding more than 50 percent of the stock of any corporation; or
- (b) Having the power to appoint more than 50 percent of the members of the board of directors of a non-stock corporation (such as a non-profit corporation); or
- (c) Where more than 50 percent of the members of the board of directors of any corporation also serve as directors, officers, or employees of the PHA; or
- (d) Holding more than 50 percent of all managing member interests in an LLC; or
- (e) Holding more than 50 percent of all general partner interests in a partnership;
or

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(f) Having equivalent levels of control in other ownership structures.

Existing housing. Housing units that already exist on the proposal selection date and that substantially comply with the housing quality standards on that date. The units must fully comply with the housing quality standards before execution of the HAP contract.

Family. The persons approved by the PHA to reside in a contract unit with assistance under the program.

HAP contract. This housing assistance payments contract between the PHA and the owner. The contract consists of Part 1, Part 2, and the contract exhibits (listed in section 1.c of the HAP contract).

Household. The family and any PHA-approved live-in aide.

Housing assistance payment. The monthly assistance payment by the PHA for a contract unit, which includes: (1) a payment to the owner for rent to the owner under the family's lease minus the tenant rent; and (2) an additional payment to or on behalf of the family if the utility allowance exceeds total tenant payment.

Housing quality standards (HQS). The HUD minimum quality standards for dwelling units occupied by families receiving project-based voucher program assistance.

HUD. U.S. Department of Housing and Urban Development.

HUD requirements. HUD requirements which apply to the project-based voucher program. HUD requirements are issued by HUD headquarters, as regulations, Federal Register notices or other binding program directives.

Owner. Any person or entity who has the legal right to lease or sublease a unit to a participant.

Premises. The building or complex in which a contract unit is located, including common areas or grounds.

Principal or interested party. This term includes a management agent and other persons or entities participating in project management, and the officers and principal members, shareholders, investors, and other parties having a substantial interest in the HAP contract, or in any proceeds or benefits arising from the HAP contract.

Program. The project-based voucher program (see authorization for project-based assistance at 42 U.S.C. 1437f(o)(13)).

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PHA. Public Housing Agency. The agency that has entered into the HAP contract with the owner. The agency is a public housing agency as defined in the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(6)).

PHA-owned units. A unit is “owned by a PHA” if the unit is in a project that is:

- (a) Owned by the PHA (which includes a PHA having a “controlling interest” in the entity that owns the unit; see definition above);
- (b) Owned by an entity wholly controlled by the PHA; or
- (c) Owned by a limited liability company (LLC) or limited partnership in which the PHA (or an entity wholly controlled by the PHA) holds a controlling interest in the managing member or general partner.

Proposal selection date. The date the PHA gives written notice of proposal selection to the owner whose proposal is selected in accordance with the criteria established in the PHA’s administrative plan.

Rent to owner. The total monthly rent payable to the owner under the lease for a contract unit. Rent to owner includes payment for any housing services, maintenance and utilities to be provided by the owner in accordance with the lease.

Tenant. The person or persons (other than a live-in aide) who executes the lease as a lessee of the dwelling unit.

Tenant rent. The portion of the rent to owner payable by the family, as determined by the PHA in accordance with HUD requirements. The PHA is not responsible for paying any part of the tenant rent.

3. PURPOSE

- a. This is a HAP contract between the PHA and the owner.
- b. The purpose of the HAP contract is to provide housing assistance payments for eligible families who lease contract units that comply with the HUD HQS from the owner.
- c. The PHA must make housing assistance payments to the owner in accordance with the HAP contract for contract units leased and occupied by eligible families during the HAP contract term. HUD provides funds to the PHA to make housing assistance payments to owners for eligible families.

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4. RENT TO OWNER; HOUSING ASSISTANCE PAYMENTS

a. Amount of initial rent to owner

The initial rent to owner for each contract unit is stated in Exhibit A, which is attached to and made a part of the HAP contract. At the beginning of the HAP contract term, and until rent to owner is adjusted in accordance with section 5 of the HAP contract, the rent to owner for each bedroom size (number of bedrooms) shall be the initial rent to owner amount listed in Exhibit A.

Place a check mark here ☐ if the PHA has elected not to reduce rents below the initial rent to owner.

b. HUD rent requirements

Notwithstanding any other provision of the HAP contract, the rent to owner may in no event exceed the amount authorized in accordance with HUD requirements. The PHA has the right to reduce the rent to owner, at any time, to correct any errors in establishing or adjusting the rent to owner in accordance with HUD requirements. The PHA may recover any overpayment from the owner.

c. PHA payment to owner

1. Each month the PHA must make a housing assistance payment to the owner for a unit under lease to and occupied by an eligible family in accordance with the HAP contract.
2. The monthly housing assistance payment to the owner for a contract unit is equal to the amount by which the rent to owner exceeds the tenant rent.
3. Payment of the tenant rent is the responsibility of the family. The PHA is not responsible for paying any part of the tenant rent, or for paying any other claim by the owner against a family. The PHA is responsible only for making housing assistance payments to the owner on behalf of a family in accordance with the HAP contract.
4. The owner will be paid the housing assistance payment under the HAP contract on or about the first day of the month for which payment is due, unless the owner and the PHA agree on a later date.

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5. To receive housing assistance payments in accordance with the HAP contract, the owner must comply with all the provisions of the HAP contract. Unless the owner complies with all the provisions of the HAP contract, the owner does not have a right to receive housing assistance payments.
6. If the PHA determines that the owner is not entitled to the payment or any part of it, the PHA, in addition to other remedies, may deduct the amount of the overpayment from any amounts due the owner, including amounts due under any other housing assistance payments contract.
7. The owner will notify the PHA promptly of any change of circumstances that would affect the amount of the monthly housing assistance payment, and will return any payment that does not conform to the changed circumstances.

d. Termination of assistance for family

The PHA may terminate housing assistance for a family under the HAP contract in accordance with HUD requirements. The PHA must notify the owner in writing of its decision to terminate housing assistance for the family in such case.

5. ADJUSTMENT OF RENT TO OWNER

a. PHA determination of adjusted rent

1. At each annual anniversary during the term of the HAP contract, the PHA shall adjust the amount of rent to owner, upon request to the PHA by the owner, in accordance with law and HUD requirements. In addition, the PHA shall adjust the rent to owner when there is a ten percent decrease in the published, applicable Fair Market Rent in accordance with 24 CFR 983.302. However, if the PHA has elected within the HAP contract not to reduce rents below the initial rent to owner, the rent to owner shall not be reduced below the initial rent to owner except in those cases described in 24 CFR 983.302(c)(2).
2. The adjustment of rent to owner shall always be determined in accordance with all HUD requirements. The amount of the rent to owner may be adjusted up or down, in the amount defined by the PHA in accordance with HUD requirements.

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b. Reasonable rent

The rent to owner for each contract unit, as adjusted by the PHA in accordance with 24 CFR 983.303, may at no time exceed the reasonable rent charged for comparable units in the private unassisted market, except in cases where the PHA has elected within the HAP contract not to reduce rents below the initial rent to owner. The reasonable rent shall be determined by the PHA in accordance with HUD requirements.

c. No special adjustments

The PHA will not make any special adjustments of the rent to owner.

d. Owner compliance with HAP contract

The PHA shall not approve, and the owner shall not receive, any increase of rent to owner unless all contract units are in accordance with the HQS, and the owner has complied with the terms of the assisted leases and the HAP contract.

e. Notice of rent adjustment

Rent to owner shall be adjusted by written notice by the PHA to the owner in accordance with this section. Such notice constitutes an amendment of the rents specified in Exhibit A.

6. OWNER RESPONSIBILITY

The owner is responsible for:

- a. Performing all management and rental functions for the contract units.
- b. Maintaining the units in accordance with HQS.
- c. Complying with equal opportunity requirements.
- d. Enforcing tenant obligations under the lease.
- e. Paying for utilities and housing services (unless paid by the family under the lease).
- f. Collecting from the tenant:
 1. Any security deposit;

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2. The tenant rent; and
3. Any charge for unit damage by the family.

7. OWNER CERTIFICATION

The owner certifies that at all times during the term of the HAP contract:

- a. All contract units are in good and tenantable condition. The owner is maintaining the premises and all contract units in accordance with the HQS.
- b. The owner is providing all the services, maintenance and utilities as agreed to under the HAP contract and the leases with assisted families.
- c. Each contract unit for which the owner is receiving housing assistance payments is leased to an eligible family referred by the PHA, and the lease is in accordance with the HAP contract and HUD requirements.
- d. To the best of the owner's knowledge, the members of the family reside in each contract unit for which the owner is receiving housing assistance payments, and the unit is the family's only residence.
- e. The owner (including a principal or other interested party) is not the parent, child, grandparent, grandchild, sister, or brother of any member of a family residing in a contract unit unless the PHA has determined that approving leasing of the unit would provide a reasonable accommodation for a family member who is a person with disabilities.
- f. The amount of the housing assistance payment is the correct amount due under the HAP contract.
- g. The rent to owner for each contract unit does not exceed rents charged by the owner for other comparable unassisted units.
- h. Except for the housing assistance payment and the tenant rent as provided under the HAP contract, the owner has not received and will not receive any payments or other consideration (from the family, the PHA, HUD, or any other public or private source) for rental of the contract unit.
- i. The family does not own, or have any interest in the contract unit. If the owner is a cooperative, the family may be a member of the cooperative.

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8. CONDITION OF UNITS

a. Owner maintenance and operation

The owner must maintain and operate the contract units and premises to provide decent, safe and sanitary housing in accordance with the HQS, including performance of ordinary and extraordinary maintenance. The owner must provide all the services, maintenance and utilities set forth in Exhibits B and C, and in the lease with each assisted family.

b. PHA inspections

1. The PHA must inspect each contract unit before execution of the HAP contract. The PHA may not enter into a HAP contract covering a unit until the unit fully complies with the HQS.
2. Before providing assistance to a new family in a contract unit, the PHA must inspect the unit. The PHA may not provide assistance on behalf of the family until the unit fully complies with the HQS.
3. At least biennially during the term of the HAP contract, the PHA must inspect a random sample, consisting of at least 20 percent of the contract units in each building, to determine if the contract units and the premises are maintained in accordance with the HQS. Turnover inspections pursuant to paragraph 2 of this section are not counted toward meeting this biennial inspection requirement.
4. If more than 20 percent of the sample of inspected contract units in a building fail the initial inspection, the PHA must reinspect 100 percent of the contract units in the building.
5. The PHA must inspect contract units whenever needed to determine that the contract units comply with the HQS and that the owner is providing maintenance, utilities, and other services in accordance with the HAP contract. The PHA must take into account complaints and any other information that comes to its attention in scheduling inspections.

c. Violation of the housing quality standards

1. If the PHA determines a contract unit is not in accordance with the HQS, the PHA may exercise any of its remedies under the HAP contract for all or any contract units. Such remedies include

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termination, suspension or reduction of housing assistance payments, and termination of the HAP contract.

2. The PHA may exercise any such contractual remedy respecting a contract unit even if the family continues to occupy the unit.
3. The PHA shall not make any housing assistance for a dwelling unit that fails to meet the HQS, unless the owner corrects the defect within the period specified by the PHA and the PHA verifies the correction. If a defect is life threatening, the owner must correct the defect within no more than 24 hours. For other defects, the owner must correct the defect within no more than 30 calendar days (or any PHA-approved extension).

d. Maintenance and replacement—owner’s standard practice

Maintenance and replacement (including redecoration) must be in accordance with the standard practice for the building concerned as established by the owner.

9. LEASING CONTRACT UNITS

a. Selection of tenants

1. During the term of the HAP contract, the owner must lease all contract units to eligible families selected and referred by the PHA ~~from the PHA waiting list. (See 24 CFR 983.251.)~~
2. The owner is responsible for adopting written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families and reasonably related to program eligibility and an applicant’s ability to perform the lease obligations.
3. Consistent with HUD requirements and Federal civil rights and fair housing requirements, the owner may apply its own nondiscriminatory admission procedures in determining whether to admit a family referred by the PHA for occupancy of a contract unit. The owner may refer families to the PHA, and recommend selection of such families from the PHA waiting list for occupancy of vacant units.
4. The owner must promptly notify in writing any rejected applicant of the grounds for rejection.

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5. The PHA must determine family eligibility in accordance with HUD requirements.
6. The contract unit leased to each family must be appropriate for the size of the family under the PHA's subsidy standards.
7. If a contract unit was occupied by an eligible family at the time the unit was selected by the PHA, or is so occupied on the effective date of the HAP contract, the owner must offer the family the opportunity to lease the same or another appropriately-sized contract unit with assistance under the HAP contract.
8. The owner is responsible for screening and selecting tenants from the families referred by the PHA from its waiting list.

b. Vacancies

1. The owner must promptly notify the PHA of any vacancy in a contract unit. After receiving the owner notice, the PHA shall make every reasonable effort to refer a sufficient number of families for owner to fill the vacancy.
2. The owner must rent vacant contract units to eligible families on the ~~PHA waiting list~~ referred by the PHA.
3. The PHA and the owner must make reasonable, good faith efforts to minimize the likelihood and length of any vacancy.
4. If any contract units have been vacant for a period of 120 or more days since owner notice of vacancy (and notwithstanding the reasonable, good faith efforts of the PHA to fill such vacancies), the PHA may give notice to the owner amending the HAP contract to reduce the number of contract units by subtracting the number of contract units (by number of bedrooms) that have been vacant for such period.

10. TENANCY

a. Lease

The lease between the owner and each assisted family must be in accordance with HUD requirements. In all cases, the lease must include the HUD-required tenancy addendum. The tenancy addendum must include, word-for-word, all provisions required by HUD.

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b. Termination of tenancy

1. The owner may terminate a tenancy only in accordance with the lease and HUD requirements.
2. The owner must give the PHA a copy of any owner eviction notice to the tenant at the same time that the owner gives notice to the tenant. Owner eviction notice means a notice to vacate, or a complaint or other initial pleading used to commence an eviction action under State or local law.

c. Family payment

1. The portion of the monthly rent to owner payable by the family ("tenant rent") will be determined by the PHA in accordance with HUD requirements. The amount of the tenant rent is subject to change during the term of the HAP contract. Any changes in the amount of the tenant rent will be effective on the date stated in a notice by the PHA to the family and the owner.
2. The amount of the tenant rent as determined by the PHA is the maximum amount the owner may charge the family for rent of a contract unit, including all housing services, maintenance and utilities to be provided by the owner in accordance with the HAP contract and the lease.
3. The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by the PHA. The owner must immediately return any excess rent payment to the tenant.
4. The family is not responsible for payment of the portion of the contract rent covered by the housing assistance payment under the HAP contract. The owner may not terminate the tenancy of an assisted family for nonpayment of the PHA housing assistance payment.
5. The PHA is responsible only for making the housing assistance payments to the owner on behalf of the family in accordance with the HAP contract. The PHA is not responsible for paying the tenant rent, or any other claim by the owner.

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d. Other owner charges

1. Except as provided in paragraph 2, the owner may not require the tenant or family members to pay charges for meals or supportive services. Nonpayment of such charges is not grounds for termination of tenancy.
2. In assisted living developments receiving project-based voucher assistance, owners may charge tenants, family members, or both for meals or supportive services. These charges may not be included in the rent to owner, nor may the value of meals and supportive services be included in the calculation of reasonable rent. Non-payment of such charges is grounds for termination of the lease by the owner in an assisted living development.
3. The owner may not charge the tenant or family members extra amounts for items customarily included in rent in the locality or provided at no additional cost to the unsubsidized tenant in the premises.

e. Security deposit

1. The owner may collect a security deposit from the family.
2. The owner must comply with HUD and PHA requirements, which may change from time to time, regarding security deposits from a tenant.
3. The PHA may prohibit security deposits in excess of private market practice, or in excess of amounts charged by the owner to unassisted families.
4. When the family moves out of the contract unit, the owner, subject to State and local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid tenant rent, damages to the unit or other amounts which the family owes under the lease. The owner must give the family a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used as reimbursement to the owner, the owner must promptly refund the full amount of the balance to the family.
5. If the security deposit is not sufficient to cover amounts the family owes under the lease, the owner may seek to collect the balance

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from the family. However, the PHA has no liability or responsibility for payment of any amount owed by the family to the owner.

11. FAMILY RIGHT TO MOVE

- a. The family may terminate its lease at any time after the first year of occupancy. The family must give the owner advance written notice of intent to vacate (with a copy to the PHA) in accordance with the lease. ~~If the family has elected to terminate the lease in this manner, the PHA must offer the family the opportunity for tenant-based rental assistance in accordance with HUD requirements.~~
- b. ~~Before providing notice to terminate the lease under paragraph a, the family must first contact the PHA to request tenant-based rental assistance if the family wishes to move with continued assistance. If tenant-based rental assistance is not immediately available upon lease termination, the PHA shall give the family priority to receive the next available opportunity for tenant-based rental assistance.~~

12. OVERCROWDED, UNDER-OCCUPIED, AND ACCESSIBLE UNITS

The PHA subsidy standards determine the appropriate unit size for the family size and composition. The PHA and owner must comply with the requirements in 24 CFR 983.260. If the PHA determines that a family is occupying a wrong-size unit, or a unit with accessibility features that the family does not require, and the unit is needed by a family that requires the accessibility features, the PHA must promptly notify the family and the owner of this determination, and of the PHA's offer of continued assistance in another unit. 24 CFR 983.260(a).

13. PROHIBITION OF DISCRIMINATION

- a. The owner may not refuse to lease contract units to, or otherwise discriminate against any person or family in leasing of a contract unit, because of race, color, religion, sex, national origin, disability, age or familial status.
- b. The owner must comply with the following requirements: The Fair Housing Act (42 U.S.C. 3601-19) and implementing regulations at 24 CFR part 100 *et seq.*; Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1959-1963 Comp., p. 652 and 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing Programs) and implementing regulations at 24 CFR part 107; title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4) (Nondiscrimination in Federally Assisted

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Programs) and implementing regulations at 24 CFR part 1; the Age Discrimination Act of 1975 (42 U.S.C. 6101-6107) and implementing regulations at 24 CFR part 146; section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at part 8 of this title; title II of the Americans with Disabilities Act, 42 U.S.C. 12101 *et seq.*; 24 CFR part 8; section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135; Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086, and 12107 (3 CFR, 1964-1965 Comp., p. 339; 3 CFR, 1966-1970 Comp., p. 684; 3 CFR, 1966-1970 Comp., p. 803; 3 CFR, 1978 Comp., p. 230; and 3 CFR, 1978 Comp., p. 264, respectively) (Equal Employment Opportunity Programs) and implementing regulations at 41 CFR chapter 60; Executive Order 11625, as amended by Executive Order 12007 (3 CFR, 1971-1975 Comp., p. 616 and 3 CFR, 1977 Comp., p. 139) (Minority Business Enterprises); Executive Order 12432 (3 CFR, 1983 Comp., p. 198) (Minority Business Enterprise Development); and Executive Order 12138, as amended by Executive Order 12608 (3 CFR, 1977 Comp., p. 393 and 3 CFR, 1987 Comp., p. 245) (Women's Business Enterprise).

- c. The owner must comply with HUD's Equal Access to HUD-assisted or -insured housing rule (24 CFR 5.105(a)(2)).
- d. The owner must comply with the Violence Against Women Act, as amended, and HUD's implementing regulation at 24 CFR part 5, Subpart L, and program regulations.
- e. The PHA and the owner must cooperate with HUD in the conducting of compliance reviews and complaint investigations pursuant to all applicable civil rights statutes, Executive Orders, and all related rules and regulations.

14. PHA DEFAULT AND HUD REMEDIES

If HUD determines that the PHA has failed to comply with the HAP contract, or has failed to take appropriate action to HUD's satisfaction or as directed by HUD, for enforcement of the PHA's rights under the HAP contract, HUD may assume the PHA's rights and obligations under the HAP contract, and may perform the obligations and enforce the rights of the PHA under the HAP contract.

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15. OWNER DEFAULT AND PHA REMEDIES

a. Owner default

Any of the following is a default by the owner under the HAP contract:

1. The owner has failed to comply with any obligation under the HAP contract, including the owner's obligations to maintain all contract units in accordance with the housing quality standards.
2. The owner has violated any obligation under any other housing assistance payments contract under Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).
3. The owner has committed any fraud or made any false statement to the PHA or HUD in connection with the HAP contract.
4. The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any Federal housing assistance program.
5. If the property where the contract units are located is subject to a lien or security interest securing a HUD loan or a mortgage insured by HUD and:
 - a. The owner has failed to comply with the regulations for the applicable mortgage insurance or loan program, with the mortgage or mortgage note, or with the regulatory agreement; or
 - b. The owner has committed fraud, bribery or any other corrupt or criminal act in connection with the HUD loan or HUD-insured mortgage.
6. The owner has engaged in any drug-related criminal activity or any violent criminal activity.

b. PHA remedies

1. If the PHA determines that a breach has occurred, the PHA may exercise any of its rights or remedies under the HAP contract.
2. The PHA must notify the owner in writing of such determination. The notice by the PHA to the owner may require the owner to take corrective action (as verified by the PHA) by a time prescribed in

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the notice.

3. The PHA's rights and remedies under the HAP contract include recovery of overpayments, termination or reduction of housing assistance payments, and termination of the HAP contract.

c. PHA remedy is not waived

The PHA's exercise or non-exercise of any remedy for owner breach of the HAP contract is not a waiver of the right to exercise that remedy or any other right or remedy at any time.

16. OWNER DUTY TO PROVIDE INFORMATION AND ACCESS REQUIRED BY HUD OR PHA

a. Required information

The owner must prepare and furnish any information pertinent to the HAP contract as may reasonably be required from time to time by the PHA or HUD. The owner shall furnish such information in the form and manner required by the PHA or HUD.

b. PHA and HUD access to premises

The owner must permit the PHA or HUD or any of their authorized representatives to have access to the premises during normal business hours and, for the purpose of audit and examination, to have access to any books, documents, papers and records of the owner to the extent necessary to determine compliance with the HAP contract, including the verification of information pertinent to the housing assistance payments or the HAP contract.

17. PHA AND OWNER RELATION TO THIRD PARTIES

a. Injury because of owner action or failure to act

The PHA has no responsibility for or liability to any person injured as a result of the owner's action or failure to act in connection with the implementation of the HAP contract, or as a result of any other action or failure to act by the owner.

b. Legal relationship

The owner is not the agent of the PHA. The HAP contract does not create or affect any relationship between the PHA and any lender to the owner or

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any suppliers, employees, contractors or subcontractors used by the owner in connection with the implementation of the HAP contract.

c. Exclusion of third-party claims

Nothing in the HAP contract shall be construed as creating any right of a family or other third party (other than HUD) to enforce any provision of the HAP contract, or to assert any claim against HUD, the PHA or the owner under the HAP contract.

d. Exclusion of owner claims against HUD

Nothing in the HAP contract shall be construed as creating any right of the owner to assert any claim against HUD.

18. PHA-OWNED UNITS

Notwithstanding Section 17 of this HAP contract, a PHA may own units assisted under the project-based voucher program, subject to the special requirements in 24 CFR 983.59 regarding PHA-owned units.

19. CONFLICT OF INTEREST

a. Interest of members, officers, or employees of PHA, members of local governing body, or other public officials

1. No present or former member or officer of the PHA (except tenant-commissioners), no employee of the PHA who formulates policy or influences decisions with respect to the housing choice voucher program or project-based voucher program, and no public official or member of a governing body or State or local legislator who exercises functions or responsibilities with respect to these programs, shall have any direct or indirect interest, during his or her tenure or for one year thereafter, or in the HAP contract.
2. HUD may waive this provision for good cause.

b. Disclosure

The owner has disclosed to the PHA any interest that would be a violation of the HAP contract. The owner must fully and promptly update such disclosures.

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c. Interest of member of or delegate to Congress

No member of or delegate to the Congress of the United States of America or resident-commissioner shall be admitted to any share or part of this HAP Contract or to any benefits arising from the contract.

20. EXCLUSION FROM FEDERAL PROGRAMS

a. Federal requirements

The owner must comply with and is subject to requirements of 2 CFR part 2424.

b. Disclosure

The owner certifies that:

1. The owner has disclosed to the PHA the identity of the owner and any principal or interested party.
2. Neither the owner nor any principal or interested party is listed on the U.S. General Services Administration list of parties excluded from Federal procurement and non-procurement programs; and none of such parties are debarred, suspended, subject to a limited denial of participation or otherwise excluded under 2 CFR part 2424.

21. TRANSFER OF THE CONTRACT OR PROPERTY

a. When consent is required

1. The owner agrees that neither the HAP contract nor the property may be transferred without the advance written consent of the PHA in accordance with HUD requirements.
2. "Transfer" includes:
 - i. Any sale or assignment or other transfer of ownership, in any form, of the HAP contract or the property;
 - ii. The transfer of any right to receive housing assistance payments that may be payable pursuant to the HAP contract;

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- iii. The creation of a security interest in the HAP contract or the property;
 - iv. Foreclosure or other execution on a security interest; or
 - v. A creditor's lien, or transfer in bankruptcy.
3. If the owner is a corporation, partnership, trust or joint venture, the owner is not required to obtain advance consent of the PHA pursuant to paragraph a for transfer of a passive and non-controlling interest in the ownership entity (such as a stock transfer or transfer of the interest of a limited partner), if any interests so transferred cumulatively represent less than half the beneficial interest in the HAP contract or the property. The owner must obtain advance consent pursuant to paragraph a for transfer of any interest of a general partner.

b. Transferee assumption of HAP contract

No transferee (including the holder of a security interest, the security holder's transferee or successor in interest, or the transferee upon exercise of a security interest) shall have any right to receive any payment of housing assistance payments pursuant to the HAP contract, or to exercise any rights or remedies under the HAP contract, unless the PHA has consented in advance, in writing to such transfer, and the transferee has agreed in writing, in a form acceptable to the PHA in accordance with HUD requirements, to assume the obligations of the owner under the HAP contract, and to comply with all the terms of the HAP contract.

c. Effect of consent to transfer

1. The creation or transfer of any security interest in the HAP contract is limited to amounts payable under the HAP contract in accordance with the terms of the HAP contract.
2. The PHA's consent to transfer of the HAP contract or the property does not to change the terms of the HAP contract in any way, and does not change the rights or obligations of the PHA or the owner under the HAP contract.
3. The PHA's consent to transfer of the HAP contract or the property to any transferee does not constitute consent to any further transfers of the HAP contract or the property, including further transfers to any successors or assigns of an approved transferee.

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d. When transfer is prohibited

The PHA will not consent to the transfer if any transferee, or any principal or interested party is debarred, suspended subject to a limited denial of participation, or otherwise excluded under 2 CFR part 2424, or is listed on the U.S. General Services Administration list of parties excluded from Federal procurement or non-procurement programs.

22. SUBSIDY LAYERING

A subsidy layering review is not required for existing housing projects.

23. OWNER LOBBYING CERTIFICATIONS

a. The owner certifies, to the best of owner's knowledge and belief, that:

1. No Federally appropriated funds have been paid or will be paid, by or on behalf of the owner, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of the HAP contract, or the extension, continuation, renewal, amendment, or modification of the HAP contract.
2. If any funds other than Federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the HAP contract, the owner must complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

b. This certification by the owner is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352.

24. TERMINATION OF HAP CONTRACT FOR WRONGFUL SELECTION OF CONTRACT UNITS

The HAP contract may be terminated upon at least 30 days notice to the owner by the PHA or HUD if the PHA or HUD determines that the contract units were not eligible for selection in conformity with HUD requirements.

25. NOTICES AND OWNER CERTIFICATIONS

a. Where the owner is required to give any notice to the PHA pursuant to the

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HAP contract or any other provision of law, such notice must be in writing and must be given in the form and manner required by the PHA.

- b. Any certification or warranty by the owner pursuant to the HAP contract shall be deemed a material representation of fact upon which reliance was placed when this transaction was made or entered into.

26. NOTICE OF TERMINATION OR EXPIRATION WITHOUT EXTENSION

- a. An owner must provide notice to the PHA, and to the affected tenants, not less than 1 year prior to the termination or expiration without extension of a HAP contract.
- b. An owner who fails to provide such notice must permit tenants to remain in their units for the required notice period with no increase in the tenant portion of the rent. During this time period, an owner may not evict a tenant as a result of the owner's inability to collect an increased tenant portion of rent. With PHA agreement, an owner may extend the terminating contract for a period of time sufficient to give tenants 1 year advance notice.

27. FAMILY'S RIGHT TO REMAIN

Upon termination or expiration of the contract without extension, each family assisted under the contract may elect to use its assistance to remain in the project if the family's unit complies with the inspection requirements under section 8(o)(8) (42 U.S.C. 1437f(o)(8) of the U.S. Housing Act of 1937 ("the 1937 Act")), the rent for the unit is reasonable as required by section 8(o)(10)(A) of the 1937 Act, and the family pays its required share of the rent and the amount, if any, by which the unit rent (including the amount allowed for tenant-paid utilities) exceeds the applicable payment standard.

28. ENTIRE AGREEMENT; INTERPRETATION

- a. The HAP contract, including the exhibits, is the entire agreement between the PHA and the owner.
- b. The HAP contract must be interpreted and implemented in accordance with all statutory requirements, and with all HUD requirements, including amendments or changes in HUD requirements during the term of the HAP contract. The owner agrees to comply with all such laws and HUD requirements. Any regulatory citation specifically included in this HAP contract is subject to any subsequent revision of such citation.

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EXHIBIT A**TOTAL NUMBER OF UNITS IN PROJECT COVERED BY THIS HAP CONTRACT;
INITIAL RENT TO OWNER; AND DESCRIPTION OF CONTRACT UNITS**

There are a total of 12 units within the properties identified in this HAP Contract, of which four (4) will be covered by this HAP Contract. The contract units will be floating units by bedroom size at the address detailed in the chart below.

Development	Address	City/State/ Zip	# of 1-bd	1-bd Contract Rent	# of 2-bd	2-bd Contract Rent
Arrowhead	1379 N. Arrowhead, #1 - 6	San Bernardino / CA / 92405	2	\$1030	4	\$1289
Wabash	162 W. Wabash, # 1 - 6	San Bernardino / CA / 92405	5	\$1030	1	\$1289

EXHIBIT B

SERVICES, MAINTENANCE AND EQUIPMENT TO BE PROVIDED BY THE OWNER WITHOUT CHARGES IN ADDITION TO RENT TO OWNER

Arrowhead

2-bedroom/1 bathroom

- Gas stove
- Refrigerator
- Microwave
- Central air conditioning
- Garage with storage room
- Gated entry
- Balconies
- Security cameras
- Coin operated laundry facilities

1-bedroom/1 bathroom

- Gas stove
- Refrigerator
- Microwave
- Wall heater
- Wall air-conditioning
- Security cameras
- Coin operated laundry facilities

Wabash

1-bedroom/1 bathroom

- Gas stove
- Refrigerator
- Microwave
- Wall air-conditioning
- Wall heater
- Carport
- Security cameras
- Gated entry

Detached 2-bedroom/1 bathroom House

- Gas stove
- Refrigerator
- Microwave
- Wall air-conditioning
- Wall heater
- Carport
- Security cameras
- Gated entry

EXHIBIT C

UTILITIES AVAILABLE IN THE CONTRACT UNITS, INCLUDING A LISTING OF UTILITY SERVICES TO BE PAID BY THE OWNER (WITHOUT CHARGES IN ADDITION TO RENT TO OWNER) AND UTILITIES TO BE PAID BY THE TENANTS

Arrowhead

Utilities to be paid by tenant without Charges in Addition to the Rent to Owner:

- Water
- Trash
- Sewer
- Gas stove
- Refrigerator
- Microwave

Utilities to be Paid by the Tenants:

- Gas
- Electric
- Hot water heating

Wabash

Utilities to be Paid by the Owner Without Charges in Addition to the Rent to Owner:

- Water
- Trash
- Sewer
- Gas stove
- Refrigerator
- Microwave

Utilities to be Paid by the Tenants:

- Gas
- Electric
- Hot water heating

EXHIBIT D

**FEATURES TO BE PROVIDED TO COMPLY WITH PROGRAM ACCESSIBILITY FEATURES OF
SECTION 504 OF THE REHABILITATION ACT OF 1973**

Arrowhead

- Laundry equipped with accessible washer and dryer
- Handicap access to ground-floor 2 bedrooms/1 bedroom apartments

Wabash

- 1 ADA unit, equipped with roll-in-shower

REPORT/RECOMMENDATION TO THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO AND RECORD OF ACTION

June 9, 2020

FROM

MARIA RAZO, Executive Director, Housing Authority of the County of San Bernardino

SUBJECT

Amendment No. 2 to Memorandum of Understanding with San Bernardino County Department of Behavioral Health for Veterans Housing Initiative Program

RECOMMENDATION(S)

1. Approve Amendment No. 2 to non-financial Memorandum of Understanding with the San Bernardino County Department of Behavioral Health for the Veterans Housing Initiative Program, updating contractual language, and extending the term one additional year, effective July 1, 2020 through June 30, 2021.
2. Authorize and direct the Executive Director to execute and deliver the contract amendment to the County of San Bernardino, and upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.

(Presenter: Maria Razo, Executive Director, 332-6305)

GOALS & OBJECTIVES

HACSB has secured the resources needed for accomplishing its mission.

HACSB clients, programs, and properties are embraced by all communities.

HACSB clients live in safe and desirable homes and communities where they can develop and prosper.

FINANCIAL IMPACT

The recommended amendment to the Memorandum of Understanding (MOU) with the San Bernardino County Department of Behavioral Health (DBH) is non-financial and as such does not have a financial impact on the Housing Authority of the County of San Bernardino (HACSB).

BACKGROUND INFORMATION

The goal of the Veterans Housing Initiative Program is to ensure there are no homeless veterans living on the street or in emergency shelters in San Bernardino County. As part of the veterans housing efforts, the Veterans Housing Initiative Program was created to provide housing and services for veterans who do not qualify for Veterans Administration (VA) services. The Veterans Housing Initiative Program provides permanent housing subsidies with supportive services to homeless individual veteran households and homeless veteran families. The amendment to the MOU updates contractual language that will allow HACSB to continue working with DBH and other veteran service agencies to identify eligible households to access up to 60 subsidized permanent housing units. In turn, DBH will continue to provide intensive case management services and referrals for behavioral health services to support the long-term stability of the households.

Based on the individual need, DBH provides an average of six-months of case management services per household to assist in identifying and removing barriers to successfully becoming employed, housed and/or educated to the level needed to achieve self-sufficiency. DBH assesses the household's living situation, and physical and emotional health and safety. DBH develops a plan and timeline to assist the household to regain stability, and monitors each household's

Amendment to the Memorandum of Understanding with County of San Bernardino Department of Behavioral Health for the Veterans Housing Initiative Program
June 9, 2020

progress toward making the necessary changes to improve its situation. DBH documents the household's progress, participates in case coordination meetings with HACSB and continually assesses the service needs of the families.

On April 19, 2016 (Item No. 81), the Board of Governors approved a non-financial MOU (Agreement No. 16-164) with DBH for the period of April 19, 2016 through June 30, 2017. The MOU included the option of extending the MOU for one-year periods. On May 2, 2017 (Item No. 69), the Board of Governors approved Amendment No. 1 to the MOU, providing a three year extension through June 30, 2020.

The recommended amendment to the MOU will extend the contract termination date from July 1, 2020 through June 30, 2021 and adds definitions and HACSB service responsibilities concerning the protection of personally identifiable information and health information. DBH and HACSB will continue to review, monitor, and evaluate program outcomes to ensure adherence to requirements of the MOU.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by Legal Counsel (Julie J. Surber, Principal Assistant County Counsel, 387-5455) on May 18, 2020.

AMENDMENT NO. 2

MEMORANDUM OF UNDERSTANDING

Between

County of San Bernardino

(Department of Behavioral Health)

and

Housing Authority of the County of San Bernardino

for

Veteran Housing Initiative Program

April 19, 2016 – June 30, 2021

THIS AMENDMENT NO. 2 TO MEMORANDUM OF UNDERSTANDING, dated as of July 1, 2020 (this Amendment), is entered into by and between the COUNTY OF SAN BERNARDINO, a public body, corporate and politic (County) and the HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO, a public corporation (HACSB).

WHEREAS, the County and HACSB entered into that certain Memorandum of Understanding, dated April 19, 2016 (the "MOU"); and

WHEREAS, the County and HACSB now desire to amend the term of the MOU;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, County and HACSB agree as follows:

I. **SECTION II DEFINITIONS**, paragraphs R, S, and T are hereby added to read as follows:

- R. Authorization for Release of Protected Health Information - A HIPAA compliant authorization signed by the client or client's legal representative, authorizing DBH to release the client's information to a designated recipient. This form must be completed thoroughly with specified records to be shared, a designated time frame and expiration date, as well as a signature by the DBH client or his/her legal representative. If the form is signed by a legal representative, proof from the court system designating legal representation must accompany the request.
- S. Personally Identifiable Information (PII) - PII is information that can be used alone or in conjunction with other personal or identifying information, which is linked or linkable to a specific individual. This includes: name, social security number, date of birth, address, driver's license, photo identification, other identifying number (case number, client index number, SIMON number/medical record number, etc.)
- T. Protected Health Information (PHI) - PHI is individually identifiable health information held or transmitted by a covered entity or its business associate, in any form or media, whether electronic, paper or oral. Individually identifiable information is information, including demographic data, that relates to the individual's past, present or future physical or mental health or condition; the provision of health care to the individual; or the past, present, or future payment for the provision of health care to the individual, and identifies the individual or for which there is reasonable basis to believe it can be used to identify the individual. PHI excludes individually identifiable health information in education records covered by the Family Educational Rights and Privacy Act, as amended, 20 U.S.C. 1232g; in records described at 20 U.S.C. 1232g(a)(4)(B)(iv); in employment records held by a covered entity in its role as employer; and regarding a person who has been deceased for more than fifty (50) years.

- II. **SECTION III HACSB SERVICE RESPONSIBILITIES**, paragraph C is hereby amended, paragraph J is hereby added to read as follows:
- C. Maintain Authorization for Release of Protected Health Information (PHI) for each participant in the program to ensure one communication between DBH and HACSB.
- J. Client Privacy
1. Review applicable DBH policies, procedures, and/or requirements and assure any assigned staff required to perform services under this Agreement adhere to said policies, procedures, and requirements. This may include, but is not limited to policies, laws and regulations pertaining to protection of client privacy and appropriate safeguarding measures.
 2. Should HACSB require the need to obtain PHI of a DBH client, HACSB must follow appropriate methods of obtaining authorization to access PHI. This includes through a valid court order or subpoena or a signed Authorization for Release of PHI (this form can be obtained by DBH and is located on the DBH website forms index).
- III. **SECTION IV DBH RESPONSIBILITIES**, paragraphs Q, and R are hereby added to read as follows:
- Q. Obtain a valid Authorization for Release of PHI from DBH client prior to sharing any PHI with HACSB and in the performance of required services.
- R. Pursuant to HIPAA, DBH has implemented administrative, physical, and technical safeguards to protect the confidentiality, integrity, and availability PHI transmitted or maintained in any form or medium.
- IV. **SECTION V MUTUAL RESPONSIBILITIES**, paragraph G is hereby added to read as follows:
- G. Privacy and Security
1. Both parties shall adhere to any County applicable privacy-related policies pertaining to PII. DBH has a specific responsibility to comply with all applicable State and Federal regulations pertaining to privacy and security of client PHI and strictly maintain the confidentiality of behavioral health records, and HACSB shall assist DBH in upholding said confidentiality by applying safeguards as discussed herein. Regulations have been promulgated governing the privacy and security of individually identifiable health information (IIHI) PHI or electronic Protected Health Information (ePHI).
 2. In addition to the aforementioned protection of IIHI, PHI and e-PHI, both parties shall adhere to the protection of personally identifiable information (PII) and Medi-Cal PII. PII includes any information that can be used to search for or identify individuals such as but not limited to name, social security number or date of birth. Whereas Medi-Cal PII is the information that is directly obtained in the course of performing an administrative function on behalf of Medi-Cal, such as determining eligibility that can be used alone in conjunction with any other information to identify an individual.
 3. Reporting Improper Access, Use, or Disclosure of Unsecure PHI and PII
Upon discovery of any unauthorized use, access or disclosure of PHI or any other security incident with regards to PHI or PII, HACSB agrees to report to DBH no later than one (1) business day upon the discovery of a potential breach. HACSB shall cooperate and provide information to DBH to assist with appropriate reporting requirements to the DBH Office of Compliance.

4. Both parties shall ensure any DBH client PHI that is stored on its premises will be locked and secure in adherence to IIHI and PHI privacy requirements.

V. SECTION VIII **TERM** of the MOU is hereby amended to read as follows:

This MOU is effective as of April 19, 2016 and expires June 30, 2021, but may be terminated earlier in accordance with the Early Termination Section of this MOU.

VI. **ATTACHMENT A** – San Bernardino County Mental Health Plan Grievance Procedure is hereby removed.

VII. All other terms, conditions and covenants in the basic agreement remain in full force and effect.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same Agreement. The parties shall be entitled to sign and transmit an electronic signature of this Agreement (whether by facsimile, PDF or other email transmission), which signature shall be binding on the party whose name is contained therein. Each party providing an electronic signature agrees to promptly execute and deliver to the other party an original signed Agreement upon request.

[END OF AMENDMENT]

IN WITNESS WHEREOF, the Housing Authority of the County of San Bernardino and the County of San Bernardino have entered into this Amendment No. 2 as of the date first set forth above.

COUNTY OF SAN BERNARDINO

HOUSING AUTHORITY OF THE COUNTY OF
SAN BERNARDINO

►
Curt Hagman, Chairman, Board of Supervisors

Dated: _____

SIGNED AND CERTIFIED THAT A COPY OF THIS
DOCUMENT HAS BEEN DELIVERED TO THE
CHAIRMAN OF THE BOARD

Lynna Monell
Clerk of the Board of Supervisors
of the County of San Bernardino

By _____
Deputy

By ► _____
(Authorized signature - sign in blue ink)

Name _____
(Print or type name of person signing contract)

Title _____
(Print or Type)

Dated: _____

Address 715 E. Brier Drive
San Bernardino, CA

Approved as to Legal Form

►
Dawn Martin, Deputy County Counsel

Date _____

Reviewed by Contract Compliance

►
Natalie Kessee, Contracts Manager

Date _____

Presented to BOS for Signature

►
Veronica Kelley, Director

Date _____

REPORT/RECOMMENDATION TO THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO AND RECORD OF ACTION

June 9, 2020

FROM

MARIA RAZO, Executive Director, Housing Authority of the County of San Bernardino

SUBJECT

Contract with the County of San Bernardino's Transitional Assistance Department for California Work Opportunity and Responsibility to Kids Housing Support Program Services

RECOMMENDATION(S)

1. Approve a contract, effective July 1, 2020, with the County of San Bernardino's Transitional Assistance Department for the provision of California Work Opportunity and Responsibility to Kids Housing Support Program services in an amount not to exceed \$6,480,000 through June 30, 2021.
 2. Authorize and direct the Executive Director to execute and deliver the contract to the County of San Bernardino's Transitional Assistance Department and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.
- (Presenter: Maria Razo, Executive Director, 332-6305)

GOALS & OBJECTIVES

HACSB clients, programs, and properties are embraced by all communities.

HACSB clients live in safe and desirable homes and communities where they can develop and prosper.

FINANCIAL IMPACT

The County of San Bernardino (County) Transitional Assistance Department (TAD) received notification from the California Department of Social Services (CDSS) of Fiscal Year 2020-2021 allocation for the California Work Opportunity and Responsibility to Kids (CalWORKs) Housing Support Program (HSP) in an amount not to exceed \$6,480,000. The recommended contract is for a one-year period by mutual agreement by TAD and the Housing Authority of the County of San Bernardino (HACSB).

BACKGROUND INFORMATION

Under the terms of the recommended contract, HACSB will continue to provide contracted services to TAD, for the provision of housing and rental assistance for CalWORKs families who identify themselves as homeless. CalWORKs HSP was established through SB 855 (Chapter 29, Statutes of 2014) to promote housing stability for families in the CalWORKs program. The Rapid Rehousing (RRH) services provided through HSP offer time-limited, individualized rental assistance at a level that enables the family to maintain housing while they seek to increase income; learn to manage a household budget; relocate to less expensive housing; and/or reduce expenses to sustain their housing. Rental assistance will be provided in a manner that is intended to prevent families from experiencing a sudden and unmanageable increase to their housing expenses at the end of program assistance. HACSB, and its affiliate non-profit, Knowledge and Education for Your Success, Inc. (KEYS), work with families and private landlords to provide RRH and rental assistance. Based on an average cost of \$15,034 per family, a total of 431 families and approximately 250 new households will be served with the available HSP allocation in 2020-21. Since January 2015 to date, the partnership with TAD, HACSB, and KEYS has served more than

2,346 families, of which 6,181 are children; resulting in the placement of 1,675 households, including 4,076 children, in permanent housing.

KEYS partners with community and faith-based organizations to leverage and support payment of security deposits, utility assistance, furniture needs, and other housing costs as appropriate to the situation.

PROCUREMENT

The County's Purchasing Department determined that the non-competitive nature of a contract with HACSB is justified based on CDSS' allocation to the County as a result of TAD's proposal to partner with HACSB in its application for HSP funding.

REVIEW BY OTHERS

This item has been reviewed by Legal Counsel (Julie J. Surber, Principal Assistant County Counsel, 387-5455) on May 19, 2020.



Contract Number

SAP Number

4400014304

Transitional Assistance Department

Department Contract Representative Telephone Number	Panda Harris, Contract Analyst (909) 388-0320
Contractor	Housing Authority of the County of San Bernardino
Contractor Representative Telephone Number	Maria Razo, Executive Director (909) 890-0644
Contract Term	07/01/20 through 06/30/21
Original Contract Amount	\$6,480,000
Amendment Amount	N/A
Total Contract Amount	\$6,480,000
Cost Center	5017601000 and 5017611000

IT IS HEREBY AGREED AS FOLLOWS:

WHEREAS, The County desires to reduce the instance of homelessness within the Transitional Assistance Department, hereafter referred to as "TAD" or "County," California Work Opportunity and Responsibility to Kids (CaWORKs) families by moving them into permanent housing; and

WHEREAS, County has been allocated funds by the California Department of Social Services (CDSS) to provide such services; and

WHEREAS, County finds the Housing Authority of the County of San Bernardino (HACSB), hereafter referred to as "Contractor," qualified to provide CaWORKs Homeless Support Program (HSP) services; and

WHEREAS, County desires that such services be provided by Contractor and Contractor agrees to perform these services as set forth below;

NOW THEREFORE, County and Contractor mutually agree to the following terms and conditions:

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ATTACHMENTS

ATTACHMENT A – COMPLAINT AND GRIEVANCE PROCEDURE

ATTACHMENT B – ASSURANCE OF COMPLIANCE

ATTACHMENT C – PROGRAM BUDGET

I. DEFINITIONS

- A. CalWORKs – Acronym for California Work Opportunity and Responsibility to Kids. The CalWORKs program replaced the Aid to Families with Dependent Children (AFDC) program in the State of California in August 1996.
- B. CalWORKs Housing Support Program (HSP) – Program developed to reduce the instance of homelessness within the TAD's CalWORKs families by moving them into permanent housing. Rapid Re-housing and rental assistance will be provided to families to obtain housing quickly and to promote stability through an array of case management and supportive services by maximizing collaborative partnerships.
- C. Coordinated Entry System – Coordinated entry is a process developed to ensure that all people experiencing a housing crisis have fair and equal access and are quickly identified, assessed for, referred, and connected to housing and assistance based on their strengths and needs.
- D. Customer – A person that is eligible and currently participating in the CalWORKs program or an applicant who is apparently eligible for CalWORKs who volunteers to participate prior to approval.
- E. Engagement Coordinator – The Engagement Coordinator is the first point of contact for all referrals sent by TAD. Customers are screened and assessed for CES. Once added to the assigned working list, customers will be assigned to a Service Coordinator based on slot or funding availability.
- F. Homeless Assistance Eligibility Worker (EW) – The TAD worker who will interview and complete a Homeless Screening Guide and refer the family to the Housing Navigator.
- G. Homeless Management Information System (HMIS) – A software application designed to record and store client-level information on the characteristics and service needs of homeless persons. HMIS is typically a web-based software application that homeless assistance providers use to coordinate, care, manage their operations, and better serve their clients.
- H. Homeless Screening Guide – A tool completed by the Homeless Assistance EW when interviewing the homeless family and used to document housing instability or imminent risk of being homeless of the household.
- I. Housing Authority of the County of San Bernardino (HACSB) – Agency which provides housing opportunities and resources throughout San Bernardino County. HACSB owns and/or manages more than 10,000 housing units and works with landlords to provide affordable decent, safe, and sanitary housing. HACSB works with families and private landlords to ensure HUD's Housing Quality Standards are followed and maintained and to ensure the family knows and understands their tenant rights and responsibilities.
- J. Housing First Model – A model of housing assistance that is offered without preconditions (such as sobriety or a minimum income threshold) or service participation requirements, and rapid placement and stabilization in permanent housing are primary goals. Research shows that it is effective for the chronically homeless with mental health and substance abuse disorders, resulting in fewer inpatient stays and less expensive interventions than other approaches. All referrals must be assigned to Knowledge and Education for Your Success, Inc. (KEYS) from Coordinated Entry System (CES) prior to enrollment.
- K. Housing Navigator – The Knowledge and Education for Your Success, Inc. (KEYS) staff member assigned by the KEYS Intake Coordinator based on the location of the family when the Housing Navigator is not co-located in the TAD office. The Housing Navigator will work to find the most immediate and viable long term placements for the family. The Housing Navigator will directly help the family locate housing; fill out housing applications; provide mediation with landlords and neighbors; provide written information about landlord/tenant rights and responsibilities; review and understand the requirements of the lease; obtain, interpret, and correct rental and credit history, as needed; obtain identification and other documentation needed to apply for housing; develop a household budget and reduce expenses to the extent possible; reduce, or re-negotiate debt and/or obtain other consumer credit counseling assistance; and provide information and referral to

employment and free or reduced-cost goods and services. The Housing Navigator will complete referrals to the Department of Behavioral Health (DBH) for mental illness, substance abuse, or other issues.

- L. Human Services (HS) – A system of integrated services, where the programs and resources of eight County departments come together to provide a rich, more complete array of services to the citizens of the County under one coordinated effort.
- M. Individualized Training and Service Plan (ITSP) – A best practice tool used by the Housing Navigator to determine the fastest and most efficient way to permanently house the family, and which services are critical to housing retention. The ITSP helps the Housing Navigator work with the family to identify strengths, barriers, resources, and set immediate goals to stabilize the family in their housing crisis.
- N. Intake Coordinator – The KEYS staff member who will assign a Housing Navigator to a family when a Housing Navigator is not co-located in the TAD office.
- O. Knowledge and Education for Your Success, Inc. (KEYS) – A sub-contractor for HACSB. The mission of KEYS is to empower all individuals and families impacted by poverty to unlock their potential for success.
- P. Rapid Re-Housing Model (RRH) – A model of housing assistance that is voluntary and designed to assist the homeless, with or without disabilities, move as quickly as possible into permanent housing, and achieve stability in that housing. Rapid re-housing assistance is time-limited, individualized, and flexible. A rapid re-housing approach may provide supportive services and tenant-based rental assistance.
- Q. Release of Information Form (ABCDM 228) – A written authorization signed by the customer waiving the right to confidentiality and authorizing the County or its agent to release to or obtain from other individuals or agencies specific information necessary for the administration of the CalWORKs program and/or customer's case.
- R. Rental Assistance – Rental assistance may be short-term (up to three months); medium-term (three to twenty-four months); or long-term (for longer than twenty-four months). The rental assistance may be tenant-based, project-based, or sponsor-based, and may be for transitional or permanent housing. Rental assistance will only be provided for a unit if the rent is reasonable in relation to rents being charged for comparable unassisted units, taking into account the location, size, type, quality, amenities, facilities, management, and maintenance of each unit. Reasonable rent must not exceed rents currently being charged by the same owner for comparable unassisted units.
- S. Recidivism – Measuring recidivism indicates a program's success in ending homelessness as measured by the number of households who attain housing and do not re-enter/return to an emergency shelter subsequent to a successful housing outcome.
- T. Service Coordinator – The Service Coordinator will provide case management and support services related to Housing placement and stability. The Service Coordinator will connect customers to the following activities: housing location; application assistance; provide mediation with landlords and neighbors; provide written information about landlord/tenant rights and responsibilities; review and understand the requirements of the lease; obtain, interpret, and correct rental and credit history, as needed; obtain identification and other documentation needed to apply for housing; develop a household budget and reduce expenses to the extent possible; reduce, or re-negotiate debt and/or obtain other consumer credit counseling assistance; and provide information and referral to employment and free or reduced-cost goods and services. The Service coordinator will complete referrals to the Department of Behavioral Health (DBH) for mental illness, substance abuse, or other issues.
- U. Transitional Assistance Department (TAD) – Transitional Assistance Department administers the financial support systems that assist needy families with basic living expenses. TAD also administers the Welfare-to-Work component of CalWORKs.
- V. TANF – The acronym for Temporary Assistance for Needy Families, the federal program under which CalWORKs is administered.

II. CONTRACTOR SERVICE RESPONSIBILITIES

Contractor shall:

- A. Accept referrals from the Transitional Assistance Department (TAD) Homeless Assistance Eligibility Worker (EW), of families who have been identified, utilizing the Homeless Screening Guide, at application, redetermination, or any other time, as homeless, defined as:
 - 1) Lacking a fixed and regular nighttime residence; or
 - 2) Having a primary nighttime residence that is a supervised publicly or privately operated shelter designed to provide temporary living accommodations; or
 - 3) Residing in a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings; or
 - 4) In receipt of a judgment for eviction, as ordered by a court.
- B. Provide CalWORKs Homeless Support Program (HSP), Rapid Re-Housing (RRH), and Rental Assistance to targeted CalWORKs families.
- C. Through the sub-contracted provider, "Knowledge and Education for Your Success, Inc. (KEYS)," provide an Intake Coordinator to assign a Housing Navigator, who may be co-located in a TAD office to schedule a same day interview with the customer and complete an Individualized Training and Service Plan (ITSP) in order to determine the fastest and most efficient way to permanently house the family, and which services are critical to housing retention.
- D. Directly help the identified family by:
 - 1) Locating housing.
 - 2) Filling out housing applications.
 - 3) Providing mediation with landlords and neighbors.
 - 4) Providing written information about landlord/tenant rights and responsibilities.
 - 5) Reviewing and understanding the requirements of the lease.
 - 6) Obtaining, interpreting, and correcting, as needed, rental and credit history.
 - 7) Obtaining identification and other documentation needed to apply for housing.
 - 8) Developing a household budget and reducing expenses to the extent possible.
 - 9) Reducing or re-negotiating debt and/or obtaining other consumer credit counseling assistance.
 - 10) Providing information and referral to employment and free or reduced-cost goods and services.
- E. Work with landlords through the Contractor's countywide landlord list to provide reasonable support to families for immediate placement.
- F. Ensure that rents are assessed based upon applicable local sub-market rents, but in no circumstance exceed 80% of household's monthly income, or 100% of the local area's Fair Market Rent established by the Department of Housing and Urban Development., whichever is less.
- G. Ensure that the RRH program will offer time-limited, individualized financial assistance designed to assist families obtain and retain permanent housing. Financial assistance is to be provided at a level that enables the family to maintain housing while they seek to:
 - 1) Increase income.
 - 2) Learn to manage a household budget.
 - 3) Reduce expenses to sustain their housing.
- H. Ensure that rental assistance is provided in a manner that is intended to prevent families from experiencing a sudden and unmanageable increase in their housing expenses at the end of program assistance.

- I. Provide 100% of the first month's rental start-up costs, which include security deposits.
- J. Set a maximum amount or percentage of rental assistance that a program participant may receive, a maximum number of months that a program participant may receive rental assistance, and/or a maximum number of times that a program participant may receive rental assistance.
- K. Partner with community and faith based partnerships to negotiate and support payment of security deposits, utility assistance, rental assistance, furniture needs, and other housing costs as appropriate to the situation.
- L. Make referrals of families identified on the ITSP as requiring more extensive case management to the County of San Bernardino Department of Behavioral Health (DBH) for Life Skills Training, mental health, substance abuse, or other needs.
- M. Ensure that treatment for mental health or substance abuse needs is not a condition of RRH services utilizing the "Housing First" philosophy.
- N. Enter data about the homeless individuals and families seeking services into the Homeless Management Information System (HMIS).
- O. Meet monthly with TAD and DBH staff to coordinate and evaluate policies concerning the program.
- P. Provide monthly reports as required by TAD and the California Department of Social Services (CDSS).
- Q. Conduct follow-up of customers identified in HMIS showing that the families accessed other homeless assistance after exiting from HSP and provide the reasons for recidivism in the monthly report to TAD.

III. CONTRACTOR GENERAL RESPONSIBILITIES

- A. In the performance of this Contract, Contractor, its agents and employees, shall act in an independent capacity and not as officers, employees, or agents of the County of San Bernardino. Contractor agrees to comply with the applicable federal suspension and debarment regulations, including, but not limited to 7 Code of Federal Regulations (CFR) Part 3017, 45 CFR 76, 40 CFR 32, or 34 CFR 85. By signing this Contract, Contractor certifies that:
 - 1. Neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency;
 - 2. Have not within a three-year period preceding this Contract been convicted of or had a judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public transaction or contract under a public transaction; or a violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction or records, making false statements, or receiving stolen property;
 - 3. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in Paragraph (A)(2) herein; and
 - 4. Have not within a three-year period preceding this Contract had one (1) or more public transactions (Federal, State or local) terminated for cause or default.
- B. Contractor shall not be identified as suspended or debarred on the federal System for Award Management's (SAM) excluded list (<https://www.sam.gov>). If at any time during the term of this Contract, the County determines Contractor is identified as either suspended or debarred on the SAM, Contractor shall be considered in material breach of this Contract, and the County may

proceed under the Correction of Performance Deficiencies at Section VII of this Contract, including immediate termination of this Contract. If Contractor becomes aware, at any point during the term of this Contract, that it is identified as suspended or debarred on the SAM excluded list, Contractor must immediately inform County. Such inclusion will be considered a material breach of the Contract and be sufficient grounds for immediate termination.

- C. Without the prior written consent of the Assistant Executive Officer for Human Services, this Contract is not assignable by Contractor either in whole or in part.
- D. Contractor agrees to provide or has already provided information on former County of San Bernardino administrative officials (as defined below) who are employed by or represent Contractor. The information provided includes a list of former County administrative officials who terminated County employment within the last five (5) years and who are now officers, principals, partners, associates or members of the business. The information also includes the employment with or representation of Contractor. For purposes of this provision, "County Administrative Official" is defined as a member of the Board of Supervisors or such member's staff, Chief Executive Officer of the County or member of such officer's staff, County department or group head, assistant department or group head, or any employee in the Exempt Group, Management Unit or Safety Management Unit.
- E. If during the course of the administration of this Contract, the County determines that the Contractor has made a material misstatement or misrepresentation or that materially inaccurate information has been provided to the County, this Contract may be immediately terminated. If this Contract is terminated according to this provision, the County is entitled to pursue any available legal remedies.
- F. Failure by a party to insist upon the strict performance of any of the provisions of this Contract by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Contract thereafter.
- G. Contractor agrees not to enter into any subcontracts for work contemplated under this Contract without first obtaining written approval from the Director of TAD through the HS Contracts Unit. The County may withhold such consent in its sole discretion.

At County's request, Contractor shall provide information regarding the subcontractor's qualifications and a listing of a subcontractor's key personnel including, if requested by the County, resumes of proposed subcontractor personnel. Contractor shall remain directly responsible to County for its subcontractors and shall indemnify County for the actions or omissions of its subcontractors under the terms and conditions specified in Paragraph W of this Section III. All approved subcontractors shall be subject to the provision of this Contract applicable to Contractor Personnel, including removal pursuant to Paragraphs S and T of this Section III.

For any subcontractor, Contractor shall:

- 1. Be responsible for subcontractor compliance with the Contract and the subcontract terms and conditions;
 - 2. Ensure that the subcontractor follows County's reporting formats and procedures as specified by County; and
 - 3. Include in the subcontractor's subcontract substantially similar terms as are provided in this Contract.
- H. Contractor shall maintain all records and books pertaining to the delivery of services under this Contract and demonstrate accountability for contract performance. Said records shall be kept and maintained within the County of San Bernardino. County shall have the right upon reasonable notice and at reasonable hours of business to examine and inspect such records and books.

All records relating to the Contractor's personnel, contractors, subcontractors, service/scope of work and expenses pertaining to this Contract shall be kept in generally acceptable accounting

format. Records should include, but are not limited to, monthly summary sheets, sign-in sheets, and other primary source documents. Fiscal records shall be kept in accordance with Generally Accepted Accounting Principles and must account for all funds, tangible assets, revenue and expenditures. Fiscal records must also comply with the appropriate Code of Federal Regulations (CFR) that state the administrative requirements, cost principles and other standards for accountancy. Please refer to http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl for further information.

All records shall be complete and current and comply with all contract requirements. Failure to maintain acceptable records per the preceding requirements shall be considered grounds for withholding of payments for billings submitted and for termination of the Contract.

- I. Contractor shall notify County in writing of any change in mailing address and/or physical location within ten (10) days of the change, and shall immediately notify County of changes in telephone or fax numbers.
- J. Contractor shall notify County of any continuing vacancies and any positions that become vacant during the term of this Contract that will result in reduction of services to be provided under this Contract. Upon notice of vacancies, the Contractor shall apprise County of the steps being taken to provide the services and to fill the position as expeditiously as possible. Vacancies and associated problems shall be reported to County on each periodically required report for the duration of said vacancies and/or problems.
- K. Contractor shall designate an individual to serve as the primary point of contact for the Contract. Contractor shall notify the County when the primary contact will be unavailable/out of the office for one (1) or more workdays. Contractor or designee must respond to County inquiries within two (2) County business days. Contractor shall not change the primary contact without written notice to the County. Contractor will also designate a back-up point of contact in the event the primary contact is not available.
- L. Contractor shall provide a system, approved by the County, through which recipients of service shall have the opportunity to express and have considered their views and complaints regarding the delivery of services. The procedure must be in writing and posted in clear view of all recipients.
- M. Contractor will ensure that staff are knowledgeable on the San Bernardino County Human Services Complaint and Grievance Procedure (Attachment A) and ensure that any complaints by recipients are referred to the County in accordance with the procedure.
- N. Contractor shall notify the County of all upcoming meetings of the Board of Directors or other governing party and shall keep the County apprised of any and all actions taken by its Board of Directors which may impact on the Contract. Board of Directors' minutes shall be submitted to the County upon request. Further, a County representative shall have the option of attending Board meetings during the term of this Contract.
- O. Contractor shall ensure that all staff, volunteers and/or subcontractors performing services under this Contract comply with the items below prior to providing any services. Additional information concerning these requirements is specified at <http://hss.sbcounty.gov/Privacy>. The information contained thereat is hereby incorporated by this reference.
 - 1. Read, understand and comply with the Privacy and Security Requirements Summary.
 - 2. Ensure employees, sub-contractors, agents, volunteers and interns who have access to PII complete the Privacy and Security Training and execute the training acknowledgement form and other training materials annually.
 - 3. Ensure employees, sub-contractors, agents, volunteers and interns who have access to PII sign the Confidentiality Statement annually.
 - 4. Report actual, suspected or potential breaches of PII immediately to the Human Services Privacy and Security Office via e-mail at: HSPrivacySecurityOfficer@hss.sbcounty.gov.

- P. Contractor shall protect from unauthorized use or disclosure names and other identifying information concerning persons receiving services pursuant to this Contract, except for statistical information not identifying any participant. The Contractor shall not use or disclose any identifying information for any other purpose other than carrying out the Contractor's obligations under this Contract, except as may be otherwise required by law. This provision will remain in force even after the termination of the Contract.
- Q. Contractor shall hold as confidential and use reasonable care to prevent unauthorized access by, storage, disclosure, publication, dissemination to and/or use by third parties of, confidential information that is either: (1) provided by the County to Contractor or an agent of Contractor or otherwise made available to Contractor or Contractor's agent in connection with this Contract; or, (2) acquired, obtained, or learned by Contractor or an agent of Contractor in the performance of this Contract. For purposes of this provision, confidential information means any data, files, software, information or materials in oral, electronic, tangible or intangible form and however stored, compiled or memorialized and includes, but is not limited to: technology infrastructure, architecture, financial data, trade secrets, equipment specifications, user lists, passwords, research data, and technology data.
- R. Contractor shall ensure that all known or suspected instances of child abuse or neglect are reported to the appropriate law enforcement agency or to the appropriate Child Protective Services agency. This responsibility shall include:
1. Assurance that all employees, agents, consultants or volunteers who perform services under this Contract and are mandated by Penal Code Sections 11164 et seq. to report child abuse or neglect, sign a statement, upon the commencement of their employment, acknowledging their reporting requirements and their compliance with them.
 2. Development and implementation of procedures for employees, agents, consultants, or volunteers who are not subject to the mandatory reporting laws for child abuse to report any observed or suspected incidents of child abuse to a mandated reporting party, within the program, who will ensure that the incident is reported to the appropriate agency.
 3. Provision for arrangement of training in child abuse reporting laws (Penal Code section 11164 et seq.) for all employees, agents, consultants, and volunteers, or verification that such persons have received training in the law within thirty (30) days of employment/volunteer activity.
- S. Contractor shall obtain from the Department of Justice (DOJ) records of all convictions involving any sex crimes, drug crimes, or crimes of violence of a person who is offered employment or volunteers for all positions in which he or she would have contact with a minor, the aged, the blind, the disabled or a domestic violence client, as provided for in Penal Code section 11105.3 prior to providing any services. This includes licensed personnel who are not able to provide documentation of prior DOJ clearance. A copy of a license from the State of California, which requires a DOJ clearance, is sufficient proof. The County must be immediately notified of any records showing a conviction. The County may instruct Contractor to take action to deny/terminate employment or terminate internship and/or volunteer services where the records show the person is unsuitable for employment, internship, or volunteer services.
- T. Contractor shall notify the County of any staff member, paid intern or volunteer who is knowingly or negligently employed who has been convicted of any crime of violence or of any sexual crime. Contractor shall investigate all incidents where an applicant, employee, intern or volunteer has been arrested and/or convicted for any crime listed in Penal Code Section 11105.3 and shall notify the County. In the County's discretion, the County may instruct Contractor to take action to either deny/terminate employment or terminate internship and/or volunteer services where the investigation shows that the underlying conduct renders the person unsuitable for employment, internship, or volunteer services.

Contractor shall immediately notify the County concerning the arrest and/or conviction, for other than minor traffic offenses, of any paid employee, agent, consultant, intern, or volunteer staff, when such information becomes known to Contractor.

U. In recognition of individual rights to work in a safe, healthful and productive workplace, as a material condition of this Contract, Contractor agrees that the Contractor and the Contractor's employees, while performing service for the County, on County property, or while using County equipment:

1. Shall not be in any way impaired because of being under the influence of alcohol or an illegal or controlled substance.
2. Shall not possess an open container of alcohol or consume alcohol or possess or be under the influence of an illegal or controlled substance.
3. Shall not sell, offer, or provide alcohol or an illegal or controlled substance to another person, except where Contractor or Contractor's employee who, as part of the performance of normal job duties and responsibilities, prescribes or administers medically prescribed drugs.

Contractor shall inform all employees that are performing service for the County on County property, or using County equipment, of the County's objective of a safe, healthful and productive work place and the prohibition of drug or alcohol use or impairment from same while performing such service for the County.

The County may terminate for default or breach of this Contract and any other contract the Contractor has with the County, if the Contractor or Contractor's employees are determined by the County not to be in compliance with above.

V. Contractor shall make every reasonable effort to prevent employees, consultants or members of its governing bodies from using their positions for purposes that are or give the appearance of being motivated by a desire for private gain for themselves or others, such as those with whom they have family, business, or other ties. In the event County determines a conflict of interest exists, any increase in costs associated with the conflict of interest may be disallowed by County and such conflict may constitute grounds for termination of the Contract. This provision shall not be construed to prohibit employment of persons with whom Contractor's officers, agents, or employees have family, business or other ties so long as the employment of such persons does not result in increased costs over those associated with the employment of any other equally qualified applicants and such persons have successfully competed for employment with other applicants on a merit basis.

W. Contractor agrees to and shall comply with the following indemnification and insurance requirements:

1. Indemnification – Contractor agrees to indemnify, defend (with counsel reasonably approved by the County) and hold harmless the County and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, and/or liability arising out of this Contract from the negligence of Contractor, including the acts, errors or omissions of Contractor, and for any costs or expenses incurred by the County on account of any claim resulting from the acts or negligence of Contractor or its authorized officers, employees, agents, and volunteers, except where such indemnification is prohibited by law.

The County agrees to indemnify, defend (with counsel reasonably approved by Contractor) and hold harmless Contractor and its authorized officers, employees, agents, and volunteers from any and all claims, actions, losses, damages, and/or liability arising out of this Contract from the negligence of the County, including the acts, errors or omissions of the County and for any costs or expenses incurred by Contractor on account of any claim resulting from the acts or negligence of the County or its authorized officers, employees, agents, and volunteers, except where such indemnification is prohibited by law.

In the event that the County and/or Contractor are determined to be comparatively at fault for any claim, action, loss or damage which results from their respective obligations under this agreement, the County and/or Contractor shall indemnify the other to the extent of its comparative fault.

2. Additional Insured – All policies, except for the Workers' Compensation, Errors and Omissions and Professional Liability policies, shall contain endorsements naming the County and its officers, employees, agents and volunteers as additional insureds with respect to liabilities arising out of the performance of services hereunder. The additional insured endorsements shall not limit the scope of coverage for the County to vicarious liability but shall allow coverage for the County to the full extent provided by the policy. Such additional insured coverage shall be at least as broad as Additional Insured (Form B) endorsement form ISO, CG 2010.1185.
3. Waiver of Subrogation Rights – The Contractor shall require the carriers of required coverages to waive all rights of subrogation against the County, its officers, employees, agents, volunteers, contractors and subcontractors. All general or auto liability insurance coverage provided shall not prohibit the Contractor and Contractor's employees or agents from waiving the right of subrogation prior to a loss or claim. The Contractor hereby waives all rights of subrogation against the County.
4. Primary and Non-Contributory – All policies required herein are to be primary and non-contributory with any insurance or self-insurance programs carried or administered by the County.
5. Severability of Interests – The Contractor agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and there will be no cross liability exclusions that preclude coverage for suits between the Contractor and the County or between the County and any other insured or additional insured under the policy.
6. Proof of Coverage – The Contractor shall furnish Certificates of Insurance to the County Department administering the Contract evidencing the insurance coverage, including endorsements, as required, prior to the commencement of performance of services hereunder, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice to the Department, and Contractor shall maintain such insurance from the time Contractor commences performance of services hereunder until the completion of such services. Within fifteen (15) days of the commencement of this Contract, the Contractor shall furnish a copy of the Declaration page for all applicable policies and will provide complete certified copies of the policies and endorsements immediately upon request.
7. Acceptability of Insurance Carrier – Unless otherwise approved by Risk Management, insurance shall be written by insurers authorized to do business in the State of California and with a minimum "Best" Insurance Guide rating of "A-VII".
8. Deductibles and Self-Insured Retention – Any and all deductibles or self-insured retentions in excess of \$10,000 shall be declared to Risk Management.
9. Failure to Procure Coverage – In the event that any policy of insurance required under this Contract does not comply with the requirements, is not procured, or is canceled and not replaced, the County has the right but not the obligation or duty to cancel the Contract or obtain insurance if it deems necessary and any premiums paid by the County will be promptly reimbursed by the Contractor or County payments to the Contractor will be reduced to pay for County purchased insurance.

10. Insurance Review – Insurance requirements are subject to periodic review by the County. The Director of Risk Management or designee is authorized, but not required, to reduce, waive or suspend any insurance requirements whenever Risk Management determines that any of the required insurance is not available, is unreasonably priced, or is not needed to protect the interests of the County. In addition, if the Department of Risk Management determines that heretofore unreasonably priced or unavailable types of insurance coverage or coverage limits become reasonably priced or available, the Director of Risk Management or designee is authorized, but not required, to change the above insurance requirements to require additional types of insurance coverage or higher coverage limits, provided that any such change is reasonable in light of past claims against the County, inflation, or any other item reasonably related to the County's risk.

Any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this Contract. Contractor agrees to execute any such amendment within thirty (30) days of receipt.

Any failure, actual or alleged, on the part of the County to monitor or enforce compliance with any of the insurance and indemnification requirements will not be deemed as a waiver of any rights on the part of the County.

11. The Contractor agrees to provide insurance set forth in accordance with the requirements herein. If the Contractor uses existing coverage to comply with these requirements and that coverage does not meet the specified requirements, the Contractor agrees to amend, supplement or endorse the existing coverage to do so. The type(s) of insurance required is determined by the scope of the contract services.

Without in anyway affecting the indemnity herein provided and in addition thereto, the Contractor shall secure and maintain throughout the contract term the following types of insurance with limits as shown:

- a. Workers' Compensation/Employers Liability – A program of Workers' Compensation insurance or a state-approved, self-insurance program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with \$250,000 limits covering all persons including volunteers providing services on behalf of the Contractor and all risks to such persons under this Contract.

If Contractor has no employees, it may certify or warrant to the County that it does not currently have any employees or individuals who are defined as "employees" under the Labor Code and the requirement for Workers' Compensation coverage will be waived by the County's Director of Risk Management.

With respect to Contractors that are non-profit corporations organized under California or Federal law, volunteers for such entities are required to be covered by Workers' Compensation insurance.

- b. Commercial/General Liability Insurance – The Contractor shall carry General Liability Insurance covering all operations performed by or on behalf of the Contractor providing coverage for bodily injury and property damage with a combined single limit of not less than one million dollars (\$1,000,000), per occurrence. The policy coverage shall include:

1. Premises operations and mobile equipment.
2. Products and completed operations.
3. Broad form property damage (including completed operations).
4. Explosion, collapse and underground hazards.

5. Personal injury.
 6. Contractual liability.
 7. \$2,000,000 general aggregate limit.
- c. Automobile Liability Insurance – Primary insurance coverage shall be written on ISO Business Auto coverage form for all owned, hired and non-owned automobiles or symbol 1 (any auto). The policy shall have a combined single limit of not less than one million dollars (\$1,000,000) for bodily injury and property damage, per occurrence.
- If the Contractor is transporting one (1) or more non-employee passengers in performance of contract services, the automobile liability policy shall have a combined single limit of two million dollars (\$2,000,000) for bodily injury and property damage per occurrence.
- If the Contractor owns no autos, a non-owned auto endorsement to the General Liability policy described above is acceptable.
- d. Umbrella Liability Insurance – An umbrella (over primary) or excess policy may be used to comply with limits or other primary coverage requirements. When used, the umbrella policy shall apply to bodily injury/property damage, personal injury/advertising injury and shall include a “dropdown” provision providing primary coverage for any liability not covered by the primary policy. The coverage shall also apply to automobile liability.
- e. Cyber (internet) and Electronic Data Processing (EDP) Insurance – Cyber Liability Insurance with limits of no less than \$1,000,000 for each occurrence or event with an annual aggregate of \$1,000,000 covering claims involving privacy violations, information theft, damage to or destruction of electronic information, intentional and/or unintentional release of private information, alteration of electronic information, extortion and network security. The policy shall protect the involved County entities and cover breach response cost as well as regulatory fines and penalties.
12. Self-Insured – If the Contractor or County is self-insured for purposes of professional liability, general liability, and Workers’ Compensation, the self-insured Contractor or County warrants that through its program of self-insurance, it has adequate professional liability, general liability and Workers’ Compensation to provide coverage for liabilities arising out of Contractor’s or County’s performance of this Contract.
- X. Contractor shall comply with all applicable laws, statutes, ordinances, administrative orders, rules or regulations relating to its duties, obligations and performance under the terms of the Contract and shall procure all licenses and pay all fees and other charges required thereby. Contractor shall maintain all required licenses during the term of this Contract. Failure to comply with the provisions of this section may result in immediate termination of this Contract.
- Y. Contractor shall comply with all applicable local health and safety clearances, including fire clearances, for each site where services are provided under the terms of this Contract.
- Z. Contractor agrees to and shall comply with the County’s Equal Employment Opportunity Program, Employment Discrimination, and Civil Rights Compliance requirements:
2. Equal Employment Opportunity Program – The Contractor agrees to comply with the provisions of the Equal Employment Opportunity Program of the County of San Bernardino and all rules and regulations adopted pursuant thereto: Executive Orders 11246, as amended by Executive Order 11375, 11625, 12138, 12432, 12250; Title VII of the Civil Rights Act of 1964; Division 21 of the California Department of Social Services Manual of Policies and Procedures; California Welfare and Institutions Code section 10000), the

California Fair Employment and Housing Act; and other applicable federal, state, and county laws, regulations and policies relating to equal employment or social services to welfare recipients, including laws and regulations hereafter enacted.

3. Employment Discrimination – During the term of the Contract, Contractor shall not discriminate against any employee or applicant for employment or service recipient because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, sexual orientation, age, or military and veteran status. Contractor shall comply with Executive Orders 11246, 11375, 11625, 12138, 12432, 12250, 13672, Title VII of the Civil Rights Act of 1964, the California Fair Housing and Employment Act and other applicable Federal, State and County laws and regulations and policies relating to equal employment and contracting opportunities, including laws and regulations hereafter enacted.
 4. Civil Rights Compliance – The Contractor shall develop and maintain internal policies and procedures to assure compliance with each factor outlined by state regulation. These policies must be developed into a Civil Rights Plan, which is to be on file with the County Human Services Contracts Unit within thirty (30) days of awarding of the Contract. The Plan must address prohibition of discriminatory practices, accessibility, language services, staff development and training, dissemination of information, complaints of discrimination, compliance review, and duties of the Civil Rights Liaison. Upon request, the County shall supply a sample of the Plan format. The Contractor shall be monitored by the County for compliance with provisions of its Civil Rights Plan. Contractor is required to maintain and provide a current Civil Rights Plan for the duration of the Contract and submit the Assurance of Compliance form (Attachment B) annually. Additionally, the Contractor shall submit to County an Assurance of Compliance with the California Department of Social Services Nondiscrimination in State and Federally Assisted Programs Statement annually.
- AA. Contractor agrees to comply with all applicable provisions of the Americans with Disabilities Act (ADA).
- BB. Contractor shall observe the mandatory standards and policies relating to energy efficiency in the State Energy Conservation Plan (California Code of Regulations title 20, section 1401 et seq.).
- CC. If the amount available to Contractor under this Contract, as specified in Section V, Paragraph A, exceeds \$100,000, Contractor agrees to comply with the Clean Air Act (42 U.S.C. Section 7606), section 508 of the Clean Water Act (33 U.S.C. section 1368), Executive Order 11738 and Environmental Protection Agency regulations (40 C.F.R. section 1.1 et seq.).
- DD. In accordance with County Policy 11-08, the County prefers to acquire and use products with higher levels of post-consumer recycled content. Environmentally preferable goods and materials must perform satisfactorily and be available at a reasonable price. The County requires Contractor to use recycled paper for any printed or photocopied material created as a result of this Contract. Contractor is also required to use both sides of paper sheets for reports submitted to the County whenever practicable.
- To assist the County in meeting the reporting requirements of the California Integrated Waste Management Act of 1989 (AB 939), Contractor must be able to annually report the County's environmentally preferable purchases. Contractors must also be able to report on environmentally preferable goods used in the provision of Services to the County, utilizing a County approved form.
- EE. Contractor understands and agrees that any and all legal fees or costs associated with lawsuits concerning this Contract against the County shall be the Contractor's sole expense and shall not be charged as a cost under this Contract. In the event of any Contract dispute hereunder, each Party to this Contract shall bear its own attorney's fees and costs regardless of who prevails in the outcome of the dispute.

- FF. Contractor shall register with 211 San Bernardino County Inland Empire United Way within thirty (30) days of contract effective date and follow necessary procedures to be included in the 211 database. The Contractor shall notify the 211 San Bernardino County Inland Empire United Way of any changes in program services, location or contact information within ten (10) days of any change. Services performed as a result of being included in the 211 database, are separate and apart from the services being performed under this Contract and payment for such services will not be the responsibility of the County.
- GG. Contractor agrees that any news releases, advertisements, public announcements or photographs arising out of the Contract or Contractor's relationship with County shall not be made or used without prior written approval of the TAD Director or their designee, and shall include County approved branding.
- HH. IRAN CONTRACTING ACT 2010, Public Contract Code sections 2200 et seq. (Applicable for all Contracts of one million dollars (\$1,000,000) or more). In accordance with Public Contract Code section 2204(a), the Contractor certifies that at the time the Contract is signed, the Contractor signing the Contract is not identified on a list created pursuant to subdivision (b) of Public Contract Code section 2203 (<https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/List-of-Ineligible-Businesses#@ViewBag.JumpTo>) as a person (as defined in Public Contract Code section 2202(e)) engaging in investment activities in Iran described in subdivision (a) of Public Contract Code section 2202.5, or as a person described in subdivision (b) of Public Contract Code section 2202.5, as applicable.
- Contractors are cautioned that making a false certification may subject the Contractor to civil penalties, termination of existing contract, and ineligibility to bid on a contract for a period of three (3) years in accordance with Public Contract Code section 2205. Contractor agrees that signing the Contract shall constitute signature of this Certification.
- II. Contractor shall comply with the Environmental Tobacco Smoke/Pro-Children Act of 1994 (20 U.S.C 6081 et seq.).

IV. COUNTY RESPONSIBILITIES

County shall:

- A. Provide a Homeless Assistance EW to administer a Homeless Screening Guide to customers who may be homeless, at application, redetermination, or at any other time.
- B. Provide TAD office space for Contractor's Housing Navigator(s) at locations and hours as mutually agreed upon.
- C. Refer CalWORKs customers who have been identified as meeting the criteria for the HSP to the Intake Coordinator.
- D. Obtain a Release of Information Form (ABCDM 228) from each customer referred to the HSP.
- E. Move CalWORKs families into housing directly from streets and shelters without preconditions of treatment acceptance or compliance.
- F. Inform all customers of all rights, responsibilities, and applicable regulations as part of eligibility determination to CalWORKs.
- G. Notify Contractor via the Memo to Service Providers (WTW 77) whenever a customer is dropped from the HSP before completing it, or becomes ineligible for CalWORKs-funded services. Customer will be allowed to continue services through the end of the notification month.
- H. Meet monthly with Contractor to coordinate and evaluate policies concerning the program.
- I. Provide training to Contractor, as necessary.

- J. Track demographic and assistance information at the case and person level for CalWORKs and CalFresh cases.
- K. Verify the monthly report submitted by Contractor to ensure all customers are eligible for HSP services.
- L. Reimburse Contractor for the cost of providing HSP services, provided it does not exceed the amount listed in Section V, Paragraph A.

V. FISCAL PROVISIONS

- A. The maximum amount of reimbursement under this Contract shall not exceed \$6,480,000, of which \$4,212,000 may be federally funded, and shall be subject to availability of funds to the County. The consideration to be paid to Contractor, as provided herein, shall be in full payment for all Contractor's services and expenses incurred in the performance hereof, including travel and per diem.
- B. Reimbursement under this Contract shall be based on a cost reimbursement method and is limited to the obligations and expenditures specified in the Program Budget, included as Attachment C. Such expenditures shall be further limited to those that are considered both reasonable and necessary, meaning the nature and amount does not exceed what an ordinary prudent person in the conduct of competitive business would incur.
- C. Contractor shall submit a monthly invoice to HS Contracts by the 10th calendar day of the month following the month of service. The monthly invoice shall consist of the actual invoice and an excel file that includes each case number, case name, aide code, employment status, and grant amount for all cases receiving a grant in the month of service.
- D. Federally funded non-profit Contractors may elect to include an Indirect Cost Rate in the cost reimbursement contract budget, and have the following four (4) options to recover costs expended in the process of managing the federal awards:
 - 1. Apply the current federally negotiated indirect cost rate that has been approved by a federal cognizant agency; or
 - 2. Apply a state negotiated indirect cost rate or a rate negotiated between the pass-through entity and the subrecipient; or
 - 3. Elect to use a flat de minimis rate of 10% of Modified Total Direct Costs (MTDC) under the guidelines below; or
 - 4. Charge costs directly (Direct Charge) as long as those costs are charged the same consistently across all federal awards. Administrative and clerical salaries should normally be treated as indirect costs. Direct charging of these costs may be appropriate only if all of the following conditions are met: 1) services are integral to a project or activity; 2) individuals involved can be specifically identified with the project or activity; 3) costs are explicitly included in the budget or have the prior written approval of awarding agency; and 4) the costs are not also recovered as indirect costs.
- E. Contractors that elect to use the flat de minimis rate must:
 - 1. Have never held a negotiated rate;
 - 2. Not be a State or Local Government or Indian Tribe receiving over \$35 million in direct federal funding; and
 - 3. Use the rate consistently across all federal awards until such time Contractor chooses to negotiate a different rate.

The 10% rate is not an additional amount over and above the total awarded contract dollar amount.

The rate shall be based off the MTDC, meaning all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and subcontracts up to the first \$25,000.

MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, and participant support costs.

For additional information, please refer to Office of Management and Budget (OMB) 2 CFR 200.412 – Classification of Costs at <https://www.gpo.gov/fdsys/granule/CFR-2014-title2-vol1/CFR-2014-title2-vol1-sec200-412> and 2 CFR 200.68 – Modified Total Direct Costs at <https://www.gpo.gov/fdsys/granule/CFR-2014-title2-vol1/CFR-2014-title2-vol1-sec200-68>.

- F. Contractor shall accept all payments from County via electronic funds transfer (EFT) directly deposited into the Contractor's designated checking or other bank account. Contractor shall promptly comply with directions and accurately complete forms provided by County required to process EFT payments.
- G. Costs for services under the terms of this Contract shall be incurred during the contract period except as approved by County. Contractor shall not use current year funds to pay prior or future year obligations.
- H. Funds made available under this Contract shall not supplant any federal, state or any governmental funds intended for services of the same nature as this Contract. Contractor shall not claim reimbursement or payment from County for, or apply sums received from County with respect to that portion of its obligations that have been paid by another source of revenue. Contractor agrees that it will not use funds received pursuant to this Contract, either directly or indirectly, as a contribution or compensation for purposes of obtaining funds from another revenue source without prior written approval of the County.
- I. County is not liable for the payment of any taxes, other than applicable sales or use tax, resulting from this Contract however designated, levied or imposed, unless County would otherwise be liable for the payment of such taxes in the course of its normal business operations.
- J. The Contractor shall request a budget amendment, in writing, in advance of expenditures: 1) when aggregate expenditures are expected to exceed an approved budgeted line item by more than fifteen (15%) percent; or 2) to add a new budget line item. No budget revision may result in an increase of the maximum dollar amount stated in Paragraph A, of this Section. The written request must specify the changes requested, by line item and amount, and must include justification. Prior to implementation of a budget revision, the County shall approve (or deny) the budget revision request. The County has the authority to approve line item budget changes to the budget herein, as long as these changes do not exceed the total contract amount. County shall notify the Contractor in writing of the status of the budget revision request within fourteen (14) calendar days of receipt of the Contractor's written request. The County reserves the right to deny the Contractor's invoice for expenditures in excess of the approved budgeted line item amount. Contractor shall be limited to a maximum of two (2) budget modifications per fiscal year. Budget modifications to the current fiscal year are due no later than April 15th of that fiscal year.

VI. RIGHT TO MONITOR AND AUDIT

- A. County shall have the absolute right to monitor the performance of Contractor in the delivery of services provided under this Contract.
- B. County or any subdivision or appointee thereof, and the State of California or any subdivision or appointee thereof, including the Auditor General, shall have absolute right to review and audit all records, books, papers, documents, corporate minutes, and other pertinent items as requested, and shall have absolute right to monitor the performance of Contractor in the delivery of services provided under this Contract. Full cooperation shall be given by Contractor in any auditing or monitoring conducted. Contractor shall repay to the County within thirty (30) days of receipt of audit findings any reimbursements made by County to Contractor that are determined by subsequent audit to be unallowable pursuant to the terms of this Contract or by law.

- C. Contractor shall cooperate with County in the implementation, monitoring and evaluation of this Contract and comply with any and all reporting requirements established by this Contract.
- D. All records pertaining to service delivery and all fiscal, statistical and management books and records shall be available for examination and audit by county, federal and state representatives for a period of three (3) years after final payment under the Contract or until all pending county, state, and federal audits are completed, whichever is later. Records of the Contractor which do not pertain to the services under this Contract may not be subject to review or audit unless provided in this or another Contract. Technical program data shall be retained locally and made available upon the County's reasonable advance written notice or turned over to County. If said records are not made available at the scheduled monitoring visit, Contractor may, at County's option, be required to reimburse County for expenses incurred due to required rescheduling of monitoring visit(s). Such reimbursement will not exceed \$50 per hour (including travel time) and may be deducted from the following month's claim for reimbursement.
- E. Contractor shall provide all reasonable facilities and assistance for the safety and convenience of County's representatives in the performance of their duties. All inspections and evaluations shall be performed in such a manner as will not unduly delay the work of the Contractor.
- F. Upon County request, Contractor shall hire a licensed Certified Public Accountant, approved by the County, who shall prepare and file with County, within sixty (60) days after the termination of the Contract, a certified fiscal audit of related expenditures during the term of the Contract and a program compliance audit.
- G. Pursuant to Code of Federal Regulations (CFR) – Title 2 CFR 200.501, Contractors expending \$750,000 or more in federal funds within the Contractor's fiscal year must have a single audit or program-specific audit performed. A copy of the audit performed in accordance with Code of Federal Regulations (CFR) – Title 2 CFR 200.501 shall be submitted to the County within thirty (30) days of completion, but no later than nine (9) months following the end of the Contractor's fiscal year. Please refer to http://www.ecfr.gov/cgi-bin/text-idx?node=se2.1.200_1501&rgn=dv8 for further information.
- H. The following closely related programs identified by the Catalog of Federal Domestic Assistance (CFDA) number are to be considered as an "Other cluster" for purposes of determining major programs or whether a program specific audit may be elected. The Contractor shall communicate this information to the independent auditor conducting the organization's single audit.

US Department of Health and Human Services:
93.558 - Temporary Assistance for Needy Families (TANF)

- I. County is required to identify the Contractor Data Universal Numbering System (DUNS) numbers and Federal Award Identification Number (FAIN) in all County contracts that include Federal funds or pass through of Federal funds. This information is required in order for the County to remain in compliance with 2CFR Section 200.331, and remain eligible to receive Federal funding. The Contractor shall provide the Contractor name as registered in DUNS, as well as the DUNS number to be included in this Contract. Related FAIN will be included in this Contract by the County.

Contractor Name as registered in DUNS	Housing Authority of the County of San Bernardino
DUNS	118390368
FAIN	1801CATANF

VII. CORRECTION OF PERFORMANCE DEFICIENCIES

- A. In the event of a problem or potential problem that could impact the quality or quantity of work, services, or the level of performance under this Contract, Contractor shall notify the County within one (1) working day, in writing and by telephone.

- B. Failure by Contractor to comply with any of the provisions, covenants, requirements or conditions of this Contract shall be a material breach of this Contract.
- C. In the event of a non-cured breach, County may, at its sole discretion and in addition to any other remedies available at law, in equity, or otherwise specified in this Contract.
 - 1. Afford Contractor thereafter a time period within which to cure the breach, which period shall be established at sole discretion of County; and/or
 - 2. Discontinue reimbursement to Contractor for and during the period in which Contractor is in breach, which reimbursement shall not be entitled to later recovery; and/or
 - 3. Withhold funds pending duration of the breach; and/or
 - 4. Offset against any monies billed by Contractor but yet unpaid by County those monies disallowed pursuant to Item "2" of this paragraph; and/or
 - 5. Terminate this Contract immediately and be relieved of the payment of any consideration to Contractor. In event of such termination, the County may proceed with the work in any manner deemed proper by the County. The cost to the County shall be deducted from any sum due to the Contractor under this Contract and the balance, if any, shall be paid by the Contractor upon demand.
- D. Unless a remedy is specifically designated as exclusive, no remedy conferred by any of the specific provision of the Contract is intended to be exclusive of any other remedy, and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder, now or hereafter existing at law or in equity or by statute or otherwise. The election of any one (1) or more remedies by either Party shall not constitute a waiver of the right to pursue other available remedies.

VIII. TERM

This Contract is effective as of July 1, 2020 and expires June 30, 2021, but may be terminated earlier in accordance with provisions of Section IX of the Contract. The Contract term may be extended for four (4) additional one-year periods by mutual agreement of the parties.

IX. EARLY TERMINATION

- A. The County may terminate the Contract immediately under the provisions of Section VII, Paragraph C, Item 5 of the Contract. In addition, the Contract may be terminated without cause by the County by serving a written notice to the Contractor thirty (30) days in advance of termination. The Assistant Executive Officer for Human Services is authorized to exercise the County's rights with respect to any termination of this Contract.
- B. Contractor shall only be reimbursed for costs and uncanceled obligations incurred prior to the date of termination. Contractor shall not be reimbursed for costs incurred after the date of termination.
- C. Upon receipt of termination notice Contractor shall promptly discontinue services unless the notice directs otherwise. Contractor shall deliver promptly to County and transfer title (if necessary) all completed work, and work in progress, including drafts, documents, plans, forms, data, products, graphics, computer programs and reports.

X. GENERAL PROVISIONS

- A. When notices are required to be given pursuant to this Contract, the notices shall be in writing and mailed to the following respective addresses listed below.
 - Contractor: Housing Authority of the County of San Bernardino
715 East Brier Drive
San Bernardino, CA 92408
 - County: County of San Bernardino
Human Services

Attn: Contracts Unit
150 S. Lena Road
San Bernardino, CA 92415-0515

- B. Nothing contained in this Contract shall be construed as creating a joint venture, partnership or employment arrangement between the Parties hereto, nor shall either Party have the right, power or authority to create an obligation or duty, expressed or implied, on behalf of the other Party hereto.
- C. Contractor shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to, cash, discounts, service, the provision of travel or entertainment, or any items of value to any officer, employee or agent of the County in an attempt to secure favorable treatment regarding this Contract.

The County, by written notice, may immediately terminate any contract if it determines that any improper consideration as described in the preceding paragraph was offered to any officer, employee or agent of the County with respect to the proposal and award process. This prohibition shall apply to any amendment, extension or evaluation process once a contract has been awarded.

Contractor shall immediately report any attempt by a County officer, employee or agent to solicit (either directly or through an intermediary) improper consideration from Contractor. The report shall be made to the supervisor or manager charged with supervision of the employee or to the County Administrative Office. In the event of a termination under this provision, the County is entitled to pursue any available legal remedies.

- D. Time is of the essence in performance of this Contract and each of its provisions. Except as otherwise provided herein, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Contract, that party shall, within twenty-four (24) hours, give notice thereof, including all relevant information with respect thereto, to the other party.
- E. All equipment, materials, supplies or property of any kind (including vehicles, publications, copyrights, etc.) which has a single unit cost of five hundred dollars (\$500) or more, including tax, purchased with funds received under the terms of this Contract and not fully consumed in one (1) year shall be the property of the County, unless otherwise required by Funding Source, and shall be subject to the provisions of this paragraph. The disposition of equipment or property of any kind shall be determined by County when the Contract is terminated. Additional terms are as follows:
1. The purchase of any furniture or equipment which exceeds a single unit cost of five hundred dollars (\$500) and/or was not included in Contractor's approved budget, shall require the prior written approval of County, and shall fulfill the provisions of this Contract which are appropriate and directly related to Contractor's services or activities under the terms of the Contract. County may refuse reimbursement for any cost resulting from such items purchased, which are incurred by Contractor, if prior written approval has not been obtained from County.
 2. Before equipment purchases made by Contractor are reimbursed by County, Contractor must submit paid vendor receipts identifying the purchase price, description of the item, serial numbers, model number and location where equipment will be used during the term of this Contract.
 3. Contractor shall submit an inventory of equipment purchased under the terms of this Contract as part of the monthly activity report for the month in which the equipment is purchased.
 4. At the termination of this Contract, Contractor shall provide a final inventory to County and shall at that time query County as to requirements, including the manner and method in returning said equipment to County. Final disposition of such equipment shall be in accordance with instructions from County.

- F. County shall have a royalty-free, non-exclusive and irrevocable license to publish, disclose, copy, translate, and otherwise use, copyright or patent, now and hereafter, all reports, studies, information, data, statistics, forms, designs, plans, procedures, systems, and any other materials or properties developed under the Contract including those covered by copyright, and reserves the right to authorize others to use or reproduce such material. All such materials developed under the terms of the Contract shall acknowledge San Bernardino County as the funding agency and Contractor as the creator of the publication. No such materials or properties produced in whole or in part under the Contract shall be subject to private use, copyright or patent right by Contractor in the United States or in any other country without the express written consent of County. Copies of all educational and training materials, curricula, audio/visual aids, printed material, and periodicals, assembled pursuant to the Contract must be filed with County prior to publication. Contractor shall receive written permission from County prior to publication of said training materials.
- G. All documents, data, products, graphics, computer programs and reports prepared by Contractor pursuant to the Contract shall be considered property of the County upon payment for services (and product, if applicable). All such items shall be delivered to County at the completion of work under the Contract, subject to the requirements of Section VIII, Term. Unless otherwise directed by County, Contractor may retain copies of such items.
- H. No waiver of any of the provisions of the Contract shall be effective unless it is made in a writing which refers to provisions so waived and which is executed by the Parties. No course of dealing and no delay or failure of a Party in exercising any right under the Contract shall affect any other or future exercise of that right or any exercise of any other right. A Party shall not be precluded from exercising a right by its having partially exercised that right or its having previously abandoned or discontinued steps to enforce that right.
- I. Any alterations, variations, modifications, or waivers of provisions of the Contract, unless specifically allowed in the Contract, shall be valid only when they have been reduced to writing, duly signed and approved by the Authorized Representatives of both parties as an amendment to this Contract. No oral understanding or agreement not incorporated herein shall be binding on any of the Parties hereto.
- J. If any provision of the Contract is held by a court of competent jurisdiction to be unenforceable or contrary to law, it shall be modified where practicable to the extent necessary so as to be enforceable (giving effect to the intention of the Parties) and the remaining provisions of the Contract shall not be affected.
- K. This Contract shall be governed by and construed in all aspects in accordance with the laws of the State of California without regard to principles of conflicts of laws. The Parties agree to the exclusive jurisdiction of the federal court located in the County of Riverside and the state court located in the County of San Bernardino, for any and all disputes arising under this Contract, to the exclusion of all other federal and state courts.
- L. In the event the County determines that service is unsatisfactory, or in the event of any other dispute, claim, question or disagreement arising from or relating to this Contract or breach thereof, the parties hereto shall use their best efforts to settle the dispute, claim, question or disagreement. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both parties.
- M. The parties actions under the Contract shall comply with all applicable laws, rules, regulations, court orders and governmental agency orders. The provisions of this Contract are specifically made severable. If a provision of the Contract is terminated or held to be invalid, illegal or unenforceable, the validity and enforceability of the remaining provisions shall remain in full effect.
- N. In the event that a subpoena or other legal process commenced by a third party in any way concerning the services provided under this Contract is served upon Contractor or County, such party agrees to notify the other party in the most expeditious fashion possible following receipt of such subpoena or other legal process. Contractor and County further agree to cooperate with the other party in any lawful effort by such other party to contest the legal validity of such subpoena

or other legal process commenced by a third party as may be reasonably required and at the expense of the party to whom the legal process is directed, except as otherwise proceed herein in connection with defense obligations by Contractor for County.

XI. CONCLUSION

- A. This Contract, consisting of twenty-two (22) pages and Attachments A, B and C, is the full and complete document describing services to be rendered by Contractor to County, including all covenants, conditions, and benefits.
- B. The signatures of the Parties affixed to this Contract affirm that they are duly authorized to commit and bind their respective institutions to the terms and conditions set forth in this document.
- C. This Contract may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same Contract. The parties shall be entitled to sign and transmit an electronic signature of this Contract (whether by facsimile, PDF or other email transmission), which signature shall be binding on the party whose name is contained therein. Each party providing an electronic signature agrees to promptly execute and deliver to the other party an original signed Contract upon request.
- D. IN WITNESS WHEREOF, the Board of Supervisors of the County of San Bernardino has caused this Contract to be subscribed to by the Clerk thereof, and Contractor has caused this Contract to be subscribed in its behalf by its duly authorized officers, the day, month, and year written.

COUNTY OF SAN BERNARDINO

►

Curt Hagman, Chairman, Board of Supervisors

Dated: _____

SIGNED AND CERTIFIED THAT A COPY OF THIS
DOCUMENT HAS BEEN DELIVERED TO THE
CHAIRMAN OF THE BOARD

Lynna Monell
Clerk of the Board of Supervisors
of the County of San Bernardino

By _____
Deputy

HOUSING AUTHORITY OF THE COUNTY OF
SAN BERNARDINO

(Print or type name of corporation, company, contractor, etc.)

By ►

(Authorized signature - sign in blue ink)

Name Maria Razo

(Print or type name of person signing contract)

Title Executive Director

(Print or Type)

Dated: _____

Address 715 East Brier Drive

San Bernardino, CA 92408

FOR COUNTY USE ONLY

Approved as to Legal Form

►
Adam Ebright, County Counsel

Date _____

Reviewed for Contract Compliance

►
Jennifer Mulhall-Daudel, HS Contracts Unit

Date _____

Reviewed/Approved by Department

►
Gilbert Ramos, Department Head

Date _____



Human Services

COMPLAINT AND GRIEVANCE PROCEDURE

INSTRUCTIONS: THE CUSTOMER IS TO READ AND RECEIVE THE TOP PORTION OF THIS FORM. THE BOTTOM PORTION OF THE FORM IS TO BE SIGNED BY SERVICE RECIPIENT AND PLACED IN THE CONTRACTOR'S RECORDS.

If you believe you have been discriminated against, or that there has been a violation of any laws or regulations, or if you have a problem regarding services received, you have the right to file a complaint or tell us your grievance.

The following procedures are to be followed when filing a complaint or grievance.

STEP ONE:

Write down your complaint or grievance and talk to the service provider. Keep a copy for yourself and write down the date you talked to the service provider.

- If answered or resolved at this step, nothing further is required.
- If no answer or resolution within 10 calendar days, proceed with Step Two.

STEP TWO:

Send a copy of your written complaint or grievance, or discuss the complaint or grievance with your County Caseworker. Write down the date you spoke to your Caseworker or send the complaint and keep it with your copy.

- If answered or resolved at this step, nothing further is required.
- If no answer or resolution within 10 calendar days, proceed with Step Three.

STEP THREE:

Send a copy of your written complaint or grievance to the Program Specialist. If you would like a response, include your name, address and telephone number. Your personal information and your complaint and grievance details will be kept confidential.

HS Program Development Division, Contracts Support Unit
ATTN: Program Specialist
825 E. Hospitality Lane, 2nd Floor
San Bernardino, CA 92415-0079

- If answered or resolved at this step, nothing further is required.
- If no answer or resolution within 10 calendar days, proceed with Step Four.

STEP FOUR:

Send a copy of your written complaint or grievance to the Contract Analyst at:
HS Administrative Support Division, ATTN: Contracts Unit
150 S. Lena Road
San Bernardino, CA 92415-0515

You will be contacted within 10 calendar days if you have provided contact information.

Please note: Each of these steps must be completed in the sequence shown.

..... **Detach here**

COMPLAINT AND GRIEVANCE PROCEDURE CERTIFICATION

This certifies I have read, understood, and received the Complaint and Grievance Procedures.

Client Signature

Date



COMPLAINT AND GRIEVANCE PROCEDURE

THIS INFORMING NOTICE IS TO BE DISPLAYED IN CLEAR VIEW IN AREAS WHERE CLIENT WILL OBTAIN THE DIRECT SERVICE OR AS DELINEATED IN THE CORRESPONDING COUNTY CONTRACT. CLIENT IS TO BE PROVIDED A COPY OF THIS PROCEDURE UPON REQUEST.

If you believe you have been discriminated against, or that there has been a violation of any laws or regulations, or if you have a problem regarding the services you received, you have the right to file a complaint or tell us your grievance.

The following procedures are to be followed when filing a complaint or grievance.

STEP ONE:

Write down your complaint or grievance and talk to the service provider. Keep a copy for yourself and write down the date you talked to the service provider.

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HS Program Development Division
Attn: Contracts Support Unit
825 E. Hospitality Lane, 2nd Floor
San Bernardino, CA 92415-0079
909-383-9700

- If answered or resolved at this step, nothing further is required.
- If no answer or resolution within 10 calendar days, proceed with Step Four.

STEP FOUR:

Send a copy of your written complaint or grievance to the Contract Analyst at:

HS Administrative Support Division
Contracts Unit
150 S. Lena Road
San Bernardino, CA 92415-0515

You will be contacted within 10 calendar days if you have provided contact information.

Please note: Each of these steps must be completed in the sequence shown.



Human Services

PROCEDIMIENTO PARA DENUNCIAS Y QUEJAS

ESTE AVISO INFORMATIVO DEBE MOSTRARSE EN VISTA CLARA EN AREAS DONDE EL CLIENTE RECIBIRÁ SERVICIO DIRECTO O COMO ESTÁ DELINEADO EN EL CONTRATO DEL CONDADO CORRESPONDIENTE. AL CLIENTE SE LE PROPORCIONARÁ UNA COPIA DE ESTE PROCEDIMIENTO CUANDO LO PIDA.

Si cree que ha sido discriminado, o que habido una violación de leyes o regulaciones, o si tiene un problema con respecto a los servicios que recibió, usted tiene el derecho de presentar una denuncia o informarnos de su queja.

Se deben seguir los siguientes procedimientos al presentar una denuncia o queja.

PRIMER PASO:

Escriba su denuncia o queja por escrito y hable con el proveedor de servicios. Guarde una copia para usted y escriba la fecha en que habló con el proveedor de servicios.

- Si en este paso recibió respuesta o resolvió el problema, no se requiere hacer nada más.
- Si no hay respuesta o resolución dentro de los 10 días calendarios, siga al Segundo Paso.

1.

SEGUNDO PASO:

Mande una copia de su denuncia o queja por escrito o hable con su Trabajador encargado del Caso del Condado sobre su denuncia o queja. Escriba la fecha en que habló con su Trabajador de Caso o cuando envió su queja por escrito y manténgala con su copia en sus archivos.

- Si en este paso recibió respuesta o resolvió el problema, no se requiere hacer nada más.
- Si no hay respuesta o resolución dentro de los 10 días calendarios, siga al Tercer Paso.

TERCER PASO:

Mande una copia de su denuncia o queja por escrito al Especialista de Programa. Si desea una respuesta, incluya su nombre, dirección y número de teléfono. Su información personal y los detalles de su denuncia o queja se mantendrán confidencial.

HS Program Development Division,
ATTN: Contracts Support Unit
825 E. Hospitality Lane, 2nd Floor
San Bernardino, CA 92415-0079
909-383-9700

- Si en este paso recibió respuesta o resolvió el problema, no se requiere hacer nada más.
- Si no hay respuesta o resolución dentro de los 10 días calendarios, siga al Cuarto Paso.

CUARTO PASO:

Mande una copia de su denuncia o queja por escrito al Analista de Contratos a:

HS Administrative Support Division
Contracts Unit
150 S. Lena Road
San Bernardino, CA 92415-0515

Será contactado dentro de 10 días calendarios si ha proporcionado su información de contacto.

Por favor note: Cada uno de estos pasos deben ser completados en la orden que se indica.



PROCEDIMIENTO PARA DENUNCIAS Y QUEJAS

INSTRUCCIONES: El CLIENTE DEBE leer y recibir la parte superior de este formulario. La parte inferior del formulario debe ser firmado por el recipiente del servicio y colocarlo en los archivos del contratista.

Si cree que ha sido discriminado o que, habido una violación de leyes o regulaciones, o si tiene un problema con respecto a los servicios que recibió, usted tiene el derecho de presentar una denuncia o informarnos de su queja.

Se deben seguir los siguientes procedimientos al presentar una denuncia o queja.

PRIMER PASO:

Escriba su denuncia o queja por escrito y hable con el proveedor de servicios. Guarde una copia para usted y escriba la fecha en que habló con el proveedor de servicios.

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- Si no hay respuesta o resolución dentro de los 10 días calendarios, siga al Segundo Paso.

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HS Program Development Division,
ATTN: Contracts Support Unit
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HS Administrative Support Division
Contracts Unit
150 S. Lena Road
San Bernardino, CA 92415-0515

Será contactado dentro de 10 días calendarios si ha proporcionado su información de contacto.

Por favor note: Cada uno de estos pasos deben ser completados en la orden que se indica.

..... **Separar aquí.**

CERTIFICACIÓN DEL PROCEDIMIENTO PARA DENUNCIAS Y QUEJAS

Esto certifica que he leído, entendido, y he recibido el Procedimiento para Denuncias y Quejas.

Firma del Cliente

Fecha

ASSURANCE OF COMPLIANCE STATEMENT

**ASSURANCE OF COMPLIANCE WITH THE
CALIFORNIA DEPARTMENT OF SOCIAL SERVICES
NONDISCRIMINATION IN STATE AND FEDERALLY ASSISTED PROGRAMS**

Housing Authority of the County of San Bernardino

NAME OF THE CONTRACTING AGENCY

(Hereinafter called the "Agency")

HEREBY AGREES THAT it will comply with Title VI and VII of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975, the Food Stamp Act of 1977-Section 272.6, The Americans with Disabilities Act of 1990, Government Code (GC) Section 1135 and California Code of Regulations (CCR) Title 22 Section 9800-98413, Title 24 of the California Code of Regulations, Section 310A(e) and other applicable federal and state laws, as well as their implementing regulations (including 45 CFR, Parts 80, 84, and 91, 7 CFR Part 15, and 28 CFS Part 42), by ensuring that employment practices and the administration of public assistance and social services programs are nondiscriminatory, to the effect that no person shall because of race, color, national origin, political affiliation, religion, marital status, sex, age or disability be excluded from participation in or be denied the benefits of, or be otherwise subject to discrimination under any program or activity receiving federal or state assistance; and HEREBY GIVES ASSURANCE THAT, it will immediately take any measures necessary to effectuate this agreement.

THIS ASSURANCE is given in consideration of and for the purpose of obtaining any and all federal and state assistance; and THE AGENCY HEREBY GIVES ASSURANCE THAT administrative methods/procedures which have the effect of subjecting individuals to discrimination or defeating the objectives of the California Department of Social Services (CDSS) Manual of Policies and Procedures (MPP) Chapter 21, will be prohibited.

BY ACCEPTING THIS ASSURANCE, the agency agrees to compile data, maintain records and submit reports as required, to permit effective enforcement of the aforementioned laws and regulations and permit authorized CDSS and/or federal government personnel, during normal working hours, to review such records, books and accounts as needed to ascertain compliance. If there are any violations of this assurance, CDSS shall have the right to invoke fiscal sanctions or other legal remedies in accordance with Welfare and Institutions Code Section 10605, or Government Code Section 11135-39, or any other laws, or the issue may be referred to the appropriate federal agency for further compliance action and enforcement of this assurance.

THIS ASSURANCE is binding on the agency directly or through contract, license, or other provider services, as long as it receives federal or state assistance; and shall be submitted annually with the required Civil Rights Plan Update.

DATE

SIGNATURE

ORGANIZATION

CalWORKs HOUSING SUPPORT PROGRAM
July 1, 2020 through June 30, 2021

I. DIRECT FINANCIAL ASSISTANCE

1. PERMANENT HOUSING	BUDGET
Financial Assistance	<u>\$2,140,000.00</u>
<u>Subtotal Permanent Housing</u>	<u>\$2,140,000.00</u>

2. INTERIM	PTEs	BUDGET
Housing Assistant	1	\$25,890.00
Engagement Coordinator	1	\$33,522.00
Stability Specialist	3	\$145,539.00
Housing Liaison	1	\$45,890.00
Intake Specialist	1	\$26,855.00
Bridges (PJAC/HSP)		\$25,000.00
Risk Mitigation		\$150,000.00
Master Leasing		\$300,000.00
Inspections		\$75,000.00
Organization Capacity Building/Assessments		\$28,000.00
Tenant / Landlord Education Workshops		\$20,000.00
Resources Coordination		\$15,000.00
Certification/Trainings		\$18,000.00
Making Home Habitable		\$200,000.00
Housing First		\$350,000.00
Motel/H.O.P.E.		<u>\$470,000.00</u>
<u>Subtotal Interim</u>		<u>\$1,928,696.00</u>

II. CASE MANAGEMENT

1. PERSONNEL	PTEs	BUDGET
Program Manager	3	\$206,089.00
Program Officer	1	\$59,249.00
Housing Services Manager	1	\$53,123.00
Service Coordinators	18	\$885,793.00
Housing Navigator	1	<u>\$12,032.00</u>
<u>Subtotal Case Management</u>		<u>\$1,216,285.00</u>

III. ADMINISTRATIVE /SUPPORTIVE EXPENSES

1. PROGRAM MANAGEMENT	BUDGET
Administration & Program Management (Housing Authority/KEYS)	<u>\$539,517.00</u>
<u>Subtotal Program Management</u>	<u>\$539,517.00</u>

2. PERSONNEL OTHER	PTEs	BUDGET
Executive Director	1	\$142,779.00
Deputy Executive Director	1	\$111,909.00
Finance Manager	1	\$77,578.00
Junior Accountant	1	\$41,782.00
Accounting Assistant	1	\$35,612.00
<u>Subtotal Personnel Other</u>		<u>\$409,659.00</u>
3. DATA COLLECTION AND TRACKING EXPENSES	PTEs	BUDGET
Data Collection and Tracking Expenses (Housing Authority/KEYS)		\$150,000.00
Data Analytic Manager	1	\$62,241.00
Data Specialist	1	<u>\$33,602.00</u>
<u>Subtotal Data Collection and Tracking Expenses</u>		<u>\$245,843.00</u>
<u>TOTAL PROGRAM EXPENSES</u>		<u>\$6,480,000.00</u>

REPORT/RECOMMENDATION TO THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO AND RECORD OF ACTION

June 9, 2020

FROM

MARIA RAZO, Executive Director, Housing Authority of the County of San Bernardino

SUBJECT

Contract with Knowledge and Education for Your Success, Inc. for California Work Opportunity and Responsibility to Kids Housing Support Program Services

RECOMMENDATION(S)

1. Approve a contract, effective July 1, 2020, with Knowledge and Education for Your Success, Inc. for the provision of California Work Opportunity and Responsibility to Kids Housing Support Program Housing Navigator Services in an amount not to exceed \$6,480,000 through June 30, 2021.
 2. Authorize and direct the Executive Director to execute and deliver the contract to Knowledge and Education for Your Success, Inc. and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.
- (Presenter: Maria Razo, Executive Director, 332-6305)

GOALS & OBJECTIVES

HACSB clients, programs, and properties are embraced by all communities.

HACSB clients live in safe and desirable homes and communities where they can develop and prosper.

FINANCIAL IMPACT

Approval of this item is not expected to exceed \$6,480,000 of which funding resources are available from California Work Opportunity and Responsibility to Kids (CalWORKs) Housing Support Program (HSP) funds received by the Housing Authority of the County of San Bernardino (HACSB) pursuant to its CalWORKs HSP contract with the County of San Bernardino through the Transitional Assistance Department (TAD).

BACKGROUND INFORMATION

Under the terms of the recommended contract, HACSB's affiliate non-profit, Knowledge and Education for Your Success, Inc. (KEYS) will continue to provide housing navigation and rental assistance for CalWORKs families who identify themselves as homeless. CalWORKs HSP was established through SB 855 (Chapter 29, Statutes of 2014) to promote housing stability for families in the CalWORKs program. The Rapid Rehousing (RRH) services provided through HSP offer time-limited, individualized rental assistance at a level that enables the family to maintain housing while they seek to increase income; learn to manage a household budget; relocate to less expensive housing; and/or reduce expenses to sustain their housing. Rental assistance will be provided in a manner that is intended to prevent families from experiencing a sudden and unmanageable increase to their housing expenses at the end of program assistance. Additionally, KEYS partners with community and faith-based organizations to leverage and support payment of security deposits, utility assistance, furniture needs, and other housing costs as appropriate to the situation. Based on an average cost of \$15,034 per family, a total of 431 families and approximately 250 new households will be served with the available HSP allocation in 2020-21. Since January 2015 to date, the partnership with TAD, HACSB, and KEYS has served more than

Contract with Knowledge and Education for Your Success, Inc. for California Work Opportunity and Responsibility to Kids Housing Support Program Services
June 9, 2020

2,346 families, of which 6,181 are children; resulting in the placement of 1,675 households, including 4,076 children, in permanent housing.

Implementation of this item is contingent upon Board of Supervisors and Board of Commissioners approval of a contract between the County of San Bernardino and HACSB.

PROCUREMENT

The contract award was non-competitive due to TAD writing KEYS and HACSB directly into the contract proposal for the state funding. Also, the San Bernardino County Purchasing Department determined that the non-competitive nature of a contract with HACSB and KEYS is justified based on California Department of Social Services allocation to the County of San Bernardino as a result of TAD's proposal to partner with HACSB in its application for HSP funding.

REVIEW BY OTHERS

This item has been reviewed by Legal Counsel (Julie J. Surber, Principal Assistant County Counsel, 387-5455) on May 20, 2020.



CONTRACT FOR HOUSING NAVIGATION SERVICES

BETWEEN

**THE HOUSING AUTHORITY OF THE
COUNTY OF SAN BERNARDINO**

And

KNOWLEDGE AND EDUCATION FOR YOUR SUCCESS, INC.

IT IS HEREBY AGREED AS FOLLOWS:

WHEREAS, The Housing Authority of the County of San Bernardino, hereafter referred to as "HACSB", desires to reduce the instance of homelessness in the County of San Bernardino utilizing the contractor Knowledge and Education for Your Success, Inc., hereafter referred to as "KEYS" or "Contractor" for housing navigation services; and

WHEREAS, the County of San Bernardino ("County") Transitional Assistance Department ("TAD") has been allocated funds by the California Department of Social Services (CDSS) California Work Opportunity and Responsibility to Kids (CalWORKs) to provide housing navigation services and has contracted with HACSB to provide such services through its subcontractor KEYS; and

WHEREAS, HACSB finds KEYS, hereafter referred to as "Contractor," qualified to provide CalWORKs Homeless Support Program (HSP) housing navigation services; and

WHEREAS, HACSB desires that such services be provided by Contractor and Contractor agrees to perform these services as set forth below;

NOW THEREFORE, HACSB and Contractor mutually agree to the following terms and conditions:

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ATTACHMENTS

ATTACHMENT A – COMPLAINT AND GRIEVANCE PROCEDURE

ATTACHMENT B – ASSURANCE OF COMPLIANCE

ATTACHMENT C – PROGRAM BUDGET

I. DEFINITIONS

- A. CalWORKs – Acronym for California Work Opportunity and Responsibility to Kids. The CalWORKs program replaced the Aid to Families with Dependent Children (AFDC) program in the State of California in August 1996.
- B. CalWORKs Housing Support Program (HSP) – Program developed to reduce the instance of homelessness within the TAD's CalWORKs families by moving them into permanent housing. Rapid Re-housing and rental assistance will be provided to families to obtain housing quickly and to promote stability through an array of case management and supportive services by maximizing collaborative partnerships.
- C. Coordinated Entry System – Coordinated entry is a process developed to ensure that all people experiencing a housing crisis have fair and equal access and are quickly identified, assessed for, referred, and connected to housing and assistance based on their strengths and needs.
- D. Customer – A person that is eligible and currently participating in the CalWORKs program or an applicant who is apparently eligible for CalWORKs who volunteers to participate prior to approval.
- E. Engagement Coordinator – The Engagement Coordinator is the first point of contact for all referrals sent by TAD. Customers are screened and assessed for CES. Once added to the assigned working list, customers will be assigned to a Service Coordinator based on slot or funding availability.
- F. Homeless Assistance Eligibility Worker (EW) – The TAD worker who will interview and complete a Homeless Screening Guide and refer the family to the Housing Navigator.
- G. Homeless Management Information System (HMIS) – A software application designed to record and store client-level information on the characteristics and service needs of homeless persons. HMIS is typically a web-based software application that homeless assistance providers use to coordinate, care, manage their operations, and better serve their clients.
- H. Homeless Screening Guide – A tool completed by the Homeless Assistance EW when interviewing the homeless family and used to document housing instability or imminent risk of being homeless of the household.
- I. Housing Authority of the County of San Bernardino (HACSB) – Agency which provides housing opportunities and resources throughout San Bernardino County. HACSB owns and/or manages more than 10,000 housing units and works with landlords to provide affordable decent, safe, and sanitary housing. HACSB works with families and private landlords to ensure HUD's Housing Quality Standards are followed and maintained and to ensure the family knows and understands their tenant rights and responsibilities.
- J. Housing First Model – A model of housing assistance that is offered without preconditions (such as sobriety or a minimum income threshold) or service participation requirements, and rapid placement and stabilization in permanent housing are primary goals. Research shows that it is effective for the chronically homeless with mental health and substance abuse disorders, resulting in fewer inpatient stays and less expensive interventions than other approaches. All referrals must be assigned to Knowledge and Education for Your Success, Inc. (KEYS) from Coordinated Entry System (CES) prior to enrollment.
- K. Housing Navigator – The Knowledge and Education for Your Success, Inc. (KEYS) staff member assigned by the KEYS Intake Coordinator based on the location of the family when the Housing Navigator is not co-located in the TAD office. The Housing Navigator will work to find the most immediate and viable long term placements for the family. The Housing Navigator will directly help the family locate housing; fill out housing applications; provide mediation with landlords and neighbors; provide written information about landlord/tenant rights and responsibilities; review and understand the requirements of the lease; obtain, interpret, and correct rental and credit history, as needed; obtain identification and other documentation needed to apply for housing; develop a household budget and reduce expenses to the extent possible; reduce, or re-negotiate debt and/or obtain other consumer credit counseling assistance; and provide information and referral to

employment and free or reduced-cost goods and services. The Housing Navigator will complete referrals to the Department of Behavioral Health (DBH) for mental illness, substance abuse, or other issues.

- L. Human Services (HS) – A system of integrated services, where the programs and resources of eight County departments come together to provide a rich, more complete array of services to the citizens of the County under one coordinated effort.
- M. Individualized Training and Service Plan (ITSP) – A best practice tool used by the Housing Navigator to determine the fastest and most efficient way to permanently house the family, and which services are critical to housing retention. The ITSP helps the Housing Navigator work with the family to identify strengths, barriers, resources, and set immediate goals to stabilize the family in their housing crisis.
- N. Intake Coordinator – The KEYS staff member who will assign a Housing Navigator to a family when a Housing Navigator is not co-located in the TAD office.
- O. Knowledge and Education for Your Success, Inc. (KEYS) – A sub-contractor for HACSB. The mission of KEYS is to empower all individuals and families impacted by poverty to unlock their potential for success.
- P. Rapid Re-Housing Model (RRH) – A model of housing assistance that is voluntary and designed to assist the homeless, with or without disabilities, move as quickly as possible into permanent housing, and achieve stability in that housing. Rapid re-housing assistance is time-limited, individualized, and flexible. A rapid re-housing approach may provide supportive services and tenant-based rental assistance.
- Q. Release of Information Form (ABCDM 228) – A written authorization signed by the customer waiving the right to confidentiality and authorizing the County or its agent to release to or obtain from other individuals or agencies specific information necessary for the administration of the CalWORKs program and/or customer's case.
- R. Rental Assistance – Rental assistance may be short-term (up to three months); medium-term (three to twenty-four months); or long-term (for longer than twenty-four months). The rental assistance may be tenant-based, project-based, or sponsor-based, and may be for transitional or permanent housing. Rental assistance will only be provided for a unit if the rent is reasonable in relation to rents being charged for comparable unassisted units, taking into account the location, size, type, quality, amenities, facilities, management, and maintenance of each unit. Reasonable rent must not exceed rents currently being charged by the same owner for comparable unassisted units.
- S. Recidivism – Measuring recidivism indicates a program's success in ending homelessness as measured by the number of households who attain housing and do not re-enter/return to an emergency shelter subsequent to a successful housing outcome.
- T. Service Coordinator – The Service Coordinator will provide case management and support services related to Housing placement and stability. The Service Coordinator will connect customers to the following activities: housing location; application assistance; provide mediation with landlords and neighbors; provide written information about landlord/tenant rights and responsibilities; review and understand the requirements of the lease; obtain, interpret, and correct rental and credit history, as needed; obtain identification and other documentation needed to apply for housing; develop a household budget and reduce expenses to the extent possible; reduce, or re-negotiate debt and/or obtain other consumer credit counseling assistance; and provider information and referral to employment and free or reduced-cost goods and services. The Service coordinator will complete referrals to the Department of Behavioral Health (DBH) for mental illness, substance abuse, or other issues.
- U. Transitional Assistance Department (TAD) – Transitional Assistance Department administers the financial support systems that assist needy families with basic living expenses. TAD also administers the Welfare-to-Work component of CalWORKs.
- V. TANF – The acronym for Temporary Assistance for Needy Families, the federal program under which CalWORKs is administered.

II. CONTRACTOR SERVICE RESPONSIBILITIES

Contractor shall:

- A. Accept referrals from the Transitional Assistance Department (TAD) Homeless Assistance Eligibility Worker (EW), of families who have been identified, utilizing the Homeless Screening Guide, at application, redetermination, or any other time, as homeless, defined as:
 - 1) Lacking a fixed and regular nighttime residence; or
 - 2) Having a primary nighttime residence that is a supervised publicly or privately operated shelter designed to provide temporary living accommodations; or
 - 3) Residing in a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings; or
 - 4) In receipt of a judgment for eviction, as ordered by a court.
- B. Provide CalWORKs Homeless Support Program (HSP), Rapid Re-Housing (RRH), and Rental Assistance to targeted CalWORKs families.
- C. Provide an Intake Coordinator to assign a Housing Navigator, who may be co-located in a TAD office to schedule a same day interview with the customer and complete an Individualized Training and Service Plan (ITSP) in order to determine the fastest and most efficient way to permanently house the family, and which services are critical to housing retention.
- D. Directly help the identified family by:
 - 1) Locating housing.
 - 2) Filling out housing applications.
 - 3) Providing mediation with landlords and neighbors.
 - 4) Providing written information about landlord/tenant rights and responsibilities.
 - 5) Reviewing and understanding the requirements of the lease.
 - 6) Obtaining, interpreting, and correcting, as needed, rental and credit history.
 - 7) Obtaining identification and other documentation needed to apply for housing.
 - 8) Developing a household budget and reducing expenses to the extent possible.
 - 9) Reducing or re-negotiating debt and/or obtaining other consumer credit counseling assistance.
 - 10) Providing information and referral to employment and free or reduced-cost goods and services.
- E. Work with landlords through the Contractor's countywide landlord list to provide reasonable support to families for immediate placement.
- F. Ensure that rents are assessed based upon applicable local sub-market rents, but in no circumstance exceed 80% of household's monthly income, or 100% of the local area's Fair Market Rent established by the Department of Housing and Urban Development., whichever is less.
- G. Ensure that the RRH program will offer time-limited, individualized financial assistance designed to assist families obtain and retain permanent housing. Financial assistance is to be provided at a level that enables the family to maintain housing while they seek to:
 - 1) Increase income.
 - 2) Learn to manage a household budget.
 - 3) Reduce expenses to sustain their housing.
- H. Ensure that rental assistance is provided in a manner that is intended to prevent families from experiencing a sudden and unmanageable increase in their housing expenses at the end of program assistance.

- I. Provide 100% of the first month's rental start-up costs, which include security deposits.
- J. Set a maximum amount or percentage of rental assistance that a program participant may receive, a maximum number of months that a program participant may receive rental assistance, and/or a maximum number of times that a program participant may receive rental assistance.
- K. Partner with community and faith based partnerships to negotiate and support payment of security deposits, utility assistance, rental assistance, furniture needs, and other housing costs as appropriate to the situation.
- L. Make referrals of families identified on the ITSP as requiring more extensive case management to the County of San Bernardino Department of Behavioral Health (DBH) for Life Skills Training, mental health, substance abuse, or other needs.
- M. Ensure that treatment for mental health or substance abuse needs is not a condition of RRH services utilizing the "Housing First" philosophy.
- N. Enter data about the homeless individuals and families seeking services into the Homeless Management Information System (HMIS).
- O. Meet monthly with TAD and DBH staff to coordinate and evaluate policies concerning the program.
- P. Provide monthly reports as required by TAD and the California Department of Social Services (CDSS).
- Q. Conduct follow-up of customers identified in HMIS showing that the families accessed other homeless assistance after exiting from HSP and provide the reasons for recidivism in the monthly report to TAD.

III. CONTRACTOR GENERAL RESPONSIBILITIES

- A. In the performance of this Contract, Contractor, its agents and employees, shall act in an independent capacity and not as officers, employees, or agents of HACSB. Contractor agrees to comply with the applicable federal suspension and debarment regulations, including, but not limited to 7 Code of Federal Regulations (CFR) Part 3017, 45 CFR 76, 40 CFR 32, or 34 CFR 85. By signing this Contract, Contractor certifies that:
 - 1. Neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency;
 - 2. Have not within a three-year period preceding this Contract been convicted of or had a judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public transaction or contract under a public transaction; or a violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction or records, making false statements, or receiving stolen property;
 - 3. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in Paragraph (A)(2) herein; and
 - 4. Have not within a three-year period preceding this Contract had one (1) or more public transactions (Federal, State or local) terminated for cause or default.
- B. Contractor shall not be identified as suspended or debarred on the federal System for Award Management's (SAM) excluded list (<https://www.sam.gov>). If at any time during the term of this Contract, the HACSB or County determines Contractor is identified as either suspended or debarred on the SAM, Contractor shall be considered in material breach of this Contract, and the

HACSB may proceed under the Correction of Performance Deficiencies at Section VII of this Contract, including immediate termination of this Contract. If Contractor becomes aware, at any point during the term of this Contract, that it is identified as suspended or debarred on the SAM excluded list, Contractor must immediately inform HACSB. Such inclusion will be considered a material breach of the Contract and be sufficient grounds for immediate termination. Without the prior written consent of the Executive Director of HACSB, this Contract is not assignable by Contractor either in whole or in part.

- C. Contractor agrees to provide or has already provided information on former County of San Bernardino administrative officials (as defined below) who are employed by or represent Contractor. The information provided includes a list of former County administrative officials who terminated County employment within the last five (5) years and who are now officers, principals, partners, associates or members of the business. The information also includes the employment with or representation of Contractor. For purposes of this provision, "County Administrative Official" is defined as a member of the Board of Supervisors or such member's staff, Chief Executive Officer of the County or member of such officer's staff, County department or group head, assistant department or group head, or any employee in the Exempt Group, Management Unit or Safety Management Unit.
- D. If during the course of the administration of this Contract, HACSB or County determines that the Contractor has made a material misstatement or misrepresentation or that materially inaccurate information has been provided to HACSB or County, this Contract may be immediately terminated. If this Contract is terminated according to this provision, HACSB is entitled to pursue any available legal remedies.
- E. Failure by a party to insist upon the strict performance of any of the provisions of this Contract by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Contract thereafter.
- F. Contractor agrees not to enter into any subcontracts for work contemplated under this Contract without first obtaining written approval from HACSB. HACSB may withhold such consent in its sole discretion.

At HACSB's request, Contractor shall provide information regarding the subcontractor's qualifications and a listing of a subcontractor's key personnel including, if requested by HACSB, resumes of proposed subcontractor personnel. Contractor shall remain directly responsible to HACSB for its subcontractors and shall indemnify HACSB for the actions or omissions of its subcontractors under the terms and conditions specified in Paragraph W of this Section III. All approved subcontractors shall be subject to the provision of this Contract applicable to Contractor Personnel, including removal pursuant to Paragraphs S and T of this Section III.

For any subcontractor, Contractor shall:

- 1. Be responsible for subcontractor compliance with the Contract and the subcontract terms and conditions;
 - 2. Ensure that the subcontractor follows HACSB and County's reporting formats and procedures as specified by HACSB and County; and
 - 3. Include in the subcontractor's subcontract substantially similar terms as are provided in this Contract.
- G. Contractor shall maintain all records and books pertaining to the delivery of services under this Contract and demonstrate accountability for contract performance. Said records shall be kept and maintained within the County of San Bernardino. HACSB and County shall have the right upon reasonable notice and at reasonable hours of business to examine and inspect such records and books.

All records relating to the Contractor's personnel, contractors, subcontractors, service/scope of work and expenses pertaining to this Contract shall be kept in generally acceptable accounting

format. Records should include, but are not limited to, monthly summary sheets, sign-in sheets, and other primary source documents. Fiscal records shall be kept in accordance with Generally Accepted Accounting Principles and must account for all funds, tangible assets, revenue and expenditures. Fiscal records must also comply with the appropriate Code of Federal Regulations (CFR) that state the administrative requirements, cost principles and other standards for accountancy. Please refer to http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl for further information.

All records shall be complete and current and comply with all contract requirements. Failure to maintain acceptable records per the preceding requirements shall be considered grounds for withholding of payments for billings submitted and for termination of the Contract.

- H. Contractor shall notify HACSB in writing of any change in mailing address and/or physical location within ten (10) days of the change, and shall immediately notify HACSB of changes in telephone or fax numbers.
- I. Contractor shall notify HACSB of any continuing vacancies and any positions that become vacant during the term of this Contract that will result in reduction of services to be provided under this Contract. Upon notice of vacancies, the Contractor shall apprise HACSB of the steps being taken to provide the services and to fill the position as expeditiously as possible. Vacancies and associated problems shall be reported to HACSB on each periodically required report for the duration of said vacancies and/or problems.
- J. Contractor shall designate an individual to serve as the primary point of contact for the Contract. Contractor shall notify the HACSB when the primary contact will be unavailable/out of the office for one (1) or more workdays. Contractor or designee must respond to HACSB inquiries within two (2) County business days. Contractor shall not change the primary contact without written notice to HACSB. Contractor will also designate a back-up point of contact in the event the primary contact is not available.
- K. Contractor shall provide a system, approved by HACSB and County, through which recipients of service shall have the opportunity to express and have considered their views and complaints regarding the delivery of services. The procedure must be in writing and posted in clear view of all recipients.
- L. Contractor will ensure that staff are knowledgeable on the San Bernardino County Human Services Complaint and Grievance Procedure (Attachment A) and ensure that any complaints by recipients are referred to the County in accordance with the procedure.
- M. Contractor shall notify the HACSB of all upcoming meetings of the Board of Directors or other governing party and shall keep HACSB apprised of any and all actions taken by its Board of Directors which may impact on the Contract. Board of Directors' minutes shall be submitted to HACSB upon request. Further, an HACSB representative shall have the option of attending Board meetings during the term of this Contract.
- N. Contractor shall ensure that all staff, volunteers and/or subcontractors performing services under this Contract comply with the items below prior to providing any services. Additional information concerning these requirements is specified at <http://hss.sbcounty.gov/Privacy>. The information contained thereat is hereby incorporated by this reference.
 - 1. Read, understand and comply with the Privacy and Security Requirements Summary.
 - 2. Ensure employees, sub-contractors, agents, volunteers and interns who have access to PII complete the Privacy and Security Training and execute the training acknowledgement form and other training materials annually.
 - 3. Ensure employees, sub-contractors, agents, volunteers and interns who have access to PII sign the Confidentiality Statement annually.
 - 4. Report actual, suspected or potential breaches of PII immediately to the Human Services Privacy and Security Office via e-mail at: HSPrivacySecurityOfficer@hss.sbcounty.gov.

- O. Contractor shall protect from unauthorized use or disclosure names and other identifying information concerning persons receiving services pursuant to this Contract, except for statistical information not identifying any participant. The Contractor shall not use or disclose any identifying information for any other purpose other than carrying out the Contractor's obligations under this Contract, except as may be otherwise required by law. This provision will remain in force even after the termination of the Contract.
- P. Contractor shall hold as confidential and use reasonable care to prevent unauthorized access by, storage, disclosure, publication, dissemination to and/or use by third parties of, confidential information that is either: (1) provided by HACSB or County to Contractor or an agent of Contractor or otherwise made available to Contractor or Contractor's agent in connection with this Contract; or, (2) acquired, obtained, or learned by Contractor or an agent of Contractor in the performance of this Contract. For purposes of this provision, confidential information means any data, files, software, information or materials in oral, electronic, tangible or intangible form and however stored, compiled or memorialized and includes, but is not limited to: technology infrastructure, architecture, financial data, trade secrets, equipment specifications, user lists, passwords, research data, and technology data.
- Q. Contractor shall ensure that all known or suspected instances of child abuse or neglect are reported to the appropriate law enforcement agency or to the appropriate Child Protective Services agency. This responsibility shall include:
1. Assurance that all employees, agents, consultants or volunteers who perform services under this Contract and are mandated by Penal Code Sections 11164 et seq. to report child abuse or neglect, sign a statement, upon the commencement of their employment, acknowledging their reporting requirements and their compliance with them.
 2. Development and implementation of procedures for employees, agents, consultants, or volunteers who are not subject to the mandatory reporting laws for child abuse to report any observed or suspected incidents of child abuse to a mandated reporting party, within the program, who will ensure that the incident is reported to the appropriate agency.
 3. Provision for arrangement of training in child abuse reporting laws (Penal Code section 11164 et seq.) for all employees, agents, consultants, and volunteers, or verification that such persons have received training in the law within thirty (30) days of employment/volunteer activity.
- R. Contractor shall obtain from the Department of Justice (DOJ) records of all convictions involving any sex crimes, drug crimes, or crimes of violence of a person who is offered employment or volunteers for all positions in which he or she would have contact with a minor, the aged, the blind, the disabled or a domestic violence client, as provided for in Penal Code section 11105.3 prior to providing any services. This includes licensed personnel who are not able to provide documentation of prior DOJ clearance. A copy of a license from the State of California, which requires a DOJ clearance, is sufficient proof. HACSB and County must be immediately notified of any records showing a conviction. HACSB or County may instruct Contractor to take action to deny/terminate employment or terminate internship and/or volunteer services where the records show the person is unsuitable for employment, internship, or volunteer services.
- S. Contractor shall notify HACSB and County of any staff member, paid intern or volunteer who is knowingly or negligently employed who has been convicted of any crime of violence or of any sexual crime. Contractor shall investigate all incidents where an applicant, employee, intern or volunteer has been arrested and/or convicted for any crime listed in Penal Code Section 11105.3 and shall notify HACSB and County. In HACSB or County's discretion, HACSB may instruct Contractor to take action to either deny/terminate employment or terminate internship and/or volunteer services where the investigation shows that the underlying conduct renders the person unsuitable for employment, internship, or volunteer services.

Contractor shall immediately notify HACSB and County concerning the arrest and/or conviction, for other than minor traffic offenses, of any paid employee, agent, consultant, intern, or volunteer staff, when such information becomes known to Contractor.

T. In recognition of individual rights to work in a safe, healthful and productive workplace, as a material condition of this Contract, Contractor agrees that the Contractor and the Contractor's employees, while performing service for HACSB or County, on HACSB or County property, or while using HACSB or County equipment:

1. Shall not be in any way impaired because of being under the influence of alcohol or an illegal or controlled substance.
2. Shall not possess an open container of alcohol or consume alcohol or possess or be under the influence of an illegal or controlled substance.
3. Shall not sell, offer, or provide alcohol or an illegal or controlled substance to another person, except where Contractor or Contractor's employee who, as part of the performance of normal job duties and responsibilities, prescribes or administers medically prescribed drugs.

Contractor shall inform all employees that are performing service for HACSB or County on HACSB or County property, or using HACSB or County equipment, of HACSB and County's objective of a safe, healthful and productive work place and the prohibition of drug or alcohol use or impairment from same while performing such service for HACSB or County.

HACSB may terminate for default or breach of this Contract and any other contract the Contractor has with HACSB, if the Contractor or Contractor's employees are determined by HACSB or County not to be in compliance with above.

U. Contractor shall make every reasonable effort to prevent employees, consultants or members of its governing bodies from using their positions for purposes that are or give the appearance of being motivated by a desire for private gain for themselves or others, such as those with whom they have family, business, or other ties. In the event HACSB or County determines a conflict of interest exists, any increase in costs associated with the conflict of interest may be disallowed by HACSB or County and such conflict may constitute grounds for termination of the Contract. This provision shall not be construed to prohibit employment of persons with whom Contractor's officers, agents, or employees have family, business or other ties so long as the employment of such persons does not result in increased costs over those associated with the employment of any other equally qualified applicants and such persons have successfully competed for employment with other applicants on a merit basis.

V. Contractor agrees to and shall comply with the following indemnification and insurance requirements:

1. Indemnification – Contractor agrees to indemnify, defend (with counsel reasonably approved by HACSB and County) and hold harmless HACSB and County and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, and/or liability arising out of this Contract from the negligence of Contractor, including the acts, errors or omissions of Contractor, and for any costs or expenses incurred by HACSB and County on account of any claim resulting from the acts or negligence of Contractor or its authorized officers, employees, agents, and volunteers, except where such indemnification is prohibited by law.

HACSB agrees to indemnify, defend (with counsel reasonably approved by Contractor) and hold harmless Contractor and its authorized officers, employees, agents, and volunteers from any and all claims, actions, losses, damages, and/or liability arising out of this Contract from the negligence of HACSB, including the acts, errors or omissions of HACSB and for any costs or expenses incurred by Contractor on account of any claim resulting from the acts or negligence of HACSB or its authorized officers, employees, agents, and volunteers, except where such indemnification is prohibited by law.

In the event that HACSB and/or Contractor are determined to be comparatively at fault for any claim, action, loss or damage which results from their respective obligations under

this agreement, HACSB and/or Contractor shall indemnify the other to the extent of its comparative fault.

2. Additional Insured – All policies, except for the Workers' Compensation, Errors and Omissions and Professional Liability policies, shall contain endorsements naming HACSB and the County and its officers, employees, agents and volunteers as additional insureds with respect to liabilities arising out of the performance of services hereunder. The additional insured endorsements shall not limit the scope of coverage for HACSB/County to vicarious liability but shall allow coverage for the HACSB/County to the full extent provided by the policy. Such additional insured coverage shall be at least as broad as Additional Insured (Form B) endorsement form ISO, CG 2010.1185.
3. Waiver of Subrogation Rights – The Contractor shall require the carriers of required coverages to waive all rights of subrogation against HACSB and the County, their officers, employees, agents, volunteers, contractors and subcontractors. All general or auto liability insurance coverage provided shall not prohibit the Contractor and Contractor's employees or agents from waiving the right of subrogation prior to a loss or claim. The Contractor hereby waives all rights of subrogation against HACSB and County.
4. Primary and Non-Contributory – All policies required herein are to be primary and non-contributory with any insurance or self-insurance programs carried or administered by HACSB and County.
5. Severability of Interests – The Contractor agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and there will be no cross liability exclusions that preclude coverage for suits between the Contractor and HACSB/County or between HACSB/County and any other insured or additional insured under the policy.
6. Proof of Coverage – The Contractor shall furnish Certificates of Insurance to the HACSB Department administering the Contract evidencing the insurance coverage, including endorsements, as required, prior to the commencement of performance of services hereunder, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice to the Department, and Contractor shall maintain such insurance from the time Contractor commences performance of services hereunder until the completion of such services. Within fifteen (15) days of the commencement of this Contract, the Contractor shall furnish a copy of the Declaration page for all applicable policies and will provide complete certified copies of the policies and endorsements immediately upon request.
7. Acceptability of Insurance Carrier – Unless otherwise approved by Risk Management, insurance shall be written by insurers authorized to do business in the State of California and with a minimum "Best" Insurance Guide rating of "A-VII".
8. Deductibles and Self-Insured Retention – Any and all deductibles or self-insured retentions in excess of \$10,000 shall be declared to Risk Management.
9. Failure to Procure Coverage – In the event that any policy of insurance required under this Contract does not comply with the requirements, is not procured, or is canceled and not replaced, HACSB has the right but not the obligation or duty to cancel the Contract or obtain insurance if it deems necessary and any premiums paid by HACSB will be promptly reimbursed by the Contractor or HACSB payments to the Contractor will be reduced to pay for HACSB purchased insurance.
10. Insurance Review – Insurance requirements are subject to periodic review by HACSB. The Director of Operations or designee is authorized, but not required, to reduce, waive

or suspend any insurance requirements whenever Risk Management determines that any of the required insurance is not available, is unreasonably priced, or is not needed to protect the interests of HACSB. In addition, if the Department of Risk Management determines that heretofore unreasonably priced or unavailable types of insurance coverage or coverage limits become reasonably priced or available, the Director of Operations or designee is authorized, but not required, to change the above insurance requirements to require additional types of insurance coverage or higher coverage limits, provided that any such change is reasonable in light of past claims against the County, inflation, or any other item reasonably related to HACSB's risk.

Any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this Contract. Contractor agrees to execute any such amendment within thirty (30) days of receipt.

Any failure, actual or alleged, on the part of HACSB to monitor or enforce compliance with any of the insurance and indemnification requirements will not be deemed as a waiver of any rights on the part of HACSB.

11. The Contractor agrees to provide insurance set forth in accordance with the requirements herein. If the Contractor uses existing coverage to comply with these requirements and that coverage does not meet the specified requirements, the Contractor agrees to amend, supplement or endorse the existing coverage to do so.

Without in anyway affecting the indemnity herein provided and in addition thereto, the Contractor shall secure and maintain throughout the contract term the following types of insurance with limits as shown:

- a. Workers' Compensation/Employers Liability – A program of Workers' Compensation insurance or a state-approved, self-insurance program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with \$250,000 limits covering all persons including volunteers providing services on behalf of the Contractor and all risks to such persons under this Contract.

If Contractor has no employees, it may certify or warrant to HACSB that it does not currently have any employees or individuals who are defined as "employees" under the Labor Code and the requirement for Workers' Compensation coverage will be waived by HACSB's Director of Operations.

With respect to Contractors that are non-profit corporations organized under California or Federal law, volunteers for such entities are required to be covered by Workers' Compensation insurance.

- b. Commercial/General Liability Insurance – The Contractor shall carry General Liability Insurance covering all operations performed by or on behalf of the Contractor providing coverage for bodily injury and property damage with a combined single limit of not less than one million dollars (\$1,000,000), per occurrence. The policy coverage shall include:
1. Premises operations and mobile equipment.
 2. Products and completed operations.
 3. Broad form property damage (including completed operations).
 4. Explosion, collapse and underground hazards.
 5. Personal injury.
 6. Contractual liability.

7. \$2,000,000 general aggregate limit.

- c. Automobile Liability Insurance – Primary insurance coverage shall be written on ISO Business Auto coverage form for all owned, hired and non-owned automobiles or symbol 1 (any auto). The policy shall have a combined single limit of not less than one million dollars (\$1,000,000) for bodily injury and property damage, per occurrence.

If the Contractor is transporting one (1) or more non-employee passengers in performance of contract services, the automobile liability policy shall have a combined single limit of two million dollars (\$2,000,000) for bodily injury and property damage per occurrence.

If the Contractor owns no autos, a non-owned auto endorsement to the General Liability policy described above is acceptable.

- d. Umbrella Liability Insurance – An umbrella (over primary) or excess policy may be used to comply with limits or other primary coverage requirements. When used, the umbrella policy shall apply to bodily injury/property damage, personal injury/advertising injury and shall include a “dropdown” provision providing primary coverage for any liability not covered by the primary policy. The coverage shall also apply to automobile liability.

- e. Cyber (internet) and Electronic Data Processing (EDP) Insurance – Cyber Liability Insurance with limits of no less than \$1,000,000 for each occurrence or event with an annual aggregate of \$1,000,000 covering claims involving privacy violations, information theft, damage to or destruction of electronic information, intentional and/or unintentional release of private information, alteration of electronic information, extortion and network security. The policy shall protect the involved County entities and cover breach response cost as well as regulatory fines and penalties.

12. Self-Insured – If the Contractor or HACSB is self-insured for purposes of professional liability, general liability, and Workers’ Compensation, the self-insured Contractor or HACSB warrants that through its program of self-insurance, it has adequate professional liability, general liability and Workers’ Compensation to provide coverage for liabilities arising out of Contractor’s or County’s performance of this Contract.

X. Contractor shall comply with all applicable laws, statutes, ordinances, administrative orders, rules or regulations relating to its duties, obligations and performance under the terms of the Contract and shall procure all licenses and pay all fees and other charges required thereby. Contractor shall maintain all required licenses during the term of this Contract. Failure to comply with the provisions of this section may result in immediate termination of this Contract.

Y. Contractor shall comply with all applicable local health and safety clearances, including fire clearances, for each site where services are provided under the terms of this Contract.

Z. Contractor agrees to and shall comply with HACSB and County’s Equal Employment Opportunity Program, Employment Discrimination, and Civil Rights Compliance requirements:

2. Equal Employment Opportunity Program – The Contractor agrees to comply with the provisions of the Equal Employment Opportunity Program of HACSB and County and all rules and regulations adopted pursuant thereto: Executive Orders 11246, as amended by Executive Order 11375, 11625, 12138, 12432, 12250; Title VII of the Civil Rights Act of 1964; Division 21 of the California Department of Social Services Manual of Policies and Procedures; California Welfare and Institutions Code section 10000), the California Fair Employment and Housing Act; and other applicable federal, state, and county laws, regulations and policies relating to equal employment or social services to welfare recipients, including laws and regulations hereafter enacted.

3. Employment Discrimination – During the term of the Contract, Contractor shall not discriminate against any employee or applicant for employment or service recipient because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, sexual orientation, age, or military and veteran status. Contractor shall comply with Executive Orders 11246, 11375, 11625, 12138, 12432, 12250, 13672, Title VII of the Civil Rights Act of 1964, the California Fair Housing and Employment Act and other applicable Federal, State and County laws and regulations and policies relating to equal employment and contracting opportunities, including laws and regulations hereafter enacted.
 4. Civil Rights Compliance – The Contractor shall develop and maintain internal policies and procedures to assure compliance with each factor outlined by state regulation. These policies must be developed into a Civil Rights Plan, which is to be on file with HACSB's Administrative Office within thirty (30) days of awarding of the Contract. The Plan must address prohibition of discriminatory practices, accessibility, language services, staff development and training, dissemination of information, complaints of discrimination, compliance review, and duties of the Civil Rights Liaison. Upon request, HACSB shall supply a sample of the Plan format. The Contractor shall be monitored by HACSB for compliance with provisions of its Civil Rights Plan. Contractor is required to maintain and provide a current Civil Rights Plan for the duration of the Contract and submit the Assurance of Compliance form (Attachment B) annually. Additionally, the Contractor shall submit to HACSB an Assurance of Compliance with the California Department of Social Services Nondiscrimination in State and Federally Assisted Programs Statement annually.
- AA. Contractor agrees to comply with all applicable provisions of the Americans with Disabilities Act (ADA).
 - BB. Contractor shall observe the mandatory standards and policies relating to energy efficiency in the State Energy Conservation Plan (California Code of Regulations title 20, section 1401 et seq.).
 - CC. If the amount available to Contractor under this Contract, as specified in Section V, Paragraph A, exceeds \$100,000, Contractor agrees to comply with the Clean Air Act (42 U.S.C. Section 7606), section 508 of the Clean Water Act (33 U.S.C. section 1368), Executive Order 11738 and Environmental Protection Agency regulations (40 C.F.R. section 1.1 et seq.).
 - DD. In accordance with County Policy 11-08, HACSB prefers to acquire and use products with higher levels of post-consumer recycled content. Environmentally preferable goods and materials must perform satisfactorily and be available at a reasonable price. HACSB requires Contractor to use recycled paper for any printed or photocopied material created as a result of this Contract. Contractor is also required to use both sides of paper sheets for reports submitted to HACSB whenever practicable.

To assist HACSB in meeting the reporting requirements of the California Integrated Waste Management Act of 1989 (AB 939), Contractor must be able to annually report HACSB's environmentally preferable purchases. Contractors must also be able to report on environmentally preferable goods used in the provision of Services to HACSB, utilizing an HACSB approved form.
 - EE. Contractor understands and agrees that any and all legal fees or costs associated with lawsuits concerning this Contract against HACSB or the County shall be the Contractor's sole expense and shall not be charged as a cost under this Contract. In the event of any Contract dispute hereunder, each Party to this Contract shall bear its own attorney's fees and costs regardless of who prevails in the outcome of the dispute.
 - FF. Contractor shall register with 211 San Bernardino County Inland Empire United Way within thirty (30) days of contract effective date and follow necessary procedures to be included in the 211 database. The Contractor shall notify the 211 San Bernardino County Inland Empire United Way of any changes in program services, location or contact information within ten (10) days of any change. Services performed as a result of being included in the 211 database, are separate and

apart from the services being performed under this Contract and payment for such services will not be the responsibility of HACSB or County.

- GG. Contractor agrees that any news releases, advertisements, public announcements or photographs arising out of the Contract or Contractor's relationship with HACSB or County shall not be made or used without prior written approval of HACSB Director of Policy and Public Relations, and the TAD Director or their designee(s), and shall include HACSB and County approved branding.
- HH. IRAN CONTRACTING ACT 2010, Public Contract Code sections 2200 et seq. (Applicable for all Contracts of one million dollars (\$1,000,000) or more). In accordance with Public Contract Code section 2204(a), the Contractor certifies that at the time the Contract is signed, the Contractor signing the Contract is not identified on a list created pursuant to subdivision (b) of Public Contract Code section 2203 (<https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/List-of-Ineligible-Businesses#@ViewBag.JumpTo>) as a person (as defined in Public Contract Code section 2202(e)) engaging in investment activities in Iran described in subdivision (a) of Public Contract Code section 2202.5, or as a person described in subdivision (b) of Public Contract Code section 2202.5, as applicable.
- Contractors are cautioned that making a false certification may subject the Contractor to civil penalties, termination of existing contract, and ineligibility to bid on a contract for a period of three (3) years in accordance with Public Contract Code section 2205. Contractor agrees that signing the Contract shall constitute signature of this Certification.
- II. Contractor shall comply with the Environmental Tobacco Smoke/Pro-Children Act of 1994 (20 U.S.C 6081 et seq.).

IV. HACSB RESPONSIBILITIES

HACSB shall:

- A. Refer CalWORKs customers who have been identified as meeting the criteria for the HSP to the Intake Coordinator.
- B. Obtain a Release of Information Form (ABCDM 228) from each customer referred to the HSP.
- C. Inform all customers of all rights, responsibilities, and applicable regulations as part of eligibility determination to CalWORKs.
- D. Meet monthly with Contractor to coordinate and evaluate policies concerning the program.
- E. Provide training to Contractor, as necessary.
- F. Verify the monthly report submitted by Contractor to ensure all customers are eligible for HSP services.
- G. Reimburse Contractor for the cost of providing HSP services, provided it does not exceed the amount listed in Section V, Paragraph A.
- H. Participate in monthly calls and meetings, as needed

V. FISCAL PROVISIONS

- A. The maximum amount of reimbursement under this Contract shall not exceed \$6,480,000, of which \$4,212,000 may be federally funded, and shall be subject to availability of funds to the County and HACSB. The consideration to be paid to Contractor, as provided herein, shall be in full payment for all Contractor's services and expenses incurred in the performance hereof, including travel and per diem.

- B. Reimbursement under this Contract shall be based on a cost reimbursement method and is limited to the obligations and expenditures specified in the Program Budget, included as Attachment C. Such expenditures shall be further limited to those that are considered both reasonable and necessary, meaning the nature and amount does not exceed what an ordinary prudent person in the conduct of competitive business would incur.
- C. Reimbursement for services provided shall occur on a monthly basis for approved services provided by Contractor. Contractor shall be paid upon the submission of invoices to HACSB. The monthly invoice shall consist of the actual invoice and an excel file that includes each case number, case name, aide code, employment status, and grant amount for all cases receiving a grant in the month of service.
- D. Federally funded non-profit Contractors may elect to include an Indirect Cost Rate in the cost reimbursement contract budget, and have the following four (4) options to recover costs expended in the process of managing the federal awards:
1. Apply the current federally negotiated indirect cost rate that has been approved by a federal cognizant agency; or
 2. Apply a state negotiated indirect cost rate or a rate negotiated between the pass-through entity and the subrecipient; or
 3. Elect to use a flat de minimis rate of 10% of Modified Total Direct Costs (MTDC) under the guidelines below; or
 4. Charge costs directly (Direct Charge) as long as those costs are charged the same consistently across all federal awards. Administrative and clerical salaries should normally be treated as indirect costs. Direct charging of these costs may be appropriate only if all of the following conditions are met: 1) services are integral to a project or activity; 2) individuals involved can be specifically identified with the project or activity; 3) costs are explicitly included in the budget or have the prior written approval of awarding agency; and 4) the costs are not also recovered as indirect costs.
- E. Contractors that elect to use the flat de minimis rate must:
1. Have never held a negotiated rate;
 2. Not be a State or Local Government or Indian Tribe receiving over \$35 million in direct federal funding; and
 3. Use the rate consistently across all federal awards until such time Contractor chooses to negotiate a different rate.
- The 10% rate is not an additional amount over and above the total awarded contract dollar amount.
- The rate shall be based off the MTDC, meaning all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and subcontracts up to the first \$25,000.
- MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, and participant support costs.
- For additional information, please refer to Office of Management and Budget (OMB) 2 CFR 200.412 – Classification of Costs at <https://www.gpo.gov/fdsys/granule/CFR-2014-title2-vol1/CFR-2014-title2-vol1-sec200-412> and 2 CFR 200.68 – Modified Total Direct Costs at <https://www.gpo.gov/fdsys/granule/CFR-2014-title2-vol1/CFR-2014-title2-vol1-sec200-68>.
- F. Contractor shall accept all payments from HACSB via electronic funds transfer (EFT) directly deposited into the Contractor's designated checking or other bank account. Contractor shall promptly comply with directions and accurately complete forms provided by HACSB required to process EFT payments.

- G. Costs for services under the terms of this Contract shall be incurred during the contract period except as approved by County. Contractor shall not use current year funds to pay prior or future year obligations.
- H. Funds made available under this Contract shall not supplant any federal, state or any governmental funds intended for services of the same nature as this Contract. Contractor shall not claim reimbursement or payment from HACSB or County for, or apply sums received from HACSB or County with respect to that portion of its obligations that have been paid by another source of revenue. Contractor agrees that it will not use funds received pursuant to this Contract, either directly or indirectly, as a contribution or compensation for purposes of obtaining funds from another revenue source without prior written approval of HACSB and County.
- I. HACSB and County are not liable for the payment of any taxes, other than applicable sales or use tax, resulting from this Contract however designated, levied or imposed, unless HACSB or County would otherwise be liable for the payment of such taxes in the course of its normal business operations.
- J. The Contractor shall request a budget amendment, in writing, in advance of expenditures: 1) when aggregate expenditures are expected to exceed an approved budgeted line item by more than fifteen (15%) percent; or 2) to add a new budget line item. No budget revision may result in an increase of the maximum dollar amount stated in Paragraph A, of this Section. The written request must specify the changes requested, by line item and amount, and must include justification. Prior to implementation of a budget revision, HACSB shall approve (or deny) the budget revision request. HACSB has the authority to approve line item budget changes to the budget herein, as long as these changes do not exceed the total contract amount. HACSB shall notify the Contractor in writing of the status of the budget revision request within fourteen (14) calendar days of receipt of the Contractor's written request. The County reserves the right to deny the Contractor's invoice for expenditures in excess of the approved budgeted line item amount. Contractor shall be limited to a maximum of two (2) budget modifications per fiscal year. Budget modifications to the current fiscal year are due no later than April 15th of that fiscal year.

VI. RIGHT TO MONITOR AND AUDIT

- A. HACSB and County shall have the absolute right to monitor the performance of Contractor in the delivery of services provided under this Contract.
- B. HACSB and County or any subdivision or appointee thereof, and the State of California or any subdivision or appointee thereof, including the Auditor General, shall have absolute right to review and audit all records, books, papers, documents, corporate minutes, and other pertinent items as requested, and shall have absolute right to monitor the performance of Contractor in the delivery of services provided under this Contract. Full cooperation shall be given by Contractor in any auditing or monitoring conducted. Contractor shall repay to HACSB within thirty (30) days of receipt of audit findings any reimbursements made by HACSB to Contractor that are determined by subsequent audit to be unallowable pursuant to the terms of this Contract or by law.
- C. Contractor shall cooperate with HACSB and County in the implementation, monitoring and evaluation of this Contract and comply with any and all reporting requirements established by this Contract.
- D. All records pertaining to service delivery and all fiscal, statistical and management books and records shall be available for examination and audit by county, federal and state representatives for a period of three (3) years after final payment under the Contract or until all pending county, state, and federal audits are completed, whichever is later. Records of the Contractor which do not pertain to the services under this Contract may be subject to review or audit unless provided in this or another Contract. Technical program data shall be retained locally and made available upon HACSB and the County upon reasonable advance written notice or turned over to HACSB. If said records are not made available at the scheduled monitoring visit, Contractor may, at HACSB's option, be required to reimburse HACSB for expenses incurred due to required

rescheduling of monitoring visit(s). Such reimbursement will not exceed \$50 per hour (including travel time) and may be deducted from the following month's claim for reimbursement.

- E. Contractor shall provide all reasonable facilities and assistance for the safety and convenience of HACSB and County's representatives in the performance of their duties. All inspections and evaluations shall be performed in such a manner as will not unduly delay the work of the Contractor.
- F. Upon HACSB request, Contractor shall hire a licensed Certified Public Accountant, approved by HACSB, who shall prepare and file with HACSB, within sixty (60) days after the termination of the Contract, a certified fiscal audit of related expenditures during the term of the Contract and a program compliance audit.
- G. Pursuant to Code of Federal Regulations (CFR) – Title 2 CFR 200.501, Contractors expending \$750,000 or more in federal funds within the Contractor's fiscal year must have a single audit or program-specific audit performed. A copy of the audit performed in accordance with Code of Federal Regulations (CFR) – Title 2 CFR 200.501 shall be submitted to the HACSB within thirty (30) days of completion, but no later than nine (9) months following the end of the Contractor's fiscal year. Please refer to http://www.ecfr.gov/cgi-bin/text-idx?node=se2.1.200_1501&rgn=dv8 for further information.
- H. The following closely related programs identified by the Catalog of Federal Domestic Assistance (CFDA) number are to be considered as an "Other cluster" for purposes of determining major programs or whether a program specific audit may be elected. The Contractor shall communicate this information to the independent auditor conducting the organization's single audit.

US Department of Health and Human Services:
93.558 - Temporary Assistance for Needy Families (TANF)

- I. County is required to identify the Contractor Data Universal Numbering System (DUNS) numbers and Federal Award Identification Number (FAIN) in all County contracts that include Federal funds or pass through of Federal funds. This information is required in order for the County to remain in compliance with 2CFR Section 200.331, and remain eligible to receive Federal funding. The Contractor shall provide the Contractor name as registered in DUNS, as well as the DUNS number to be included in this Contract. Related FAIN will be included in this Contract by the HACSB.

Contractor Name as registered in DUNS	
DUNS	
FAIN	1801CATANF

VII. CORRECTION OF PERFORMANCE DEFICIENCIES

- A. In the event of a problem or potential problem that could impact the quality or quantity of work, services, or the level of performance under this Contract, Contractor shall notify HACSB within one (1) working day, in writing and by telephone.
- B. Failure by Contractor to comply with any of the provisions, covenants, requirements or conditions of this Contract shall be a material breach of this Contract.
- C. In the event of a non-cured breach, HACSB may, at its sole discretion and in addition to any other remedies available at law, in equity, or otherwise specified in this Contract.
 - 1. Afford Contractor thereafter a time period within which to cure the breach, which period shall be established at sole discretion of HACSB; and/or
 - 2. Discontinue reimbursement to Contractor for and during the period in which Contractor is in breach, which reimbursement shall not be entitled to later recovery; and/or
 - 3. Withhold funds pending duration of the breach; and/or

4. Offset against any monies billed by Contractor but yet unpaid by HACSB those monies disallowed pursuant to Item "2" of this paragraph; and/or
 5. Terminate this Contract immediately and be relieved of the payment of any consideration to Contractor. In event of such termination, HACSB may proceed with the work in any manner deemed proper by HACSB. The cost to the County shall be deducted from any sum due to the Contractor under this Contract and the balance, if any, shall be paid by the Contractor upon demand.
- D. Unless a remedy is specifically designated as exclusive, no remedy conferred by any of the specific provision of the Contract is intended to be exclusive of any other remedy, and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder, now or hereafter existing at law or in equity or by statute or otherwise. The election of any one (1) or more remedies by either Party shall not constitute a waiver of the right to pursue other available remedies.

VIII. TERM

This Contract is effective as of July 1, 2020 and expires June 30, 2021, but may be terminated earlier in accordance with provisions of Section IX of the Contract. The Contract term may be extended for four (4) additional one-year periods by mutual agreement of the parties.

IX. EARLY TERMINATION

- A. HACSB may terminate the Contract immediately under the provisions of Section VII, Paragraph C, Item 5 of the Contract. In addition, the Contract may be terminated without cause by HACSB by serving a written notice to the Contractor thirty (30) days in advance of termination. The Executive Director of HACSB is authorized to exercise HACSB's rights with respect to any termination of this Contract.
- B. Contractor shall only be reimbursed for costs and un-cancelable obligations incurred prior to the date of termination. Contractor shall not be reimbursed for costs incurred after the date of termination.
- C. Upon receipt of termination notice Contractor shall promptly discontinue services unless the notice directs otherwise. Contractor shall deliver promptly to HACSB and transfer title (if necessary) all completed work, and work in progress, including drafts, documents, plans, forms, data, products, graphics, computer programs and reports.

X. GENERAL PROVISIONS

- A. When notices are required to be given pursuant to this Contract, the notices shall be in writing and mailed to the following respective addresses listed below.

Contractor: Knowledge and Education for Your Success, Inc.
Attn: Jere Thrasher
680 S. Waterman Ave.
San Bernardino, CA 92408

HACSB: Housing Authority of the County of San Bernardino
Attn: Maria Razo
715 E. Brier Dr.
San Bernardino, CA 92408
- B. Nothing contained in this Contract shall be construed as creating a joint venture, partnership or employment arrangement between the Parties hereto, nor shall either Party have the right, power or authority to create an obligation or duty, expressed or implied, on behalf of the other Party hereto.
- C. Contractor shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to, cash, discounts, service, the provision of travel or entertainment, or any items of value to any officer, employee or agent of HACSB or the County in an attempt to secure favorable treatment regarding this Contract.

HACSB, by written notice, may immediately terminate any contract if it determines that any improper consideration as described in the preceding paragraph was offered to any officer, employee or agent of HACSB with respect to the proposal and award process. This prohibition shall apply to any amendment, extension or evaluation process once a contract has been awarded.

Contractor shall immediately report any attempt by a HACSB or County officer, employee or agent to solicit (either directly or through an intermediary) improper consideration from Contractor. The report shall be made to the supervisor or manager charged with supervision of the employee or to the HACSB Administrative Office. In the event of a termination under this provision, HACSB is entitled to pursue any available legal remedies.

- D. Time is of the essence in performance of this Contract and each of its provisions. Except as otherwise provided herein, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Contract, that party shall, within twenty-four (24) hours, give notice thereof, including all relevant information with respect thereto, to the other party.
- E. All equipment, materials, supplies or property of any kind (including vehicles, publications, copyrights, etc.) which has a single unit cost of five hundred dollars (\$500) or more, including tax, purchased with funds received under the terms of this Contract and not fully consumed in one (1) year shall be the property of HACSB, unless otherwise required by Funding Source, and shall be subject to the provisions of this paragraph. The disposition of equipment or property of any kind shall be determined by HACSB when the Contract is terminated. Additional terms are as follows:
 - 1. The purchase of any furniture or equipment which exceeds a single unit cost of five hundred dollars (\$500) and/or was not included in Contractor's approved budget, shall require the prior written approval of HACSB, and shall fulfill the provisions of this Contract which are appropriate and directly related to Contractor's services or activities under the terms of the Contract. HACSB may refuse reimbursement for any cost resulting from such items purchased, which are incurred by Contractor, if prior written approval has not been obtained from HACSB.
 - 2. Before equipment purchases made by Contractor are reimbursed by HACSB, Contractor must submit paid vendor receipts identifying the purchase price, description of the item, serial numbers, model number and location where equipment will be used during the term of this Contract.
 - 3. Contractor shall submit an inventory of equipment purchased under the terms of this Contract as part of the monthly activity report for the month in which the equipment is purchased.
 - 4. At the termination of this Contract, Contractor shall provide a final inventory to HACSB and shall at that time query HACSB as to requirements, including the manner and method in returning said equipment to HACSB. Final disposition of such equipment shall be in accordance with instructions from HACSB.
- F. HACSB and County shall have a royalty-free, non-exclusive and irrevocable license to publish, disclose, copy, translate, and otherwise use, copyright or patent, now and hereafter, all reports, studies, information, data, statistics, forms, designs, plans, procedures, systems, and any other materials or properties developed under the Contract including those covered by copyright, and reserves the right to authorize others to use or reproduce such material. All such materials developed under the terms of the Contract shall acknowledge HACSB and County as the funding agency and Contractor as the creator of the publication. No such materials or properties produced in whole or in part under the Contract shall be subject to private use, copyright or patent right by Contractor in the United States or in any other country without the express written consent of HACSB and County. Copies of all educational and training materials, curricula, audio/visual aids, printed material, and periodicals, assembled pursuant to the Contract must be filed with HACSB and County prior to publication. Contractor shall receive written permission from HACSB and County prior to publication of said training materials.

- G. All documents, data, products, graphics, computer programs and reports prepared by Contractor pursuant to the Contract shall be considered property of the HACSB and County upon payment for services (and product, if applicable). All such items shall be delivered to HACSB at the completion of work under the Contract, subject to the requirements of Section VIII, Term. Unless otherwise directed by HACSB, Contractor may retain copies of such items.
- H. No waiver of any of the provisions of the Contract shall be effective unless it is made in a writing which refers to provisions so waived and which is executed by the Parties. No course of dealing and no delay or failure of a Party in exercising any right under the Contract shall affect any other or future exercise of that right or any exercise of any other right. A Party shall not be precluded from exercising a right by its having partially exercised that right or its having previously abandoned or discontinued steps to enforce that right.
- I. Any alterations, variations, modifications, or waivers of provisions of the Contract, unless specifically allowed in the Contract, shall be valid only when they have been reduced to writing, duly signed and approved by the Authorized Representatives of both parties as an amendment to this Contract. No oral understanding or agreement not incorporated herein shall be binding on any of the Parties hereto.
- J. If any provision of the Contract is held by a court of competent jurisdiction to be unenforceable or contrary to law, it shall be modified where practicable to the extent necessary so as to be enforceable (giving effect to the intention of the Parties) and the remaining provisions of the Contract shall not be affected.
- K. This Contract shall be governed by and construed in all aspects in accordance with the laws of the State of California without regard to principles of conflicts of laws. The Parties agree to the exclusive jurisdiction of the federal court located in the County of Riverside and the state court located in the County of San Bernardino, for any and all disputes arising under this Contract, to the exclusion of all other federal and state courts.
- L. In the event HACSB determines that service is unsatisfactory, or in the event of any other dispute, claim, question or disagreement arising from or relating to this Contract or breach thereof, the parties hereto shall use their best efforts to settle the dispute, claim, question or disagreement. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both parties.
- M. The parties actions under the Contract shall comply with all applicable laws, rules, regulations, court orders and governmental agency orders. The provisions of this Contract are specifically made severable. If a provision of the Contract is terminated or held to be invalid, illegal or unenforceable, the validity and enforceability of the remaining provisions shall remain in full effect.
- N. In the event that a subpoena or other legal process commenced by a third party in any way concerning the services provided under this Contract is served upon Contractor or HACSB, such party agrees to notify the other party in the most expeditious fashion possible following receipt of such subpoena or other legal process. Contractor and HACSB further agree to cooperate with the other party in any lawful effort by such other party to contest the legal validity of such subpoena or other legal process commenced by a third party as may be reasonably required and at the expense of the party to whom the legal process is directed, except as otherwise proceed herein in connection with defense obligations by Contractor for HACSB.

XI. CONCLUSION

- A. This Contract, consisting of twenty-two (22) pages and Attachments A, B and C, is the full and complete document describing services to be rendered by Contractor to HACSB, including all covenants, conditions, and benefits.
- B. The signatures of the Parties affixed to this Contract affirm that they are duly authorized to commit and bind their respective institutions to the terms and conditions set forth in this document.
- C. This Contract may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same Contract. The parties shall be entitled to sign and transmit an electronic signature of this Contract (whether by facsimile, PDF or other email transmission), which signature shall be binding on the party whose name is contained therein. Each party providing an electronic signature agrees to promptly execute and deliver to the other party an original signed Contract upon request.
- D. IN WITNESS WHEREOF, the Housing Authority of the County of San Bernardino and Contractor have each caused this Contract to be subscribed in its behalf by its duly authorized officers, the day, month, and year written.

**KNOWLEDGE AND EDUCATION FOR YOUR
SUCCESS, INC. (KEYS)**

Signature

Title

Date

**THE HOUSING AUTHORITY OF THE COUNTY OF
SAN BERNARDINO**

Signature

Maria Razo

Executive Director

Date



Human Services

COMPLAINT AND GRIEVANCE PROCEDURE

INSTRUCTIONS: THE CUSTOMER IS TO READ AND RECEIVE THE TOP PORTION OF THIS FORM. THE BOTTOM PORTION OF THE FORM IS TO BE SIGNED BY SERVICE RECIPIENT AND PLACED IN THE CONTRACTOR'S RECORDS.

If you believe you have been discriminated against, or that there has been a violation of any laws or regulations, or if you have a problem regarding services received, you have the right to file a complaint or tell us your grievance.

The following procedures are to be followed when filing a complaint or grievance.

STEP ONE:

Write down your complaint or grievance and talk to the service provider. Keep a copy for yourself and write down the date you talked to the service provider.

- If answered or resolved at this step, nothing further is required.
- If no answer or resolution within 10 calendar days, proceed with Step Two.

STEP TWO:

Send a copy of your written complaint or grievance, or discuss the complaint or grievance with your County Caseworker. Write down the date you spoke to your Caseworker or send the complaint and keep it with your copy.

- If answered or resolved at this step, nothing further is required.
- If no answer or resolution within 10 calendar days, proceed with Step Three.

STEP THREE:

Send a copy of your written complaint or grievance to the Program Specialist. If you would like a response, include your name, address and telephone number. Your personal information and your complaint and grievance details will be kept confidential.

HS Program Development Division, Contracts Support Unit
ATTN: Program Specialist
825 E. Hospitality Lane, 2nd Floor
San Bernardino, CA 92415-0079

- If answered or resolved at this step, nothing further is required.
- If no answer or resolution within 10 calendar days, proceed with Step Four.

STEP FOUR:

Send a copy of your written complaint or grievance to the Contract Analyst at:
HS Administrative Support Division, ATTN: Contracts Unit
150 S. Lena Road
San Bernardino, CA 92415-0515

You will be contacted within 10 calendar days if you have provided contact information.

Please note: Each of these steps must be completed in the sequence shown.

..... **Detach here**

COMPLAINT AND GRIEVANCE PROCEDURE CERTIFICATION

This certifies I have read, understood, and received the Complaint and Grievance Procedures.

Client Signature

Date



COMPLAINT AND GRIEVANCE PROCEDURE

THIS INFORMING NOTICE IS TO BE DISPLAYED IN CLEAR VIEW IN AREAS WHERE CLIENT WILL OBTAIN THE DIRECT SERVICE OR AS DELINEATED IN THE CORRESPONDING COUNTY CONTRACT. CLIENT IS TO BE PROVIDED A COPY OF THIS PROCEDURE UPON REQUEST.

If you believe you have been discriminated against, or that there has been a violation of any laws or regulations, or if you have a problem regarding the services you received, you have the right to file a complaint or tell us your grievance.

The following procedures are to be followed when filing a complaint or grievance.

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HS Program Development Division
Attn: Contracts Support Unit
825 E. Hospitality Lane, 2nd Floor
San Bernardino, CA 92415-0079
909-383-9700

- If answered or resolved at this step, nothing further is required.
- If no answer or resolution within 10 calendar days, proceed with Step Four.

STEP FOUR:

Send a copy of your written complaint or grievance to the Contract Analyst at:

HS Administrative Support Division
Contracts Unit
150 S. Lena Road
San Bernardino, CA 92415-0515

You will be contacted within 10 calendar days if you have provided contact information.

Please note: Each of these steps must be completed in the sequence shown.



Human Services

PROCEDIMIENTO PARA DENUNCIAS Y QUEJAS

ESTE AVISO INFORMATIVO DEBE MOSTRARSE EN VISTA CLARA EN AREAS DONDE EL CLIENTE RECIBIRÁ SERVICIO DIRECTO O COMO ESTÁ DELINEADO EN EL CONTRATO DEL CONDADO CORRESPONDIENTE. AL CLIENTE SE LE PROPORCIONARÁ UNA COPIA DE ESTE PROCEDIMIENTO CUANDO LO PIDA.

Si cree que ha sido discriminado, o que habido una violación de leyes o regulaciones, o si tiene un problema con respecto a los servicios que recibió, usted tiene el derecho de presentar una denuncia o informarnos de su queja.

Se deben seguir los siguientes procedimientos al presentar una denuncia o queja.

PRIMER PASO:

Escriba su denuncia o queja por escrito y hable con el proveedor de servicios. Guarde una copia para usted y escriba la fecha en que habló con el proveedor de servicios.

- Si en este paso recibió respuesta o resolvió el problema, no se requiere hacer nada más.
- Si no hay respuesta o resolución dentro de los 10 días calendarios, siga al Segundo Paso.

1.

SEGUNDO PASO:

Mande una copia de su denuncia o queja por escrito o hable con su Trabajador encargado del Caso del Condado sobre su denuncia o queja. Escriba la fecha en que habló con su Trabajador de Caso o cuando envió su queja por escrito y manténgala con su copia en sus archivos.

- Si en este paso recibió respuesta o resolvió el problema, no se requiere hacer nada más.
- Si no hay respuesta o resolución dentro de los 10 días calendarios, siga al Tercer Paso.

TERCER PASO:

Mande una copia de su denuncia o queja por escrito al Especialista de Programa. Si desea una respuesta, incluya su nombre, dirección y número de teléfono. Su información personal y los detalles de su denuncia o queja se mantendrán confidencial.

HS Program Development Division,
ATTN: Contracts Support Unit
825 E. Hospitality Lane, 2nd Floor
San Bernardino, CA 92415-0079
909-383-9700

- Si en este paso recibió respuesta o resolvió el problema, no se requiere hacer nada más.
- Si no hay respuesta o resolución dentro de los 10 días calendarios, siga al Cuarto Paso.

CUARTO PASO:

Mande una copia de su denuncia o queja por escrito al Analista de Contratos a:

HS Administrative Support Division
Contracts Unit
150 S. Lena Road
San Bernardino, CA 92415-0515

Será contactado dentro de 10 días calendarios si ha proporcionado su información de contacto.

Por favor note: Cada uno de estos pasos deben ser completados en la orden que se indica.



PROCEDIMIENTO PARA DENUNCIAS Y QUEJAS

INSTRUCCIONES: El CLIENTE DEBE leer y recibir la parte superior de este formulario. La parte inferior del formulario debe ser firmado por el recipiente del servicio y colocarlo en los archivos del contratista.

Si cree que ha sido discriminado o que, habido una violación de leyes o regulaciones, o si tiene un problema con respecto a los servicios que recibió, usted tiene el derecho de presentar una denuncia o informarnos de su queja.

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Contracts Unit
150 S. Lena Road
San Bernardino, CA 92415-0515

Será contactado dentro de 10 días calendarios si ha proporcionado su información de contacto.

Por favor note: Cada uno de estos pasos deben ser completados en la orden que se indica.

..... **Separar aquí.**

CERTIFICACIÓN DEL PROCEDIMIENTO PARA DENUNCIAS Y QUEJAS

Esto certifica que he leído, entendido, y he recibido el Procedimiento para Denuncias y Quejas.

Firma del Cliente

Fecha

ASSURANCE OF COMPLIANCE STATEMENT

**ASSURANCE OF COMPLIANCE WITH THE
CALIFORNIA DEPARTMENT OF SOCIAL SERVICES
NONDISCRIMINATION IN STATE AND FEDERALLY ASSISTED PROGRAMS**

Housing Authority of the County of San Bernardino

NAME OF THE CONTRACTING AGENCY

(Hereinafter called the "Agency")

HEREBY AGREES THAT it will comply with Title VI and VII of the Civil Rights act of 1964, Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975, the Food Stamp Act of 1977-Section 272.6, The Americans with Disabilities Act of 1990, Government Code (GC) Section 1135 and California Code of Regulations (CCR) Title 22 Section 9800-98413, Title 24 of the California Code of Regulations, Section 310A(e) and other applicable federal and state laws, as well as their implementing regulations (including 45 CFR, Parts 80, 84, and 91, 7 CFR Part 15, and 28 CFS Part 42), by ensuring that employment practices and the administration of public assistance and social services programs are nondiscriminatory, to the effect that no person shall because of race, color, national origin, political affiliation, religion, marital status, sex, age or disability be excluded from participation in or be denied the benefits of, or be otherwise subject to discrimination under any program or activity receiving federal or state assistance; and HEREBY GIVES ASSURANCE THAT, it will immediately take any measures necessary to effectuate this agreement.

THIS ASSURANCE is given in consideration of and for the purpose of obtaining any and all federal and state assistance; and THE AGENCY HEREBY GIVES ASSURANCE THAT administrative methods/procedures which have the effect of subjecting individuals to discrimination or defeating the objectives of the California Department of Social Services (CDSS) Manual of Policies and Procedures (MPP) Chapter 21, will be prohibited.

BY ACCEPTING THIS ASSURANCE, the agency agrees to compile data, maintain records and submit reports as required, to permit effective enforcement of the aforementioned laws and regulations and permit authorized CDSS and/or federal government personnel, during normal working hours, to review such records, books and accounts as needed to ascertain compliance. If there are any violations of this assurance, CDSS shall have the right to invoke fiscal sanctions or other legal remedies in accordance with Welfare and Institutions Code Section 10605, or Government Code Section 11135-39, or any other laws, or the issue may be referred to the appropriate federal agency for further compliance action and enforcement of this assurance.

THIS ASSURANCE is binding on the agency directly or through contract, license, or other provider services, as long as it receives federal or state assistance; and shall be submitted annually with the required Civil Rights Plan Update.

DATE

SIGNATURE

ORGANIZATION

CalWORKs HOUSING SUPPORT PROGRAM
July 1, 2020 through June 30, 2021

I. DIRECT FINANCIAL ASSISTANCE

1. PERMANENT HOUSING	BUDGET
Financial Assistance	<u>\$2,140,000.00</u>
<u>Subtotal Permanent Housing</u>	<u>\$2,140,000.00</u>

2. INTERIM	PTEs	BUDGET
Housing Assistant	1	\$25,890.00
Engagement Coordinator	1	\$33,522.00
Stability Specialist	3	\$145,539.00
Housing Liaison	1	\$45,890.00
Intake Specialist	1	\$26,855.00
Bridges (PJAC/HSP)		\$25,000.00
Risk Mitigation		\$150,000.00
Master Leasing		\$300,000.00
Inspections		\$75,000.00
Organization Capacity Building/Assessments		\$28,000.00
Tenant / Landlord Education Workshops		\$20,000.00
Resources Coordination		\$15,000.00
Certification/Trainings		\$18,000.00
Making Home Habitable		\$200,000.00
Housing First		\$350,000.00
Motel/H.O.P.E.		<u>\$470,000.00</u>
<u>Subtotal Interim</u>		<u>\$1,928,696.00</u>

II. CASE MANAGEMENT

1. PERSONNEL	PTEs	BUDGET
Program Manager	3	\$206,089.00
Program Officer	1	\$59,249.00
Housing Services Manager	1	\$53,123.00
Service Coordinators	18	\$885,793.00
Housing Navigator	1	<u>\$12,032.00</u>
<u>Subtotal Case Management</u>		<u>\$1,216,285.00</u>

III. ADMINISTRATIVE /SUPPORTIVE EXPENSES

1. PROGRAM MANAGEMENT	BUDGET
Administration & Program Management (Housing Authority/KEYS)	<u>\$539,517.00</u>
<u>Subtotal Program Management</u>	<u>\$539,517.00</u>

2. PERSONNEL OTHER	PTEs	BUDGET
Executive Director	1	\$142,779.00
Deputy Executive Director	1	\$111,909.00
Finance Manager	1	\$77,578.00
Junior Accountant	1	\$41,782.00
Accounting Assistant	1	\$35,612.00
<u>Subtotal Personnel Other</u>		<u>\$409,659.00</u>
3. DATA COLLECTION AND TRACKING EXPENSES	PTEs	BUDGET
Data Collection and Tracking Expenses (Housing Authority/KEYS)		\$150,000.00
Data Analytic Manager	1	\$62,241.00
Data Specialist	1	<u>\$33,602.00</u>
<u>Subtotal Data Collection and Tracking Expenses</u>		<u>\$245,843.00</u>
<u>TOTAL PROGRAM EXPENSES</u>		<u>\$6,480,000.00</u>

REPORT/RECOMMENDATION TO THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO AND RECORD OF ACTION

June 9, 2020

FROM

MARIA RAZO, Executive Director, Housing Authority of the County of San Bernardino

SUBJECT

Resolution authorizing various actions related to the refinancing of five properties owned by HPI Property Acquisitions LLC

RECOMMENDATION(S)

1. Adopt Resolution No. 86:

- a. Authorizing acceptance of the transfer of title of the real property located at 15876 Chehalis Road, Apple Valley, CA 92307 from HPI Property Acquisitions LLC to the Housing Authority of the County of San Bernardino;
- b. Authorizing the addition of the Housing Authority of the County of San Bernardino as 49% member of HPI Property Acquisitions LLC; and
- c. Authorizing the Housing Authority of the County of San Bernardino to serve as co-Nonrecourse Guarantor for the benefit of PNC bank with regard to the loan(s) refinancing five properties owned by HPI Property Acquisitions LLC.
- d. Authorize and direct the Executive Director, upon consultation with Legal Counsel, to execute and deliver all documents and agreements necessary to accept the title to the Chehalis property and consummate the role in the limited liability company, including the Articles of Organization and Operating Agreement, the Nonrecourse Guaranty, and other ancillary documents necessary to carry out and close the refinancing of the HPI Property Acquisitions LLC's loan with PNC Bank and to approve any non-substantive revisions necessary to complete the transaction.

(Presenter: Maria Razo, Executive Director, 332-6305)

GOALS & OBJECTIVES

HACSB has secured the resources needed for accomplishing its mission.

HACSB clients live in safe and desirable homes and communities where they can develop and prosper.

FINANCIAL IMPACT

Approval of this item will result in the return of real property at 15876 Chehalis Road in Apple Valley (Chehalis property) to the Housing Authority of the County of San Bernardino (HACSB) Real Estate portfolio with no cash outlay required of HACSB. The Chehalis property consists of 30 rental apartments with a value in excess of \$2 million. Further, HACSB will retire residual receipts financing it has carried for HPI Property Acquisitions LLC (LLC) since 2010 and will become 49% owner of the five property portfolio valued in excess of \$15.7 million. The subsequent refinance of the five property portfolio will generate excess cash which HACSB intends to invest in the properties and also in future affordable housing development in partnership with affiliate nonprofit Housing Partners I, Inc.

BACKGROUND INFORMATION

On December 9, 2009, the Board of Commissioners of HACSB adopted Resolution No. 2260, authorizing the sale of six different rental properties to the LLC, whose sole member at the time

was HACSB's affiliate nonprofit, Housing Partners I, Inc. (HPI). The transaction authorized a new permanent loan by PNC Bank which funded approximately 60% of the then appraised value of the property. The balance of the sales proceeds which was not provided by the PNC loan was carried back by HACSB in the form of a residual receipts note. HACSB also entered into a Development Services Agreement with the LLC to provide management services in completing unit rehabilitation and various repairs deemed necessary by the lender, and to establish terms under which ongoing payments were disbursed to the authority by the LLC.

The PNC loan is approaching the end of the original 10 year term and the LLC desires to refinance. The value of the overall six property portfolio has increased, and interest rates have fallen to the extent that today, only five of the properties are required to support a new loan. The new loan will pay off the original loan, fund "cash out" in excess of \$2.4 million, and in doing so, the new monthly payment amount will not exceed the current monthly payment amount. As a result, it has been determined that the 30 unit property at 15876 Chehalis Road in Apple Valley can be returned to the HACSB portfolio. The five properties required for the new loan are:

Property	City	# of units
Acacia	Fontana, CA.	28
Desert Village	Victorville, CA.	46
Kendall Drive	San Bernardino, CA.	37
Kendall Park	San Bernardino, CA.	52
Robert O. Townsend Apartments	Montclair, CA.	48

Rather than continuing and subordinating the seller carryback financing included in the original transaction, staff is also proposing that it is in the best interest of HACSB to now become a member of the ownership structure of the five property portfolio. It is proposed that HACSB become a 49% member of the LLC, with HPI retaining its controlling interest at 51%. With the new ownership structure, the former seller carryback note(s) and Development Services Agreement will no longer be necessary to maintain.

As a member of the LLC ownership entity, HACSB will also be required to execute a "Nonrecourse Guaranty", along with HPI, for the benefit of PNC Bank. Such guaranty is nonrecourse in that the lender is prohibited from going after other assets of HACSB in the event of default. Collateral for the loan is limited only to the property being financed. The Guaranty is HACSB's promise to abstain from "bad acts" (misconduct including fraud and insolvency) with respect to both the loan and the property.

PROCUREMENT

Not Applicable

REVIEW BY OTHERS

This item has been reviewed by Legal Counsel (Julie J. Surber, Principal Assistant County Counsel, 387-5455) on May 18, 2020, and Legal Counsel (Isabel Brown, Attorney, Goldfarb & Lipman LLP, (518) 836-6336) on May 20, 2020.

HOUSING AUTHORITY RESOLUTION NO. 2020-86

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO AUTHORIZING VARIOUS ACTIONS RELATED TO THE REFINANCING OF FIVE PROPERTIES OWN BY HPI PROPERTY ACQUISITIONS LLC

RECITALS

WHEREAS, the Housing Authority of the County of San Bernardino (the "Authority") is a duly formed housing authority of the State of California, and is vested with the responsibilities set forth in Division 24, Part 2, Article 4 (Sections 34310-34334) of the California Health and Safety Code, which includes providing low and moderate income housing within its jurisdiction; and

WHEREAS, Housing Partners I, Inc. ("HPI") is a 501(c)(3) tax-exempt nonprofit corporation formed by the Authority to assist in providing affordable housing; and

WHEREAS, the Authority sold certain housing developments (the "Housing Developments"), more particularly described in Exhibit A, to HPI in a transaction that closed on May 12, 2010; and

WHEREAS, the Housing Developments are currently owned by a Limited Liability Company known as HPI Property Acquisitions LLC of which HPI is the sole member (the "LLC"); and

WHEREAS, the LLC intends to refinance the mortgage loans encumbering the Housing Developments as they are reaching the end of their terms; and

WHEREAS, the LLC intends to exclude the Chehalis property from the original list of six properties comprising the Housing Developments as the remaining five properties have increased in value so as to generate sufficient loan proceeds to pay off the original loan(s); and

WHEREAS, on May 7, 2010, the Authority entered into an agreement with the LLC which outlined the terms under which the Authority can purchase, enter, and take possession of the Housing Developments after the LLC's full repayment of the original loan (the "Development Services Agreement"); and

WHEREAS, the Authority intends to accept transfer of title to the Chehalis property from the LLC pursuant to terms delineated in the Development Services Agreement under Section 5. Option to Purchase; and

WHEREAS, PNC Bank, N.A. ("PNC") has agreed to act as the LLC's agent to underwrite a loan with the Federal Home Loan Mortgage Corporation ("Freddie Mac") for refinancing the Housing Developments (the "PNC Freddie Mac Loan"); and

WHEREAS, the Authority intends to be added as a member of the LLC with a 49% ownership interest in the Housing Developments in lieu of continuing the seller carryback financing included in the original sale for the balance of sales proceeds not provided by the original loan; and

WHEREAS, the LLC shall provide the Authority with Eighty Percent (80%) of the residual receipts (the "Authority Share of Residual Receipts") produced by the Housing Developments for a term of fifty-five (55) years in recognition of the Authority's original sole ownership of the property; and

WHEREAS, the Authority anticipates that Freddie Mac may require the Authority to execute a non-recourse guaranty for the benefit of PNC;

OPERATIVE PROVISIONS

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO DOES RESOLVE AS FOLLOWS:

Section 1: The Board of Commissioners finds and determines that the above recitals are true and correct and have served as a basis in part, for the actions of the Authority set forth below.

Section 2: That the Authority shall enter into agreements necessary to effectuate transfer of the Chehalis property from the LLC to the Authority pursuant to the terms outlined under Section 5 of the Development Services Agreement.

Section 3: That the Authority shall enter into any other agreements necessary or desirable to become a member holding a 49% ownership interest in the LLC and assist the LLC in operating the Housing Developments.

Section 4: That the Authority shall enter into any other agreements necessary or desirable to establish its rights to the Authority Share of Residual Receipts.

Section 5: That the Authority may serve as a co-guarantor under the Guaranties for the PNC Freddie Mac Loan.

Section 6: That the Executive Director of the Authority is authorized, empowered and directed to take any and all necessary actions, and execute any and all necessary documents on behalf of the Authority, including but not limited to, a purchase and sale agreement, escrow instructions, a preliminary change of ownership form, loan agreements, promissory notes, regulatory agreements, deeds of trust, assignment agreements, guarantee agreements and to do any and all such other acts and things that may be necessary or required to assist the LLC in closing the PNC Freddie Mac loan and to do any and all other activities contemplated in this Resolution.

Section 7: That the Executive Director of the Authority shall be authorized and directed to execute any and all necessary documents and to furnish all materials necessary or desirable to accomplish the other activities contemplated by this Resolution.

Section 8: That the Executive Director shall be authorized to execute any other form of resolution required by a lender or investor which are determined, with the advice of counsel to the Authority, to not materially conflict with the substance of this Resolution.

Section 9: That any and all acts previously taken by the Executive Director or any other officer of the Authority in connection with the matters authorized by the foregoing resolutions are ratified, confirmed, adopted and approved by the Board of Commissioners of the Authority.

Section 10: This Resolution shall take immediate effect upon adoption.

PASSED AND ADOPTED by the Board of Commissioners of the Housing Authority of the County of San Bernardino, by the following vote:

AYES:

NOES:

ABSENT:

STATE OF CALIFORNIA)

COUNTY OF SAN BERNARDINO)
) ss.

I, _____, Secretary of the Board of Commissioners of the Housing Authority of the County of San Bernardino, hereby certify the foregoing to be a full, true and correct copy of the record of the action taken by the Board of Commissioners, by vote of the members present, as the same appears in the Official Minutes of said Board at its meeting of Tuesday, _____, 20__.

Secretary

AMENDED AND RESTATED
OPERATING AGREEMENT
OF
HPI PROPERTY ACQUISITIONS LLC

Dated: _____, 2020

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AMENDED AND RESTATED OPERATING AGREEMENT
FOR
HPI PROPERTY ACQUISITIONS LLC

RECITALS

This Amended and Restated Operating Agreement (the "**Agreement**") is entered into as of _____, 2020 (the "**Effective Date**") by Housing Partners I, Incorporated, a California nonprofit public benefit corporation ("**HPI**"), and the Housing Authority of the County of San Bernardino, a public body, corporate and politic ("**HACSB**") (each referred to individually as a "**Member**" and collectively as the "**Members**"), with reference to the following facts:

A. HPI entered into that certain Operating Agreement for HPI Property Acquisitions LLC (the "**Company**") dated May 7, 2010 (the "Original Operating Agreement"). HPI desires to amend and restate the Original Operating Agreement to add HACSB as a Member of the Company.

B. The Members desire to execute this Agreement to provide for the governance of the Company and the conduct of its business.

NOW THEREFORE, the Members hereby declare the following to be the Operating Agreement of the Company:

ARTICLE 1.
DEFINITIONS

The following capitalized terms used in this Agreement have the meanings specified in this Article or elsewhere in this Agreement and when not so defined shall have the meanings set forth in California Corporations Code Section 17701.02.

1.1 "**Act**" means the California Revised Uniform Limited Liability Company Act (California Corporations Code Sections 17701.01-17713.13), including amendments from time to time.

1.2 "**Agreement**" means this operating agreement, as originally executed and as amended from time to time.

1.3 "**Articles of Organization**" is defined in California Corporations Code Section 17701.02(b), and the Articles of Organization as amended for the Company are set forth in Exhibit A.

1.4 "**Bona Fide Offer**" is defined in Section 9.3.

1.5 "**Capital Account**" means, as to any Member, a separate account maintained and adjusted in accordance with Section 4.1.

1.6 **"Capital Contribution"** means, with respect to any Member, the amount of money, the value of services, and the Fair Market Value of any property (other than money) contributed to the Company (net of liabilities secured by such contributed property that the Company is considered to assume or take "subject to" under Code Section 752) in consideration of a Percentage Interest held by such Member. A Capital Contribution shall not be deemed a loan.

1.7 **"Capital Event"** means a sale or disposition of any of the Company's capital assets, the receipt of insurance and other proceeds derived from the involuntary conversion of Company property, the receipt of proceeds from a refinancing of Company property, or a similar event with respect to Company property or assets.

1.8 **"Code"** means the Internal Revenue Code of 1986, as amended, and any successor provision.

1.9 **"Company"** means HPI Property Acquisitions LLC, a California limited liability company.

1.10 **"Dissociation Event"** is defined in Section 9.4.

1.11 **"Effective Date"** has the meaning as defined in the first paragraph of this Agreement.

1.12 **"Encumber"** means the act of creating or purporting to create an Encumbrance, whether or not perfected under applicable law.

1.13 **"Encumbrance"** means, with respect to any Membership Interest, or any element thereof, a mortgage, pledge, security interest, lien, proxy coupled with an interest (other than as contemplated in this Agreement), option, or preferential right to purchase.

1.14 **"Fair Market Value"** means, with respect to any property of the Company, the item's adjusted basis for federal income tax purposes, except as follows:

- (a) The Gross Asset Value of any item of property contributed by a Member to the Company shall be the value of such property, as mutually and reasonably agreed by the contributing Member and the Company; and
- (b) The Gross Asset Value of any item of Company property distributed to any Member shall be the value of such item of property on the date of distribution, as mutually and reasonably agreed by the distributee Member and the Company.

1.15 **"Fair Option Price"** is defined in Section 9.8.

1.16 **"Initial Member"** or **"Initial Members"** means those Persons whose names are set forth in the first sentence of this Agreement. A reference to an "Initial Member" means any of the Initial Members.

1.17 **"Losses"** see the definition of "Profits and Losses."

- 1.18 **"Majority of Members"** means a Member or Members whose Percentage Interests represent more than fifty percent (50%) of the Percentage Interests of all the Members.
- 1.19 **"Manager"** means HPI.
- 1.20 **"Meeting"** is defined in Section 6.2.
- 1.21 **"Member"** means a Person that has become a member of the Company under Section 17704.01 of the Act and has not dissociated under Section 17706.02 of the Act.
- 1.22 **"Membership Interest"** means a Member's rights in the Company, including the Member's Transferable Interest, any right to Vote or participate in management, and any right to information concerning the business and affairs of the Company provided by the Act.
- 1.23 **"Notice"** means a written notice required or permitted under this Agreement given in the manner provided in Section 14.1.
- 1.24 **"Option Date"** is defined in Section 9.6.
- 1.25 **"Partnership Representative"** is defined in Section 4.2.
- 1.26 **"Percentage Interest"** means a fraction, expressed as a percentage, the numerator of which is the total of a Member's Capital Account and the denominator of which is the total of all Capital Accounts of all Members, with the initial Percentage Interest for each Member set forth in Exhibit B.
- 1.27 **"Person"** means an individual, partnership, limited partnership, trust, estate, association, corporation, limited liability company, or other entity, whether domestic or foreign.
- 1.28 **"Profits"** see the definition of "Profits and Losses."
- 1.29 **"Project"** means that certain affordable housing development located at 9590 Acacia Avenue, Fontana, CA 92335; 14469 Rodeo Drive, Victorville, CA 92395; 1416 West Kendall Drive San Bernardino, CA 92407; 2490 West Kendell Drive, San Bernardino, CA 92407; and 9190 Monte Vista Avenue; Montclair, CA 91763.
- 1.30 **"Qualifying Organization"** means (i) an organization exempt under Section 501(c)(3) of the Internal Revenue Code or under Section 23701d of the California Revenue and Taxation Code and qualifying for exemption under Section 214 of the California Revenue and Taxation Code, or (ii) a government entity that is exempt from property taxation under Section 3 of Article XIII of the California Constitution, as to property owned by the State under subdivision (a), or as to property owned by a local government under subdivision (b).
- 1.31 **"Profits and Losses"** means, for each fiscal year or other period specified in this Agreement, an amount equal to the Company's taxable income ("**Profits**") or loss ("**Losses**") for such year or period, determined in accordance with Code Section 703(a).

1.32 **"Regulations"** means the income tax regulations promulgated by the United States Department of the Treasury and published in the Federal Register for the purpose of interpreting and applying the provisions of the Code, as such Regulations may be amended from time to time, including corresponding provisions of applicable successor regulations.

1.33 **"Selling Member"** is defined in Section 9.4.

1.34 **"Substituted Member"** is defined in Section 9.9.

1.35 **"Successor in Interest"** means a Transferee, a successor of a Person by merger or otherwise by operation of law, or a transferee of all or substantially all of the business or assets of a Person.

1.36 **"Transfer"** means, with respect to a Membership Interest, or any element of a Membership Interest, any assignment, conveyance, deed, bill of sale, lease, mortgage, security interest, encumbrance, gift, and transfer by operation of law, or other disposition of a Membership Interest or any element of such a Membership Interest, directly or indirectly, other than an Encumbrance that is expressly permitted under this Agreement.

1.37 **"Transferable Interest"** means the right, as originally associated with a Person's capacity as a Member, to receive distributions from the Company in accordance with this Agreement, whether or not the Person remains a Member or continues to own any part of the right.

1.38 **"Transferee"** means a Person to which all or part of a Transferable Interest has been transferred, whether or not the Transferor is a Member.

1.39 **"Transferor"** means a Person who by means of a Transfer has transferred a Transferable Interest in the Company to a Transferee.

1.40 **"Vote"** means a written consent or approval, a ballot cast at a Meeting, or consent given by electronic transmission.

1.41 **"Voting Interest"** means, with respect to a Member, the right to Vote or participate in management and any right to information concerning the business and affairs of the Company provided under the Act, except as limited by the provisions of this Agreement. A Member's Voting Interest shall be directly proportional to that Member's Percentage Interest.

ARTICLE 2.

ARTICLES OF ORGANIZATION

2.1 **Formation.** The Members have formed a limited liability company under the Act by causing the Articles of Organization and an amendment to the Articles of Organization to be filed with the California Secretary of State with a file date of _____, 2020, both attached hereto as Exhibit A. The rights, duties, and liabilities of the Members are determined pursuant to the Act, the Articles of Organization, and this Agreement.

- 2.2 Name. The name of the Company is HPI Property Acquisitions LLC.
- 2.3 Principal Office. The principal executive office of the Company is at 715 E. Brier Drive, San Bernardino, California 92408, or such other place or places as may be determined by the Members from time to time.
- 2.4 Agent for Service of Process. The initial agent for service of process on the Company is Anthony Perez. The Majority of Members may from time to time change the Company's agent for service of process.
- 2.5 Purpose. The Company is formed for the purposes of engaging in the business of owning and operating the Project. The property owned by the Company is irrevocably dedicated to charitable purposes.
- 2.6 Operation. The Company is operated exclusively to further the charitable purpose of its members.
- 2.7 Qualifications. Each Member of the Company shall at all times be a Qualifying Organization.
- 2.8 No Merger. The Company is prohibited from merging with, or converting into, a for profit entity.
- 2.9 Term. The term of existence of the Company commenced on the date of filing of the Articles of Organization with the California Secretary of State and shall continue until terminated by the provisions of this Agreement or as provided by law.
- 2.10 Manager-Managed. The Company shall be manager-managed. HPI shall act as the Manager of the Company.

ARTICLE 3. CAPITALIZATION

- 3.1 Initial Capital Contribution. Each Member shall contribute to the capital of the Company as the Member's Capital Contribution the money, services, and/or property specified in Exhibit B to this Agreement. Unless otherwise agreed by all the Members under this Agreement, no Member shall be required to make additional Capital Contributions.
- 3.2 Failure to Make Capital Contribution. If a Member fails to make a required Capital Contribution within thirty (30) days after the Effective Date, that Member's entire Membership Interest shall terminate, that Member shall be dissociated from the Company, and that Member shall indemnify and hold the Company and the other Members harmless from any loss, cost, or expense, including reasonable attorney's fees caused by the failure to make such Capital Contribution.
- 3.3 No Withdrawal of Capital Contribution. A Member shall not be entitled to withdraw any part of the Member's Capital Contribution or to receive any distributions, whether of money or

property from the Company except as provided in this Agreement or as the Members may determine.

3.4 No Interest. No interest shall be paid on funds or property contributed to the capital of the Company or on the balance of a Member's Capital Account.

3.5 Services. Services by any Member to the Company may not be considered to be contributions to the capital of the Company, and loans by any member of the Company shall not be treated as capital contributions to the Company. Any compensation that the Company pays to a Member for services, and any payment made by the Company to a Member on that Member's loan to the Company, shall not be treated as payment made to that Member acting in his, her, or its capacity as a Member under Code Section 707.

3.6 No Personal Liability. A Member shall not be bound by, or be personally liable for, the expenses, liabilities, or obligations of the Company except as otherwise provided in the Act or in this Agreement.

3.7 No Priority. No Member shall have priority over any other Member, with respect to the return of a Capital Contribution, or distributions or allocations of income, gain, losses, deductions, credits, or items thereof.

3.8 Additional Members. The Members may admit to the Company additional members to participate in the Profits, Losses, available cash flow, and ownership of the assets of the Company on such terms as are determined by all of the Members. Admission of any additional Member requires the written consent of all existing Members. Any additional Members are allocated gain, loss income, or expense by the method provided in this Agreement.

3.9 No Liability for Member's Obligations. In the event that a Member has incurred any indebtedness or obligation before the date of this Agreement that relates to or otherwise affects the Company, neither the Company nor any other Member has any liability or responsibility with respect to the indebtedness or obligation unless the indebtedness or obligation is assumed by the Company pursuant to a written instrument signed by all Members. Furthermore, neither the Company nor any Member is responsible or liable for any indebtedness or obligation that is subsequently incurred by any other Member. In the event that a Member (the "**Liable Member**"), whether before or after the date of this Agreement, incurs (or has incurred) any debt or obligation that neither the Company nor any of the other Members is to have any responsibility or liability for, the Liable Member must indemnify and hold harmless the Company and the other Members from any liability or obligation they may incur in respect of the debt or obligation.

ARTICLE 4. CAPITAL ACCOUNTS AND TAX MATTERS

4.1 Capital Accounts. A separate capital account will be maintained for each Member in accordance with Treasury Regulations. The Members intend for this Agreement to meet all requirements under Section 704-1(b) of the Code and the Treasury Regulations promulgated thereunder.

4.2 Partnership Representative. The Members acknowledge the amendment of the Internal Revenue Code (the "Code") affecting the federal income tax audits of entities, such as the Partnership, that are treated as partnerships for federal income tax purposes, made by the Bipartisan Budget Act of 2015, PL 114-74, effective January 1, 2018. The Members intend that HPI designate itself as the "partnership representative" under Section 6223 of the Code as in effect beginning January 1, 2018, and that HPI take any and all action required under the Code or the tax regulations adopted pursuant to Section 7805 of the Code, as in effect from time to time, to designate the "partnership representative."

ARTICLE 5. ALLOCATIONS AND DISTRIBUTIONS

5.1 Profits and Losses. The Profits and Losses of the Company and all items of Company income, gain, loss, deduction, or credit shall be allocated, for Company book purposes and for tax purposes, to a Member in accordance with the Member's Percentage Interest, subject to the provisions of Code Section 704(c).

5.2 Unexpected Allocations. If any Member unexpectedly receives any adjustment, allocation, or distribution described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6), items of Company gross income and gain shall be specially allocated to that Member in an amount and manner sufficient to eliminate any deficit balance in the Member's Capital Account created by such adjustment, allocation, or distribution as quickly as possible. Any special allocation under this Section 5.2 shall be taken into account in computing subsequent allocations of Profits and Losses so that the net amount of allocations of income and loss and all other items shall, to the extent possible, be equal to the net amount that would have been allocated if the unexpected adjustment, allocation, or distribution had not occurred. The provisions of this Section 5.2 and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Sections 1.704-1(b) and 1.704-2 and shall be interpreted and applied in a manner consistent with such Regulations.

5.3 Unrealized Appreciation or Depreciation. Any unrealized appreciation or unrealized depreciation in the values of Company property distributed in kind to all the Members shall be deemed to be Profits or Losses realized by the Company immediately before the distribution of the property and such Profits or Losses shall be allocated to the Members' Capital Accounts in the same proportions as Profits and Losses are allocated under Section 5.1. Any property so distributed shall be treated as a distribution to the Members to the extent of the Fair Market Value of the property less the amount of any liability secured by and related to the property. Nothing contained in this Agreement is intended to treat or cause such distributions to be treated as sales for value. For the purposes of this Section 5.3, "unrealized appreciation" or "unrealized depreciation" shall mean the difference between the Fair Market Value of such property and the Company's basis for such property.

5.4 Membership Interest Transfers. If any Membership Interest, or part thereof, is Transferred during any fiscal year in compliance with the provisions of Article 9, Profits, Losses, each item thereof, and all other items attributable to such Membership Interest for such fiscal year shall be divided and allocated between the Transferor and the Transferee by taking into

account their varying Membership Interests during the period in accordance with Internal Revenue Code Section 706(d), using any convention permitted by law selected by the Members. All distributions on or before the date of such Transfer shall be made to the Transferor, and all distributions thereafter shall be made to the Transferee. Solely for purposes of making such allocations and distributions, the Company shall recognize such Transfer not later than the end of the calendar month during which the assignment occurs. Neither the Company nor the Members shall incur any liability for making allocations and distributions in accordance with the provisions of this Section 5.4.

5.5 Cash Distributions. HACSB shall receive eighty percent (80%) and HPI shall receive twenty (20%) of all cash resulting from the normal business operations of the Company and from a Capital Event.

5.6 Proceeds from Asset Disposition. If the proceeds from a sale or other disposition of a Company asset consist of property other than cash, the value of such property shall be as determined by the Members. Such noncash proceeds shall then be allocated among all the Members in proportion to their Percentage Interests. If such noncash proceeds are subsequently reduced to cash, such cash shall be distributed to each Member in accordance with Section 5.5.

5.7 Liquidation of the Company. Notwithstanding any other provisions of this Agreement to the contrary, when there is a distribution in liquidation of the Company, or when any Member's interest is liquidated, all items of income and loss first shall be allocated to the Members' Capital Accounts under this Article 5, and other credits and deductions to the Members' Capital Accounts shall be made before the final distribution is made. The final distribution to the Members shall be made to the Members to the extent of and in proportion to their positive Capital Account balances.

5.8 Asset Distribution. No assets of the Company shall be distributed to any Member that ceases to be an organization described in Section 214 of the Revenue and Taxation Code.

5.9 Stock Ownership. No Member may own stock in the Company.

ARTICLE 6. MANAGEMENT

6.1 Management. The Company shall be manager-managed. HPI shall have authority to perform day-to-day functions in the ordinary course of activities of the Company, and except as specifically provided in Section 8.1 below, HPI shall have the authority to make all decisions and take all actions on behalf of the Company, and execute all documents on behalf of the Company, in its sole capacity. The appointment of any new manager requires unanimous written approval of all of the Members.

6.2 Meeting. The Members are not required to hold meetings, and decisions may be reached through one or more informal consultations followed by agreement among a Majority of Members, provided that all Members are consulted (although all Members need not be present during a particular consultation), or by a written consent signed by a Majority of Members. In

the event that Members wish to hold a formal meeting (a "**Meeting**") for any reason, the following procedures shall apply:

- (a) Any Member may call a Meeting of the Members by giving Notice of the time and place of the Meeting at least forty-eight (48) hours prior to the time of the holding of the Meeting. The Notice need not specify the purpose of the Meeting, or the location if the Meeting is to be held at the principal executive office of the Company.
- (b) A Majority of Members shall constitute a quorum for the transaction of business at any Meeting of the Members.
- (c) The transactions of the Members at any Meeting, however called or noticed, or wherever held, shall be as valid as though transacted at a Meeting duly held after call and notice if a quorum is present and if, either before or after the Meeting, each Member not present signs a written waiver of Notice, a consent to the holding of the Meeting, or an approval of the minutes of the Meeting.
- (d) Any action required or permitted to be taken by the Members under this Agreement may be taken without a Meeting if a Majority of the Members individually or collectively consent in writing to such action.
- (e) Members may participate in the Meeting through the use of a conference telephone or similar communications equipment, provided that all Members participating in the Meeting can hear one another.
- (f) The Manager shall keep or cause to be kept with the books and records of the Company full and accurate minutes of all Meetings, Notices, and waivers of Notices of Meetings, and all written consents in lieu of Meetings.

6.3 No Compensation. The Members as such and the Manager shall not be entitled to compensation for their services.

6.4 Officers. The Company may have a President as selected by all the Members, who may, but need not be a Member. All of the Members may provide for additional officers of the Company and for their election, and may alter the powers, duties, and compensation of the President and of all other officers.

6.5 Assets. All assets of the Company, whether real or personal, shall be held in the name of the Company.

6.6 Accounts. All funds of the Company shall be deposited in one or more accounts with one or more recognized financial institutions in the name of the Company, at such locations as shall be determined by the Manager. Withdrawal from such accounts shall require the signature of such person or persons as all of the Members may designate.

ARTICLE 7.
ACCOUNTS AND RECORDS

7.1 Complete Books. Complete books of account of the Company's business, in which each Company transaction shall be fully and accurately entered, shall be kept at the Company's principal executive office and shall be open to inspection by any Member or the Member's authorized representatives on reasonable Notice during normal business hours. The costs of such inspection and copying shall be borne by the Member.

7.2 Accounting. Financial books and records of the Company shall be kept on the cash method of accounting, which shall be the method of accounting followed by the Company for federal income tax purposes. A balance sheet and income statement of the Company shall be prepared promptly following the close of each fiscal year in a manner appropriate to and adequate for the Company's business and for carrying out the provisions of this Agreement. The fiscal year of the Company shall be January 1 through December 31.

7.3 Records. At all times during the term of existence of the Company, and beyond that term if all of the Members deem it necessary, the Manager shall keep or cause to be kept the books of account referred to in Section 7.2, and the following:

- (a) A current list of the full name and last known business or residence address of each Member, together with the Capital Contribution and the share in Profits and Losses of each Member;
- (b) A copy of the Articles of Organization, and any amendments thereto;
- (c) Copies of the Company's federal, state, and local income tax or information returns and reports, if any, for the six (6) most recent taxable years;
- (d) Executed counterparts of this Agreement, as amended;
- (e) Any powers of attorney under which the Articles of Organization or any amendments thereto were executed;
- (f) Financial statements of the Company for the six (6) most recent fiscal years; and
- (g) The books and records of the Company as they relate to the Company's internal affairs for the current and past six (6) fiscal years.

If the Manager deems that any of the foregoing items shall be kept beyond the term of existence of the Company, the repository of said items shall be as designated by the Manager.

7.4 Tax Information. Within ninety (90) days after the end of each taxable year of the Company or later date reasonably agreed to by a Majority of the Members, the Company shall send to each of the Members all information necessary for the Members to complete their federal

and state income tax or information returns, and a copy of the Company's federal, state, and local income tax or information returns for such year.

ARTICLE 8. MEMBERS AND VOTING

8.1 Member Votes. There shall be only one class of membership and no Member shall have any rights or preferences in addition to or different from those possessed by any other Member. Each Member shall Vote in proportion to the Member's Percentage Interest as of the governing record date, determined in accordance with Section 7.2. Any action that may or that must be taken by the Members shall be by a Majority of Members, except that the following actions shall all require the *unanimous* Vote of the Members:

- (a) the sale, lease, exchange, or other disposal of all, or substantially all, of the Company's property, with or without the goodwill, outside the ordinary course of the Company's activities;
- (b) the approval of a merger or conversion under Article 10 of the Act (commencing with Section 17710.01);
- (c) any other act outside the ordinary course of the Company's activities;
- (d) the Transfer of a Membership Interest and the admission of the Transferee as a Member of the Company;
- (e) a decision to continue the business of the Company after an event described in Article 10.
- (f) any amendment of the Articles of Organization or this Agreement;
- (g) compromise of the obligation of a Member to make a Capital Contribution;
- (h) any act that would make it impossible to carry on the ordinary business of the Company;
- (i) any confession of a judgment against the Company;
- (j) the dissolution of the Company;
- (k) the disposition of all or a substantial part of the Company's assets;
- (l) the incurring of any debt not in the ordinary course of business;
- (m) a change in the nature of the principal business of the Company;

(n) the incurring of any contracted obligation or the making of any capital expenditures with a total cost of more than Twenty Thousand Dollars (\$20,000); and

(o) the filing of a petition in bankruptcy or the entering into of an arrangement among creditors.

8.2 Record Date. The record date for determining the Members entitled to Notice of any Meeting, to Vote, to receive any distribution, or to exercise any right in respect of any other lawful action, shall be the date set by the Manager, provided that such record date shall not be more than sixty (60), nor less than ten (10) days before the date of the Meeting, nor more than sixty (60) days before any other action.

In the absence of any action setting a record date, the record date shall be determined in accordance with California Corporations Code Section 17704.07(p).

8.3 Voting. At all Meetings of Members, a Member may Vote in person or by proxy. Such proxy shall be filed with any Member before or at the time of the Meeting, and may be filed by facsimile transmission or electronic mail to the Manager at the principal executive office of the Company or such other address as may be given by the Manager to the Members for such purposes.

ARTICLE 9. TRANSFERS OF MEMBERSHIP INTERESTS

9.1 Member Dissociation. A Member may voluntarily dissociate from the Company at any time by giving Notice of Dissociation to all of the Members at least ninety (90) calendar days before the effective date of dissociation. Dissociation shall not release a Member from any obligations and liabilities under this Agreement accrued or incurred before the effective date of dissociation. A dissociated Member shall divest the Member's entire Membership Interest before the effective date of dissociation in accordance with and subject to the provisions of this Article 9.

9.2 Restriction on Member Transfer. Except as expressly provided in this Agreement, a Member shall not Transfer any part of the Member's Membership Interest in the Company, whether now owned or later acquired, unless (a) the other Members unanimously approve the Transferee's admission to the Company as a Member upon such Transfer and (b) the Membership Interest to be transferred, when added to the total of all other Membership Interests transferred in the preceding 12 months, will not cause the termination of the Company under the Code. No Member may Encumber or permit or suffer any Encumbrance of all or any part of the Member's Membership Interest in the Company unless such Encumbrance has been approved in writing by all Members. Such approval may be granted or withheld in the Members' sole discretion. Any Transfer or Encumbrance of a Membership Interest without such approval shall be void.

9.3 Notice of Membership Interest Transfer. If a Member wishes to Transfer any or all of the Member's Membership Interest in the Company pursuant to a Bona Fide Offer (as defined

below), the Member shall give Notice to the other Members at least ninety (90) days in advance of the proposed sale or Transfer, indicating the terms of the Bona Fide Offer and the identity of the offeror. The Company and the other Members shall have the option to purchase the Membership Interest proposed to be transferred at the price and on the terms provided in this Agreement. If the price for the Membership Interest is other than cash, the fair value in dollars of the price shall be as established in good faith by the Company. For purposes of this Agreement, "Bona Fide Offer" means an offer in writing setting forth all relevant terms and conditions of purchase from an offeror who is ready, willing, and able to consummate the purchase and who is not an Affiliate of the selling Member. For thirty (30) days after the Notice is given, the Company shall have the right to purchase the Membership Interest offered, on the terms stated in the Notice, for the lesser of (a) the price stated in the Notice (or the price plus the dollar value of noncash consideration, as the case may be) and (b) the price determined under the appraisal procedures set forth in Section 9.9.

If the Company does not exercise the right to purchase all of the Membership Interest, then, with respect to the portion of the Membership Interest that the Company does not elect to purchase, that right shall be given to the other Members for an additional thirty (30)-day period, beginning on the day that the Company's right to purchase expires. Each of the other Members shall have the right to purchase, on the same terms, a part of the interest of the offering Member in the proportion that the Member's Percentage Interest bears to the total Percentage Interests of all of the Members who choose to participate in the purchase; provided, however, that the Company and the participating Members may not, in the aggregate, purchase less than the entire interest to be sold by the offering Member.

If the Company and the other Members do not exercise their rights to purchase all of the Membership Interest, the offering Member may, within ninety (90) days from the date the Notice is given and on the terms and conditions stated in the Notice, sell or exchange that Membership Interest to the offeror named in the Notice. Unless the requirements of Section 9.2 are met, the offeror under this Section shall become a Transferee, and shall be entitled to receive only the share of Profits or other compensation by way of income and the return of Capital Contribution to which the Transferor would have been entitled.

9.4 Dissociation Events. On the happening of any of the following events ("**Dissociation Events**") with respect to a Member, the Company and the other Members shall have the option to purchase the Membership Interest in the Company of such Member ("**Selling Member**") at the price and on the terms provided in Section 9.8 of this Agreement:

- (a) The winding up and dissolution of an entity Member.
- (b) The failure of a Member to make the Member's Capital Contribution pursuant to the provisions of Article 3 of this Agreement.
- (c) The occurrence of any other event that is, or that would cause, a Transfer in contravention of this Agreement.
- (d) The Company has notice of the Member's express will to withdraw as a member;

- (e) The Member is expelled as a member pursuant to this Agreement;
- (f) The Member is expelled as a member by the unanimous consent of the other Members because any of the following applies:

- (1) It is unlawful to carry on the Company's activities with the Member as a member.

- (2) There has been a Transfer of all of the Member's Transferable Interest in the Company, other than either of the following: (1) a transfer for security purposes; or (2) a charging order in effect under California Corporations Code Section 17705.03 that has not been foreclosed;

- (3) The Member is a corporation and, within ninety (90) days after the Company notifies the Member that it will be expelled as a member because the Member has filed a certificate of dissolution or the equivalent, its charter has been revoked, the Member has failed to maintain its status as a Qualifying Organization, or its right to conduct business has been suspended by the jurisdiction of its incorporation and the certificate of dissolution has not been revoked or its charter or right to conduct business has not been reinstated.

- (4) The Member is a limited liability company or partnership that has been dissolved and whose business is being wound up.

- (g) On application by the Company, the Member is expelled as a member by judicial order because the Member has done any of the following:

- (1) Engaged, or is engaging, in wrongful conduct that has adversely and materially affected, or will adversely and materially affect, the Company's activities.

- (2) Willfully or persistently committed, or is willfully and persistently committing, a material breach of this Agreement or the Member's duties or obligations under Section 17704.09 of the Act.

- (3) Engaged, or is engaging, in conduct relating to the Company's activities that makes it not reasonably practicable to carry on the activities with the Member as a member.

- (h) The Member becomes a debtor in bankruptcy.

- (i) The Company Terminates.

Each Member agrees to promptly give Notice of a Dissociation Event to the other Members.

9.5 Dissociated Member. When a person is dissociated as a member of the Company all of the following apply:

- (a) The Member's right to participate as a member in the management and conduct of the Company's activities terminates.
- (b) The Member's fiduciary duties as a member end with regard to matters arising and events occurring after the Member's dissociation.
- (c) Subject to Section 17705.04 and Article 10 of the Act (commencing with Section 17710.01), any Transferable Interest owned by the Member immediately before dissociation in the Member's capacity as a member is owned by the Member solely as a Transferee.
- (d) A Member's dissociation as a member of the Company does not of itself discharge the Member from any debt, obligation, or other liability to the Company or the other Members that the Member incurred while a member.

9.6 Receipt of Notice of Dissociation. On the receipt of Notice by a Member as contemplated by Sections 9.1, 9.3, and 9.4, and on receipt of actual notice of any Dissociation Event as determined in good faith by the Member (the date of such receipt is hereinafter referred to as the "**Option Date**"), the Member shall promptly cause a Notice of the occurrence of such a Dissociation Event to be sent to all other Members, and the Company shall have the option, for a period ending ninety (90) calendar days following the determination of the purchase price as provided in Section 9.8, to purchase the Membership Interest in the Company to which the option relates, at the price and on the terms set forth in Section 9.8 of this Agreement, and the other Members, pro rata in accordance with their prior Membership Interests in the Company, shall then have the option, for a period of thirty (30) days thereafter, to purchase the Membership Interest in the Company not purchased by the Company, on the same terms and conditions as apply to the Company. If all other Members do not elect to purchase the entire remaining Membership Interest in the Company, then the Members electing to purchase shall have the right, pro rata in accordance with their prior Membership Interest in the Company, to purchase the additional Membership Interest in the Company available for purchase. The transferee of the Membership Interest in the Company that is not purchased shall hold such Membership Interest in the Company subject to all of the provisions of this Agreement.

9.7 No Participation. Neither the Member whose interest is subject to purchase under this Article, nor such Member's Affiliate, shall participate in any Vote or discussion of any matter pertaining to the disposition of the Member's Membership Interest in the Company under this Agreement.

9.8 Purchase Price of Membership Interest. The purchase price of the Membership Interest that is the subject of an option under Section 9.6 shall be the "Fair Option Price" of the interest as determined under this Section 9.8. "**Fair Option Price**" means the cash price that a willing buyer would pay to a willing seller when neither is acting under compulsion and when both have reasonable knowledge of the relevant facts on the Option Date. Each of the selling and purchasing parties shall use his, her, or its best efforts to mutually agree upon the Fair Option Price. If the parties are unable to so agree within thirty (30) days of the Option Date, the selling party shall appoint, within sixty (60) days of the Option Date, one appraiser, and the purchasing

party shall appoint within sixty (60) days of the Option Date, one appraiser. The two appraisers shall within a period of twenty (20) additional days, agree upon and appoint an additional appraiser. The three appraisers shall, within sixty (60) days after the appointment of the third appraiser, determine the Fair Option Price of the Membership Interest in writing and submit their report to all the parties.

The Fair Option Price shall be determined by disregarding the appraiser's valuation that diverges the greatest from each of the other two appraisers' valuations, and the arithmetic mean of the remaining two appraisers' valuations shall be the Fair Option Price. Each purchasing party shall pay for the services of the appraiser selected by it, plus one half of the fee charged by the third appraiser, and one half of all other costs relating to the determination of Fair Option Price. The Fair Option Price as so determined shall be payable in cash.

9.9 Admission of Prospective Transferee. Except as expressly permitted under Section 9.2 a prospective transferee (other than an existing Member) of a Membership Interest may be admitted as a Member with respect to such Membership Interest ("**Substituted Member**") only (a) on the unanimous Vote of the other Members in favor of the prospective transferee's admission as a Member, and (b) on such prospective transferee executing a counterpart of this Agreement as a party hereto. Any prospective transferee of a Membership Interest shall be deemed a Transferee, and, therefore, the owner of only a Transferable Interest until and only if such prospective transferee has been admitted as a Substituted Member. Except as otherwise permitted in the Act, any such Transferee shall be entitled only to receive allocations and distributions under this Agreement with respect to such Membership Interest and shall have no right to Vote or exercise any rights of a Member until such Transferee has been admitted as a Substituted Member. The Transferor shall not continue to be a Member and shall not have the power to exercise any rights and powers of a Member under this Agreement, including the right to Vote.

9.10 Assignment of Membership Interests. Any person admitted to the Company as a Substituted Member shall be subject to all the provisions of this Agreement that apply to the Member from whom the Membership Interest was transferred, provided, however, that the transferring Member shall not be released from liabilities as a Member solely as a result of the transfer, both with respect to obligations to the Company and to third parties, incurred prior to the assignment.

9.11 Securities Law. The initial sale of Membership Interests in the Company to the Initial Members has not been qualified or registered under the securities laws of any state, including California, or registered under the Securities Act of 1933, in reliance upon exemptions from the registration provisions of those laws. Notwithstanding any other provision of this Agreement, Membership Interests may not be transferred unless registered or qualified under applicable state and federal securities law unless, in the opinion of legal counsel satisfactory to the Company, such qualification or registration is not required. The Member who desires to transfer a Membership Interest shall be responsible for all legal fees incurred in connection with said opinion.

9.12 Transfer. No Transfer, whether direct or indirect, of any Membership Interest or Transferable Interest in the Company, shall be made to any Person that is not a Qualifying Organization.

ARTICLE 10. DISSOLUTION AND WINDING UP

10.1 Dissolution. The Company shall be dissolved on the first to occur of the following events:

- (a) The decision of all Members to dissolve the Company.
- (b) The withdrawal, bankruptcy or dissolution of a Member; provided, however, that the remaining Members may, by the Vote of a Majority of Members within ninety (90) days of the happening of that event, Vote to continue the Company, in which case the Company shall not dissolve. If the remaining Members fail to so Vote, the remaining Members shall wind up the Company. For purposes of this paragraph, in determining a Majority of Members, the Percentage Interest of the Member who has died, become incapacitated, withdrawn, or who has become bankrupt or dissolved shall be taken into account.
- (c) The passage of ninety (90) consecutive days during which the Company has no members.
- (d) The sale or other disposition of substantially all of the Company assets.
- (e) Entry of a decree of judicial dissolution pursuant to California Corporations Code Section 17707.03.

10.2 Winding Up of Affairs. On the dissolution of the Company, the Company shall engage in no further business other than that necessary to wind up the business and affairs of the Company. The remaining Members shall wind up the affairs of the Company and shall give written notice of the commencement of winding up by mail to all known creditors and claimants against the Company whose addresses appear in the records of the Company. After paying or adequately providing for the payment of all known debts of the Company (except debts owing to the Members) the remaining assets of the Company shall be distributed or applied in the following order of priority:

- (a) To pay the expenses of liquidation.
- (b) To repay outstanding loans made to the Company from the Members. If there are insufficient funds to pay such loans in full, each Member shall be repaid in the ratio that the Member's respective loan, together with interest accrued and unpaid thereon, bears to the total of repayment, and shall first be credited to accrued and unpaid interest due and the remainder shall be credited to principal.
- (c) To repay each Member's investment so long as each Member continues to be a tax exempt charitable organization described in Section 214 of the Revenue and Taxation Code and Section 501(c)(3) of the Internal Revenue Code. Each Member shall look solely to the

assets of the Company for the return of the Member's investment, and if the Company property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the investment of any Member, such Member shall have no recourse against any other Members for indemnification, contribution or reimbursement.

(d) To the Members to the extent of and in proportion to their positive Capital Accounts.

(e) If all Members have ceased to be tax exempt charitable organizations, to an organization organized and operated exclusively for charitable purposes, as specified in Section 214 of the Revenue and Taxation Code, and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code, or under Section 23701d of the Revenue and Taxation Code.

ARTICLE 11. DISPUTE RESOLUTION

11.1 Mediation. In the event that the Members are unable to reach agreement on any matter requiring future approval of the Members, such disputes shall be referred to mediation by a mediator mutually acceptable to the Majority of the Members as a condition precedent to the institution of legal or equitable proceedings by any Member. Any Member may commence mediation by sending a written demand for mediation to the other Members indicating the nature of the matter to be mediated. If, for any dispute or claim, any Member commences an action without first attempting to resolve the matter through mediation, or refuses to mediate after a request has been made, then that Member shall not be entitled to recover attorneys' fees, even if they would otherwise be available to that Member in any such action. The Members shall share the mediator's fee and any filing fees pro rata based on their Percentage Interests. The mediation shall be held in Tustin, California unless another location is mutually agreed upon by the Majority of the Members. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction.

11.2 Arbitration. Any action to enforce or interpret this Agreement or to resolve disputes between the Members or by or against any Member that are not resolved by mediation pursuant to Section 11.1 shall be settled by arbitration in accordance with the rules of the American Arbitration Association. Any Member may commence arbitration by sending a written demand for arbitration to the other Members. Such demand shall set forth the nature of the matter to be resolved by arbitration. Arbitration shall be conducted in San Bernardino, California. The substantive law of the State of California shall be applied by the arbitrator to the resolution of the dispute. The Members shall share all initial costs of arbitration pro rata based on their Percentage Interests. All decisions of the arbitrator shall be final, binding, and conclusive on all parties. Judgment may be entered on any such decision in accordance with applicable law in any court having jurisdiction thereof.

ARTICLE 12.
FIDUCIARY DUTIES

12.1 Manager. The fiduciary duties that the Manager owes to the Company and the other Members of the Company are the duties of loyalty and care.

(a) The Manager's duty of loyalty to the Company and the other Members includes, but is not limited to, the following:

(1) to account to the Company and hold as trustee for it any property, profit, or benefit derived by the Manager in the conduct and winding up of the activities of the Company or derived from a use by the Manager of Company property, including the appropriation of a limited liability company opportunity;

(2) to refrain from dealing with the Company in the conduct or winding up of the activities of the Company as or on behalf of a party having an interest adverse to the Company; and

(3) to refrain from competing with the Company in the conduct or winding up of the activities of the Company.

(b) The Manager's duty of care to the Company and the other Members in the conduct and winding up of the activities of the Company is limited to refraining from engaging in grossly negligent or reckless conduct, intentional misconduct, or a knowing violation of law.

(c) A Manager does not violate a duty or obligation under this Agreement merely because the Manager's conduct furthers its own interest.

12.2 Members. All Members shall discharge the duties to the Company and the other Members under this Agreement and exercise any rights consistent with the obligation of good faith and fair dealing.

ARTICLE 13.
INDEMNIFICATION

13.1 Indemnification. The Company shall reimburse for any payment made and indemnify for any debt, obligation, or other liability incurred by a Member in the course of the Member's activities on behalf of the Company.

ARTICLE 14.
GENERAL PROVISIONS

14.1 Notice. A Notice shall be deemed given or sent when sent by certified mail return receipt requested, or for overnight delivery, postage and fees prepaid, in the United States mail; when sent by Federal Express, United Parcel Service, or another reputable commercial delivery service

with a delivery receipt, charges prepaid or charged to the sender's account; when sent by facsimile if the sender has confirmation of such facsimile being sent; when personally delivered to the recipient with a delivery receipt; when sent if sent by email; or when delivered to the home or office of a recipient with a delivery receipt in the care of a person whom the sender has reason to believe will promptly communicate the notice to the recipient. The delivery receipt shall be evidence of receipt of the notice, and notice shall be deemed to have been received on the date shown on the delivery receipt as the date of delivery, the date delivery was refused or the date the notice was returned as undeliverable. Notices for each Member shall be sent to the address shown on Exhibit B for that Member, as may be changed may Notice from that Member to the other Members.

14.2 Entire Agreement. This Agreement constitutes the whole and entire agreement with respect to the subject matter of this Agreement, and it shall not be modified or amended in any respect except by a written instrument executed by all the Members, provided, however, that any amendment must be consistent with Section 214 of the Revenue and Taxation Code. This Agreement replaces and supersedes all prior written and oral agreements by and among the Members or any of them.

14.3 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.

14.4 Governing Law; Severability. This Agreement shall be construed and enforced in accordance with the internal laws of the State of California. If any provision of this Agreement is determined by any court of competent jurisdiction or arbitrator to be invalid, illegal, or unenforceable to any extent, that provision shall, if possible, be construed as though more narrowly drawn, if a narrower construction would avoid such invalidity, illegality, or unenforceability or, if that is not possible, such provision shall, to the extent of such invalidity, illegality, or unenforceability, be severed, and the remaining provisions of this Agreement shall remain in effect.

14.5 Binding. This Agreement shall be binding on and inure to the benefit of the parties and their heirs, personal representatives, and permitted successors and assigns.

14.6 Interpretation. Whenever used in this Agreement, the singular shall include the plural, the plural shall include the singular, and the neuter gender shall include the male and female as well as a trust, firm, company, or corporation, all as the context and meaning of this Agreement may require.

14.7 Execution. The parties to this Agreement shall promptly execute and deliver any and all additional documents, instruments, notices, and other assurances, and shall do any and all other acts and things, reasonably necessary in connection with the performance of their respective obligations under this Agreement and to carry out the intent of the parties.

14.8 No Limitation of Members' Own Business. Except as provided in this Agreement, no provision of this Agreement shall be construed to limit in any manner the Members in the

carrying on of their own respective businesses or activities, including those that may compete with the business and purpose of the Company.

14.9 No Agency. Except as provided in this Agreement, no provision of this Agreement shall be construed to constitute a Member, in the Member's capacity as such, the agent of any other Member.

14.10 Authority. Each Member represents and warrants to the other Members that the Member has the capacity and authority to enter into this Agreement.

14.11 Headings. The article and section titles and headings contained in this Agreement are inserted as a matter of convenience and for ease of reference only and shall be disregarded for all other purposes, including the construction or enforcement of this Agreement or any of its provisions.

14.12 Amendment. This Agreement may be altered, amended, or repealed only by a writing signed by all of the Members.

14.13 Time of Essence. Time is of the essence of every provision of this Agreement that specifies a time for performance.

14.14 No Third Party Beneficiaries. This Agreement is made solely for the benefit of the Members and the Members' permitted successors and assigns, and no other person or entity shall have or acquire any right by virtue of this Agreement.

14.15 Intent of Members. The Members intend the Company to be a limited liability company under the Act. No Member shall take any action inconsistent with the express intent of the parties to this Agreement.

14.16 Limitations. Except as provided in this Agreement, no provision of this Agreement shall be construed to limit in any manner the Members in the carrying on of their own respective businesses or activities. The Members and their affiliates may engage or invest in, independently or with others, any business activity of any type or description, including without limitation those that might be the same as or similar to the Company's and that might be in direct or indirect competition with the Company. Neither the Company nor any Member shall have any right in or to such other ventures or activities or to the income or proceeds derived therefrom. The Members shall not be obligated to present any investment opportunity or prospective economic advantage to the Company, even if the opportunity is of the character that, if presented to the Company, could be taken by the Company. The Members shall have the right to hold any investment opportunity or prospective economic advantage for their own account or to recommend such opportunity to Persons other than the Company. The Members acknowledge that the Members and their affiliates own and/or manage other businesses, including businesses that may compete with the Company and for the Members' time. The Members hereby waive any and all rights and claims which they may otherwise have against the Members and their affiliates as a result of any of such activities.

ARTICLE 15.
SINGLE PURPOSE ENTITY REQUIREMENTS

15.1 Freddie Mac Financing. The Company is receiving a loan (the "Loan") from PNC Bank, National Association, a national banking association (the "Lender") which Loan the Lender is making pursuant to a commitment between Lender and the Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise. The Loan is being made to the Company pursuant to a Loan and Security Agreement by and between the Company and Lender, as such may hereafter be further amended, restated, or modified (the "Loan Agreement"). The Loan Agreement and any other documents and instruments executed in connection with the Loan, as such may hereafter be further amended, restated, or modified are collectively referred to as the "Loan Documents." Notwithstanding anything to the contrary in this Agreement, for so long as the Loan exists on any portion of the Mortgaged Property, the following provisions shall control and this Article 15 will govern and supersede all other provisions of this Agreement. Capitalized terms used in this Article 15 and not otherwise defined in this Article 15, have the meaning set forth in the Loan Documents.

15.2 Single Purpose Entity. In order to preserve and ensure its separate and distinct identity, in addition to the other provisions set forth herein, at all times the Company will remain a "Single Purpose Entity" as defined below.

15.3 Transfers. No Transfer will be permitted under this Agreement unless such Transfer complies with the terms and conditions of the Loan Documents.

15.4 Indemnification Obligations. Any indemnification obligation of the Company set forth in this Agreement shall be subject and fully subordinated to any obligations respecting the Mortgaged Property (including, without limitation, the Loan) and, to the fullest extent permitted by law, such indemnification obligation shall not constitute a claim against the Company in the event that the Company's cash flow in excess of amounts necessary to pay holders of such obligations with respect to the Mortgaged Property is insufficient to pay such indemnity obligations.

15.5 Member/Partner Loans. No member/partner shall be permitted to make any loan to the Company.

15.6 Fees Payable to Affiliates. Any fees set forth in this Agreement that are payable to affiliates in connection with asset management services or other related services shall be subject and fully subordinated to the Loan and subject to the debt limitations set forth in Section 6.13 of the Loan Agreement.

15.7 Definition of "Single Purpose Entity". Single Purpose Entity as used in this Section means a limited liability company, limited partnership, or corporation which at all times will satisfy each of the following conditions:

(a) It will not engage in any business or activity, other than the ownership, operation and maintenance of the Mortgaged Property and activities incidental thereto.

(b) It will not acquire, own, hold, lease, operate, manage, maintain, develop or improve any assets other than the Mortgaged Property and such Personalty as may be necessary for the operation of the Mortgaged Property and will conduct and operate its business as presently conducted and operated.

(c) It will preserve its existence as an entity duly organized, validly existing and in good standing (if applicable) under the laws of the jurisdiction of its formation or organization and will do all things necessary to observe organizational formalities.

(d) It will not merge or consolidate with any other Person.

(e) It will not take any action to dissolve, divide or create divisions, wind-up, terminate or liquidate in whole or in part; to sell, transfer or otherwise dispose of all or substantially all of its assets; to change its legal structure; transfer or permit the direct or indirect transfer of any partnership, membership or other equity interests, as applicable, other than Transfers permitted under the Loan Agreement; issue additional partnership, membership or other equity interests, as applicable, or seek to accomplish any of the foregoing.

(f) It will not, without the prior unanimous written consent of all of the Company's partners, members, or shareholders, as applicable, and, if applicable, the prior unanimous written consent of 100% of the members of the board of directors or of the board of Managers of the Company, take any of the following actions:

(1) File any insolvency, or reorganization case or proceeding, to institute proceedings to have the Company be adjudicated bankrupt or insolvent.

(2) Institute proceedings under any applicable insolvency law.

(3) Seek any relief under any law relating to relief from debts or the protection of debtors.

(4) Consent to the filing or institution of a Bankruptcy against the Company.

(5) File a petition seeking, or consent to, reorganization or relief with respect to the Company under any applicable federal or state law relating to bankruptcy or insolvency.

(6) Seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian, or any similar official for the Company or a substantial part of its property.

(7) Make any assignment for the benefit of creditors of the Company.

(8) Admit in writing the Company's inability to pay its debts generally as they become due.

(9) Take action in furtherance of any of the foregoing.

(g) It will not amend or restate its organizational documents if such change would cause the provisions set forth in those organizational documents not to comply with the requirements set forth in Section 6.13 of the Loan Agreement.

(h) It will not own any subsidiary or make any investment in, any other Person.

(i) It will not commingle its assets with the assets of any other Person and will hold all of its assets in its own name.

(j) It will not incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than the following:

(1) The Indebtedness and any further indebtedness as described in Section 11.11 of the Loan Agreement with regard to Supplemental Instruments.

(2) Customary unsecured trade payables incurred in the ordinary course of owning and operating the Mortgaged Property provided the same are not evidenced by a promissory note, do not exceed, in the aggregate, at any time a maximum amount of 2% of the original principal amount of the Indebtedness and are paid within 60 days of the date incurred.

(k) It will maintain its records, books of account, bank accounts, financial statements, accounting records and other entity documents separate and apart from those of any other Person and will not list its assets as assets on the financial statement of any other Person; provided, however, that the Company's assets may be included in a consolidated financial statement of its Affiliate provided that (A) appropriate notation will be made on such consolidated financial statements to indicate the separateness of the Company from such Affiliate and to indicate that the Company's assets and credit are not available to satisfy the debts and other obligations of such Affiliate or any other Person, and (B) such assets will also be listed on the Company's own separate balance sheet.

(l) Except for capital contributions or capital distributions permitted under the terms and conditions of its organizational documents, it will only enter into any contract or agreement with any general partner, member, shareholder, principal or Affiliate of the Company or any Guarantor, or any general partner, member, principal or Affiliate thereof, upon terms and conditions that are commercially reasonable and substantially similar to those that would be available on an arm's-length basis with third parties.

(m) It will not maintain its assets in such a manner that will be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person.

(n) It will not assume or guaranty (excluding any guaranty that has been executed and delivered in connection with the Note) the debts or obligations of any other Person, hold itself out to be responsible for the debts of another Person, pledge its assets to secure the obligations of any other Person or otherwise pledge its assets for the benefit of any other Person, or hold out its credit as being available to satisfy the obligations of any other Person.

(o) It will not make or permit to remain outstanding any loans or advances to any other Person except for those investments permitted under the Loan Documents and will not buy or hold evidence of indebtedness issued by any other Person (other than cash or investment-grade securities).

(p) It will file its own tax returns separate from those of any other Person, unless the Company (1) is treated as a “disregarded entity” for tax purposes and is not required to file tax returns under applicable law or (2) is required by applicable law to file consolidated tax returns, and will pay any taxes required to be paid under applicable law.

(q) It will hold itself out to the public as a legal entity separate and distinct from any other Person and conduct its business solely in its own name, will correct any known misunderstanding regarding its separate identity and will not identify itself or any of its Affiliates as a division or department of any other Person.

(r) It will maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations and will pay its debts and liabilities from its own assets as the same become due; provided, however, that nothing in this Section will require any member or partner of Company or any Borrower Principal (as defined in the Loan Agreement) to make any equity contribution to Company.

(s) It will allocate fairly and reasonably shared expenses with Affiliates (including shared office space) and use separate stationery, invoices and checks bearing its own name.

(t) It will pay (or cause the Property Manager to pay on behalf of Company from Company’s funds) its own liabilities (including salaries of its own employees) from its own funds; provided, however, that nothing in this Section will require any member or partner of Company or any Borrower Principal to make any equity contribution to Company.

(u) It will not acquire obligations or securities of its partners, members, shareholders, or Affiliates, as applicable.

(v) Except as contemplated or permitted by the property management agreement with respect to the Property Manager, it will not permit any Affiliate or constituent party independent access to its bank accounts.

(w) It will maintain a sufficient number of employees (if any) in light of its contemplated business operations and pay the salaries of its own employees, if any, only from its own funds; provided, however, that nothing in this Section will require any member or partner of Company or any Borrower Principal to make any equity contribution to Company.

**SIGNATURE PAGE OF
OPERATING AGREEMENT
FOR
HPI PROPERTY ACQUISITIONS LLC**

IN WITNESS WHEREOF, the Members have executed or caused to be executed this Agreement on the day and year first above written.

MEMBERS:

HOUSING PARTNERS I, INCORPORATED,
a California nonprofit public benefit corporation

By: _____

HOUSING AUTHORITY OF COUNTY OF SAN
BERNARDINO, a public body corporate and politic

By: _____

EXHIBIT A

ARTICLES OF ORGANIZATION

[DOCUMENT ON FOLLOWING PAGE]



State of California
Secretary of State

LLC-1

File #

201002010274

ENDORSED - FILED
in the office of the Secretary of State
of the State of California

JAN 15 2010

**LIMITED LIABILITY COMPANY
ARTICLES OF ORGANIZATION**

A \$70.00 filing fee must accompany this form.

IMPORTANT – Read instructions before completing this form.

This Space For Filing Use Only

ENTITY NAME (End the name with the words "Limited Liability Company," or the abbreviations "LLC" or "L.L.C." The words "Limited" and "Company" may be abbreviated to "Ltd." and "Co.," respectively.)

1. NAME OF LIMITED LIABILITY COMPANY

HPI Property Acquisitions LLC

PURPOSE (The following statement is required by statute and should not be altered.)

2. THE PURPOSE OF THE LIMITED LIABILITY COMPANY IS TO ENGAGE IN ANY LAWFUL ACT OR ACTIVITY FOR WHICH A LIMITED LIABILITY COMPANY MAY BE ORGANIZED UNDER THE BEVERLY-KILLEA LIMITED LIABILITY COMPANY ACT.

INITIAL AGENT FOR SERVICE OF PROCESS (If the agent is an individual, the agent must reside in California and both Items 3 and 4 must be completed. If the agent is a corporation, the agent must have on file with the California Secretary of State a certificate pursuant to Corporations Code section 1505 and Item 3 must be completed (leave Item 4 blank).)

3. NAME OF INITIAL AGENT FOR SERVICE OF PROCESS

Gustav Joslin

4. IF AN INDIVIDUAL, ADDRESS OF INITIAL AGENT FOR SERVICE OF PROCESS IN CALIFORNIA CITY STATE ZIP CODE

715 East Brier Drive

San Bernardino CA 92408

MANAGEMENT (Check only one)

5. THE LIMITED LIABILITY COMPANY WILL BE MANAGED BY:



ONE MANAGER



MORE THAN ONE MANAGER



ALL LIMITED LIABILITY COMPANY MEMBER(S)

ADDITIONAL INFORMATION

6. ADDITIONAL INFORMATION SET FORTH ON THE ATTACHED PAGES, IF ANY, IS INCORPORATED HEREIN BY THIS REFERENCE AND MADE A PART OF THIS CERTIFICATE.

EXECUTION

7. I DECLARE I AM THE PERSON WHO EXECUTED THIS INSTRUMENT, WHICH EXECUTION IS MY ACT AND DEED.

January 14, 2010

DATE

SIGNATURE OF ORGANIZER

M David Kroot

TYPE OR PRINT NAME OF ORGANIZER

6. Additional Information to the Articles of Organization for HPI Property Acquisitions LLC

The following requirements are added to the Articles of Organization for HPI Property Acquisitions LLC (the "Limited Liability Company") in order to satisfy the organizational requirements for welfare exemption under Section 214 of the Revenue & Taxation Code:

(1) The activities of the Limited Liability Company are restricted to the specific charitable purposes of owning and operating housing for the benefit of homeless and low income persons who are in need of affordable, decent, safe and sanitary housing and related services, where an inadequate supply of housing exists for such persons.

(2) The Limited Liability Company is operated exclusively to further the tax exempt charitable purposes of the Sole Member to explore strategies to preserve and create housing for low income individuals and groups and to provide and otherwise facilitate provisions of such housing, including emergency shelter. The Limited Liability Company will accomplish this through culturally appropriate neighborhood-based services, education, advocacy, and community organizing.

(3) Each member of the Limited Liability Company must be an organization that is exempt under Section 501(c)(3) of the Internal Revenue Code or under Section 23701d of the Revenue and Taxation Code and must qualify for exemption under Section 214 of the Revenue and Taxation Code.

(4) No transfer, whether direct or indirect, of any membership interest in the Limited Liability Company, shall be made to any person or entity that is not a qualifying organization for purposes of the welfare exemption provided pursuant to Section 214(g)(1) of the Revenue and Taxation Code.

(5) All property of the Limited Liability Company shall be irrevocably dedicated to the charitable purpose of providing rental housing and related facilities to lower income households consistent with the requirements for obtaining property tax exemption pursuant to Section 214 of the Revenue and Taxation Code.

(6) Upon dissolution of the Limited Liability Company, all assets shall be distributed to an organization organized and operated exclusively for charitable purposes, as specified in Section 214 of the Revenue and Taxation Code, and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code, or under Section 23701d of the Revenue and Taxation Code.

(7) Any amendments to the Articles of Organization and the Operating Agreement of the Limited Liability Company must be consistent with Section 214 of the Revenue and Taxation Code.

HPI Property Acquisitions LLC
LLC-1/Articles of Organization

(8) The Limited Liability Company is prohibited from merging with, or converting into a for-profit entity.

(9) No assets of the Limited Liability Company shall be distributed to any member that ceases to be an organization described in Section 214 of the Revenue and Taxation Code.








State of California
Secretary of State

LIMITED LIABILITY COMPANY
CERTIFICATE OF AMENDMENT

A \$30.00 filing fee must accompany this form.

IMPORTANT – Read instructions before completing this form.

This Space For Filing Use Only

1. SECRETARY OF STATE FILE NUMBER 201002010274	2. NAME OF LIMITED LIABILITY COMPANY HPI Property Acquisitions LLC										
3. COMPLETE ONLY THE SECTIONS WHERE INFORMATION IS BEING CHANGED. ADDITIONAL PAGES MAY BE ATTACHED IF NECESSARY. A. LIMITED LIABILITY COMPANY NAME (END THE NAME WITH THE WORDS "LIMITED LIABILITY COMPANY," "LTD. LIABILITY CO." OR THE ABBREVIATIONS "LLC" OR "L.L.C.") B. THE LIMITED LIABILITY COMPANY WILL BE MANAGED BY (CHECK ONE): <input type="checkbox"/> ONE MANAGER <input type="checkbox"/> MORE THAN ONE MANAGER <input type="checkbox"/> ALL LIMITED LIABILITY COMPANY MEMBER(S) C. AMENDMENT TO TEXT OF THE ARTICLES OF ORGANIZATION: See attachment D. OTHER MATTERS TO BE INCLUDED IN THIS CERTIFICATE MAY BE SET FORTH ON SEPARATE ATTACHED PAGES AND ARE MADE A PART OF THIS CERTIFICATE. OTHER MATTERS MAY INCLUDE A CHANGE IN THE LATEST DATE ON WHICH THE LIMITED LIABILITY COMPANY IS TO DISSOLVE OR ANY CHANGE IN THE EVENTS THAT WILL CAUSE THE DISSOLUTION.											
4. FUTURE EFFECTIVE DATE, IF ANY: <table border="1"><tr><td>MONTH</td><td>DAY</td><td>YEAR</td></tr></table>		MONTH	DAY	YEAR							
MONTH	DAY	YEAR									
5. NUMBER OF PAGES ATTACHED, IF ANY: 2											
6. IT IS HEREBY DECLARED THAT I AM THE PERSON WHO EXECUTED THIS INSTRUMENT, WHICH EXECUTION IS MY ACT AND DEED. <table border="1"><tr><td> SIGNATURE OF AUTHORIZED PERSON Susan Benner, Secretary/Treasurer TYPE OR PRINT NAME AND TITLE OF AUTHORIZED PERSON</td><td><u>7-7-10</u> DATE</td></tr></table>		 SIGNATURE OF AUTHORIZED PERSON Susan Benner, Secretary/Treasurer TYPE OR PRINT NAME AND TITLE OF AUTHORIZED PERSON	<u>7-7-10</u> DATE								
 SIGNATURE OF AUTHORIZED PERSON Susan Benner, Secretary/Treasurer TYPE OR PRINT NAME AND TITLE OF AUTHORIZED PERSON	<u>7-7-10</u> DATE										
7. RETURN TO: <table border="1"><tr><td>NAME</td><td>M David Kroot</td></tr><tr><td>FIRM</td><td>Goldfarb & Lipman LLP</td></tr><tr><td>ADDRESS</td><td>1300 Clay St 9th Fl</td></tr><tr><td>CITY/STATE</td><td>Oakland CA</td></tr><tr><td>ZIP CODE</td><td>94612</td></tr></table>		NAME	M David Kroot	FIRM	Goldfarb & Lipman LLP	ADDRESS	1300 Clay St 9th Fl	CITY/STATE	Oakland CA	ZIP CODE	94612
NAME	M David Kroot										
FIRM	Goldfarb & Lipman LLP										
ADDRESS	1300 Clay St 9th Fl										
CITY/STATE	Oakland CA										
ZIP CODE	94612										

3C. Amendment To Text Of The Articles Of Organization

The following text replaces Item 6 of the LLC-1/Articles of Organization filed on January 27, 2010:

“The following requirements are added to the Articles of Organization for HPI Property Acquisitions LLC (the "Limited Liability Company") in order to satisfy the organizational requirements for welfare exemption under Section 214 of the Revenue & Taxation Code:

(1) The activities of the Limited Liability Company are restricted to the specific charitable purposes of: supporting the activities of the Housing Authority of the County of San Bernardino ("HACSB") in providing housing and related services for low and moderate income households; and lessening the burden of local government by acquiring property previously owned and operated by HACSB and undertaking responsibility to rehabilitate, operate and maintain such property.

(2) The Limited Liability Company is operated exclusively to further the tax exempt charitable purposes of the Sole Member.

(3) Each member of the Limited Liability Company must be an organization that is exempt under Section 501(c)(3) of the Internal Revenue Code or under Section 23701d of the Revenue and Taxation Code and must qualify for exemption under Section 214 of the Revenue and Taxation Code.

(4) No transfer, whether direct or indirect, of any membership interest in the Limited Liability Company, shall be made to any person or entity that is not a qualifying organization for purposes of the welfare exemption provided pursuant to Section 214(g)(1) of the Revenue and Taxation Code.

(5) All property of the Limited Liability Company shall be irrevocably dedicated to the charitable purposes consistent with the requirements for obtaining property tax exemption pursuant to Section 214 of the Revenue and Taxation Code.

(6) Upon dissolution of the Limited Liability Company, all assets shall be distributed to an organization organized and operated exclusively for charitable purposes, as specified in Section 214 of the Revenue and Taxation Code, and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code, or under Section 23701d of the Revenue and Taxation Code.

(7) Any amendments to the Articles of Organization and the Operating Agreement of the Limited Liability Company must be consistent with Section 214 of the Revenue and Taxation Code.

(8) The Limited Liability Company is prohibited from merging with, or converting into a for-profit entity.

(9) No assets of the Limited Liability Company shall be distributed to any member that ceases to be an organization described in Section 214 of the Revenue and Taxation Code.”



IMPORTANT — *Read Instructions* before completing this form.

Filing Fee – \$30.00

Copy Fees – First page \$1.00; each attachment page \$0.50;
Certification Fee - \$5.00

Note: You must file a Statement of Information (Form LLC-12), to change the business address(es) of the LLC or to change the name or address of the LLC's manager(s) and/or agent for service of process, which can be filed online at llcbizfile.sos.ca.gov/SI.

Above Space For Office Use Only

1. LLC Exact Name (Enter the exact name on file with the California Secretary of State.)

--

2. LLC 12-Digit Entity (File) Number (Enter the exact 12-digit Entity (File) Number issued by the California Secretary of State.)

[illegible]

3. New LLC Name (If Amending) (*See Instructions* – List the proposed LLC name exactly as it is to appear on the records of the California Secretary of State. The name must contain an LLC identifier such as LLC or L.L.C. "LLC" will be added, if not included.)

--

4. Management (If Amending) (Select **only** one box)

The LLC will be managed by:

☐ One Manager ☐ More than One Manager ☐ All LLC Member(s)

5. Purpose Statement (Do not alter Purpose Statement.)

The purpose of the limited liability company is to engage in any lawful act or activity for which a limited liability company may be organized under the California Revised Uniform Limited Liability Company Act.

6. Additional Amendment(s) set forth on attached pages, if any, are incorporated herein by reference and made part of this Form LLC-2. (All attachments should be 8½ x 11, one-sided, legible and clearly marked as an attachment to this form LLC-2.)

Signature

By signing, I affirm under penalty of perjury that the information herein is true and correct and that I am authorized by California law to sign.

Sign here

Print your name here

HPI Property Acquisitions LLC

LLC-2/Amendment to Articles of Organization of a Limited Liability Company (LLC)

6. Additional Amendment(s)

“The following requirements are added to the Articles of Organization for HPI Property Acquisitions LLC (the “Limited Liability Company”) in order to satisfy the organizational requirements for welfare exemption under Section 214 of the Revenue & Taxation Code and do hereby amend and replace the requirements set forth in Section 3.C of the Articles of Organization filed on April 13, 2010:

A. The activities of the Limited Liability Company are restricted to the specific charitable purposes of: providing housing and related services for low and moderate income households; and lessening the burden of local government by acquiring property previously owned and operated by the Housing Authority of the County of San Bernardino (“HACSB”) and undertaking responsibility to rehabilitate, operate and maintain such property.

B. The Limited Liability Company is operated exclusively to further the tax exempt charitable purposes of its tax exempt members.

C. Each member of the limited liability company shall be a qualifying organization. A qualifying organization is a government entity that is exempt from property taxation under section 3 of Article XIII of the California Constitution, as to property owned by the state under subdivision (a), or as to property owned by a local government under subdivision (b), or as to property used exclusively for public schools, community colleges, state colleges and state universities under subdivision (d). If one or more of the members is a government entity, all other members shall be exempt under section 501(c)(3) of the Internal Revenue Code or under section 23701d of the Revenue and Taxation Code and that qualifies for exemption under section 214 of the Revenue and Taxation Code.

D. No transfer, whether direct or indirect, of any membership interest in the Limited Liability Company, shall be made to any person or entity that is not a qualifying organization for purposes of the welfare exemption provided pursuant to Section 214(g)(1) of the Revenue and Taxation Code.

E. All property of the Limited Liability Company shall be irrevocably dedicated to the charitable purposes consistent with the requirements for obtaining a welfare exemption pursuant to Section 214 of the Revenue and Taxation Code.

F. Upon dissolution of the Limited Liability Company, all assets shall be distributed to an organization organized and operated exclusively for charitable purposes, as specified in

Section 214 of the Revenue and Taxation Code, and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code, or under Section 23701d of the Revenue and Taxation Code.

HPI Property Acquisitions LLC

LLC-2/Amendment to Articles of Organization of a Limited Liability Company (LLC)

G. Any amendments to the Articles of Organization and the Operating Agreement of the Limited Liability Company must be consistent with Section 214 of the Revenue and Taxation Code.

H. The Limited Liability Company is prohibited from merging with, or converting into a for-profit entity.

I. No assets of the Limited Liability Company shall be distributed to any member that ceases to be an organization described in Section 214 of the Revenue and Taxation Code.”

EXHIBIT B

MEMBERS

<u>Name and Address</u>	<u>Initial Contribution</u>	<u>Percentage Interest</u>
HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO 715 East Brier Drive San Bernardino, California 92408	\$49	49%
HOUSING PARTNERS I, INCORPORATED 715 East Brier Drive San Bernardino, California 92408	\$51	51%

**REPORT/RECOMMENDATION TO THE BOARD OF COMMISSIONERS OF THE
HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO AND RECORD
OF ACTION**

June 9, 2020

FROM

MARIA RAZO, Executive Director, Housing Authority of the County of San Bernardino

SUBJECT

Regular Meeting Minutes for Meeting Held on May 12, 2020

RECOMMENDATION(S)

Approve the meeting minutes for the Board of Commissioners of the Housing Authority of the County of San Bernardino Regular Meeting held on May 12, 2020.
(Presenter: Maria Razo, Executive Director, 332-6305)

GOALS & OBJECTIVES

HACSB communication is open, honest and consistent.

FINANCIAL IMPACT

Approval of this item will not result in a financial impact to the Housing Authority of the County of San Bernardino (HACSB) as there are no financial impacts associated with this item.

BACKGROUND INFORMATION

The HACSB Board of Commissioners (Board) Regular Meeting took place on May 12, 2020, and attached are the comprehensive minutes for review and approval by the Board.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by Legal Counsel (Julie J. Surber, Principal Assistant County Counsel, 387-5455) on May 18, 2020.

**MINUTES OF A REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF
THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO
May 12, 2020**

The Board of Commissioners of the Housing Authority of the County of San Bernardino met in a regular meeting via teleconference and videoconference (Zoom at call-in number (669) 900-6833, Meeting ID 820 1915 1542, Password 495579) at 3:00 p.m. on May 12, 2020.

The meeting was called to order, and upon roll call, the following were present:

Commissioner Johnson
Commissioner Cooper
Commissioner MacDuff
Commissioner Pinedo
Commissioner Tarango
Commissioner Miller

Also in attendance were: Maria Razo, Executive Director; Gus Joslin, Deputy Executive Director; Ana Gamiz, Director of Policy & Public Relations; Rishad Mitha, Director of Operations; Jennifer Dawson, Director of Human Resources; Jesse Diaz, Finance Manager; Ron Ruhl, Real Estate Development Manager; Angie Lardapide, Procurement and Contracts Supervisor; Kristin Maithonis, Assistant Director of Housing Services; George Silva, Housing Services Supervisor; Renee Kangas, Management Analyst; Nicole Beydler, Sr. Management Analyst and Claudia Hurtado, Executive Assistant.

Also present: Julie Surber, Legal Counsel to the Housing Authority.

The Chairman called for additions or deletions to the May 12, 2020 agenda. Secretary of the Board declared there were no additions or deletions to the May 12, 2020 agenda.

The Chairman provided an opportunity for members of the public to address the Board of Commissioners. Secretary of the Board, declared that no public comment had been submitted.

The Executive Director's Report was requested.

Maria Razo, Executive Director gave the Executive Director's Report.

Approval for discussion calendar item number 5, to 1) Approve Amendment No. 3 to Contract No. PC990 with Applied Real Estate Analysis, Inc. for local rental housing submarket analysis services increasing the current contract amount by \$31,118 for a total contract amount not to exceed \$122,986.70 for services provided during the one-year option period through February 22, 2021. 2) Authorize and direct the Executive Director to execute and deliver the contract amendment to Applied Real Estate Analysis, Inc., and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction, was requested.

Executive Director explained the item.

Commissioner Miller moved to approve the discussion calendar item number 5 to 1) Approve Amendment No. 3 to Contract No. PC990 with Applied Real Estate Analysis, Inc. for local

rental housing submarket analysis services increasing the current contract amount by \$31,118 for a total contract amount not to exceed \$122,986.70 for services provided during the one-year option period through February 22, 2021. 2) Authorize and direct the Executive Director to execute and deliver the contract amendment to Applied Real Estate Analysis, Inc., and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction, which motion was duly seconded by Commissioner Tarango, and upon roll call, the Ayes and Nays were as follows:

Ayes

Commissioner Johnson
Commissioner Cooper
Commissioner MacDuff
Commissioner Pinedo
Commissioner Tarango
Commissioner Miller

Nays

Approval for the discussion calendar item number 6, to Adopt Resolution No. 85 approving the Housing Authority of the County of San Bernardino's Annual Moving to Work Plan for Fiscal Year 2019-2020, Amendment 3, was requested.

Executive Director explained the item.

Commissioner Miller moved to approved the discussion calendar item number 6, to Adopt Resolution No. 85 approving the Housing Authority of the County of San Bernardino's Annual Moving to Work Plan for Fiscal Year 2019-2020, Amendment 3, which motion was duly seconded by Commissioner Tarango, and upon roll call, the Ayes and Nays were as follows:

Ayes

Commissioner Johnson
Commissioner Cooper
Commissioner MacDuff
Commissioner Pinedo
Commissioner Tarango
Commissioner Miller

Nays

Approval for the discussion calendar item number 7, to 1) Approve a non-financial Memorandum of Understanding with the County of San Bernardino's Department of Behavioral Health for the No Child Left Unsheltered program for the period of July 1, 2020 through June 30, 2025. 2) Authorize and direct the Executive Director to execute and deliver the Memorandum of Understanding to the County of San Bernardino's Department of Behavioral Health, and upon consultation with Legal Counsel, to approve any non-substantive revisions to complete the transaction, was requested.

Executive Director explained the item.

Commissioner Miller moved to approve the discussion calendar item number 7, to 1) Approve a non-financial Memorandum of Understanding with the County of San Bernardino's Department of Behavioral Health for the No Child Left Unsheltered program for the period of July 1, 2020 through June 30, 2025. 2) Authorize and direct the Executive Director to execute and deliver the Memorandum of Understanding to the County of San Bernardino's Department of Behavioral Health, and upon consultation with Legal Counsel, to approve any non-substantive revisions to complete the transaction, which motion was duly seconded by Commissioner Pinedo, and upon roll call, the Ayes and Nays were as follows:

Ayes

Commissioner Johnson
Commissioner Cooper
Commissioner MacDuff
Commissioner Pinedo
Commissioner Tarango
Commissioner Miller

Nays

Approval of consent calendar items 9 through 12, to 1) approve the meeting minutes for the Board of Commissioners of the Housing Authority of the County of San Bernardino Regular Meeting held on May 12, 2020, 2) approve vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month ending in February 2020, 3) Approve vacated tenant accounts for the Authority Owned portfolio to be written off as collection losses for the month ending in March 2020, 4) approve and file Agency-wide Financial Statements through January 2020, was requested.

Commissioner Miller moved to approve the consent calendar items number 9 through 12, to 1) approve the meeting minutes for the Board of Commissioners of the Housing Authority of the County of San Bernardino Regular Meeting held on May 12, 2020, 2) approve vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month ending in February 2020, 3) Approve vacated tenant accounts for the Authority Owned portfolio to be written off as collection losses for the month ending in March 2020, 4) approve and file Agency-wide Financial Statements through January 2020, which motion was duly seconded by Commissioner Tarango, and upon roll call, the Ayes and Nays were as follows:

Ayes

Commissioner Johnson
Commissioner Cooper
Commissioner Pinedo
Commissioner Tarango
Commissioner Miller
Commissioner MacDuff

Nays

Chairman provided an opportunity for individual Board member comments. There were no comments.

There being no other business, Chairman moved for the regular meeting of Tuesday, May 12, 2020 to be adjourned, which motion was duly seconded by Commissioner Tarango, and upon roll call, the Ayes and Nays were as follows:

Ayes

Commissioner Johnson
Commissioner Cooper
Commissioner MacDuff
Commissioner Pinedo
Commissioner Tarango
Commissioner Miller

Nays

The meeting adjourned at 3:49 p.m.

Tim Johnson, Chair

Beau Cooper, Vice Chair

Cassie MacDuff

Sylvia Miller

Absent

Jessie Muñoz

Dr. Ciriaco "Cid" Pinedo

Bobby Tarango

Attest:

Secretary

**REPORT/RECOMMENDATION TO THE BOARD OF COMMISSIONERS OF THE
HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO AND RECORD
OF ACTION**

June 9, 2020

FROM

MARIA RAZO, Executive Director, Housing Authority of the County of San Bernardino

SUBJECT

Vacated Tenant Accounts for the Authority Owned Portfolio to be Written Off as Collection Loss for the Month Ending April 2020

RECOMMENDATION(S)

Approve vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month ending in April 2020.

(Presenter: Maria Razo, Executive Director, 332-6305)

GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

FINANCIAL IMPACT

The accounts receivable losses for the month ending April 30, 2020 is \$24,710.56. The Housing Authority of the County of San Bernardino (HACSB) projects and anticipates collection losses in their annual budget. The monthly losses as detailed below are in line with the budgeted losses and historical trends.

BACKGROUND INFORMATION

On a monthly basis, HACSB records vacated tenant accounts for the Authority Owned Portfolio for the purpose of being written off to collection losses. The agency's Authority Owned Portfolio units are owned by HACSB and were either acquired or developed through a variety of partnerships with local governments and/or HACSB's non-profit affiliate Housing Partners I, Inc. Despite the agency's reasonable efforts to collect the debts listed in the attached reports, it has been determined that such debts are uncollectible. However, collection efforts will continue with the agency's contracted collection agency. As part of HACSB's standard property management business practices, Board of Commissioners approval is requested to write off these accounts as accounts receivable losses to the Authority Owned Portfolio. The total write off for the month of April 2020 is \$24,710.56 as delineated in the table below. Attached is a worksheet that itemizes the individual accounts.

SUMMARY BY PROPERTY MANAGEMENT		
PROPERTY	NO. VACATED	TOTAL
207 - Barstow	1	149.00
403 – Summit Walk	1	(\$66.00)
407 – Sunset Pointe	3	\$3,643.00
408 – Sunrise Vista	2	\$28.00
409 – Andalusia	2	\$6,812.00
419 – Kingsley	1	\$419.00
425a – Sequoia	1	\$1,702.00

Vacated Tenant Accounts for the Authority Owned Portfolio to be Written Off as Collection Loss
for the Month Ending April 2020
June 9, 2020

SUMMARY BY PROPERTY MANAGEMENT		
PROPERTY	NO. VACATED	TOTAL
426 – Sunnyside	1	837.00
434c – Bahia	1	-
467 - Hillcrest	2	\$4,185.00
Concessions Write Off		-
TOTAL RENT WRITE OFF	14	\$17,709.00
Miscellaneous Charges		\$1,288.00
Maintenance Charges		\$11,384.56
Legal Charges		\$1,800.00
Security Deposits Applied		(\$7,471.00)
NET TOTAL WRITE OFF		\$24,710.56

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by Legal Counsel (Julie J. Surber, Principal Assistant County Counsel, 387-5455) on May 18, 2020.

Housing Authority County of San Bernardino

COLLECTION WRITE-OFFS - Authority Owned Portfolio

Month End: 04/30/20

Item #	Last Name	First Name	ID No.	REASON	MONTHLY RENT	UNPAID RENT (*)	CONC. REVERSAL	UNPAID MISC (*)	MAINT. FEES	LEGAL FEES	TOTAL OWED	LESS DEPOSIT	NET DUE
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207- Barstow													
1	K.	J.		Deceased	\$ 223.00	\$ 149.00	-		\$ 565.00	\$ -	\$714.00	\$250.00	\$464.00
							-				-		-
TOTALS:						149.00	-	-	565.00	-	714.00	250.00	464.00

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
1	Deceased									04/22/20

403 - Summit Walk													
1	A.	A.		V	656.00	(66.00)	-		1,190.00		1,124.00	835.00	289.00
							-				-		-
TOTALS:						(66.00)	-	-	1,190.00	-	1,124.00	835.00	289.00

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
1	30 Day Notice	03/25/20								04/22/20

407 - Sunset Pointe													
2	P.	L.					-		(198.36)		(198.36)		(198.36)
3	P.	J.		S	875.00	501.00	-	893.00	191.00		1,585.00	400.00	1,185.00
4	L.	D.		S	725.00	3,142.00	-		1,734.00		4,876.00	700.00	4,176.00
							-				-		-
TOTALS:						3,643.00	-	893.00	1,726.64	-	6,262.64	1,100.00	5,162.64

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
2	Collection on bad debt									
3	Skip									04/15/20
4	Skip									04/10/20

*Reasons: E=Eviction S=Skip V=Voluntary T=Terminated Vacancy

**Unpaid Misc: Stipulated ageements for rent, maintenance charges, late charges, etc.

Housing Authority County of San Bernardino

COLLECTION WRITE-OFFS - Authority Owned Portfolio

Month End: 04/30/20

Item #	Last Name	First Name	ID No.	REASON	MONTHLY RENT	UNPAID RENT (*)	CONC. REVERSAL	UNPAID MISC (*)	MAINT. FEES	LEGAL FEES	TOTAL OWED	LESS DEPOSIT	NET DUE
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408 - Sunrise Vista													
5	F.	S.					-		(100.00)		(100.00)		(100.00)
6	S.	J.		V	825.00	28.00	-	20.00	767.00		815.00	100.00	715.00
							-			-	-		-
TOTALS:						28.00	-	20.00	667.00	-	715.00	100.00	615.00

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
5	Payment on bad debt									
6	30 Day Notice	03/01/20								04/01/20

409 - Andalusia													
1	C.	G.		V	960.00	5,312.00		450.00	490.00		6,252.00	599.00	5,653.00
2	P.	D.		V	960.00	1,500.00			40.00		1,540.00	599.00	941.00
							-				-		-
TOTALS:						6,812.00	-	450.00	530.00	-	7,792.00	1,198.00	6,594.00

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
	30 day notice to vacate									3/16/2020
	30 day notice to vacate									03/31/20

419 - Kingsley													
1	M.	S.		V	\$ 1,595.00	\$ 419.00	-	\$ -	\$ 3,860.26	\$ -	\$ 4,279.26	\$ 1,710.00	\$ 2,569.26
							-				-		-
TOTALS:						419.00	-	-	3,860.26	-	4,279.26	1,710.00	2,569.26

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
1	30 Day notice to vacate	03/06/20								04/08/20

425a - Sequoia													
7	N.	J.		E	800.00	1,702.00			709.00		2,411.00	725.00	1,686.00
											-		-
TOTALS:						1,702.00	-	-	709.00	-	2,411.00	725.00	1,686.00

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
7	Eviction	03/06/20	03/06/20	03/06/20	COVID	N			turned in keys to avoid eviction	04/01/20

*Reasons: E=Eviction S=Skip V=Voluntary T=Terminated Vacancy

**Unpaid Misc: Stipulated agreements for rent, maintenance charges, late charges, etc.

Housing Authority County of San Bernardino

COLLECTION WRITE-OFFS - Authority Owned Portfolio

Month End: 04/30/20

Item #	Last Name	First Name	ID No.	REASON	MONTHLY RENT	UNPAID RENT (*)	CONC. REVERSAL	UNPAID MISC (*)	MAINT. FEES	LEGAL FEES	TOTAL OWED	LESS DEPOSIT	NET DUE
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426 - Sunnyside													
8	F.	G.							(1,312.16)		(1,312.16)		(1,312.16)
9	D.	E.		T	1,345.00	837.00		(75.00)	1,076.00		1,838.00	499.00	1,339.00
											-		-
TOTALS:					837.00	-	(75.00)	(236.16)	-	525.84	499.00	26.84	
Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date		Vacate Date		
8	Collection on bad debt												
9	3 Day Pay or Quit	04/08/20	Posted or Hand	N/A						04/17/20			

434c - Bahia													
10	M.	D.							(983.70)		(983.70)		(983.70)
											-		-
TOTALS:					-	-	-	(983.70)	-	(983.70)	-	(983.70)	
Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date		Vacate Date		
10	Collection on bad debt												

467 - Hillcrest													
11	A.	B.		E	638.00	2,603.00			721.00	1,050.00	4,374.00	425.00	3,949.00
12	C.	K.		E	597.00	1,582.00			1,651.82	750.00	3,983.82	629.00	3,354.82
TOTALS:						4,185.00	-	-	2,372.82	1,800.00	8,357.82	1,054.00	7,303.82
Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date		Vacate Date		
11	3 Day Pay or Quit	01/07/20	Posted	01/31/20	01/31/20	Y		02/24/20	04/15/20		04/15/20		
12	3 Day Pay or Quit	02/06/20	Posted	02/12/20	02/14/20	N		N/A	turned in keys to avoid court		04/17/20		

ALL PROPERTY TOTALS:						17,709.00	-	1,288.00	11,384.56	1,800.00	32,181.56	7,471.00	24,710.56
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Submitted by: _____ Date: _____

Reviewed by: _____ Date: _____

*Reasons: E=Eviction S=Skip V=Voluntary T=Terminated Tenancy **Unpaid Misc.:

Stipulated agreements for rent, maintenance charges, late charges, etc.

REPORT/RECOMMENDATION TO THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO AND RECORD OF ACTION

June 9, 2020

FROM

MARIA RAZO, Executive Director, Housing Authority of the County of San Bernardino

SUBJECT

Agency-wide Financial Statements through February 2020

RECOMMENDATION(S)

Approve and file Agency-wide Financial Statements through February 2020.
(Presenter: Maria Razo, Executive Director, 332-6305)

GOALS & OBJECTIVES

HACSB has secured the resources needed for accomplishing its mission.

FINANCIAL IMPACT

The Housing Authority of the County of San Bernardino's (HACSB) year-to-date agency-wide net income through February 2020 for Federal Fiscal Year (FFY) 2019-20 is \$1,931,778. The net income is currently greater than the anticipated \$624,683 net income primarily due to:

- Physical Needs Assessment and Capital Fund project expenses that were lower than expected, which also lowered the amount of Capital Fund grant income that was recognized. This is primarily due to the timing of these expenses which will occur later this year (reflected in the extraordinary maintenance expenses line item).
- Administrative and maintenance expenses were lower due to vacant positions, which we expect to fill later in the year.

Financial Summary	FY 2020 YTD
Revenues	\$64,633,085
Expenses	\$60,254,802
Operating Gain	\$4,378,284
Operating Transfers/Non-Operating Items	\$(2,446,505)
Net Income/(Loss)	\$1,931,778

BACKGROUND INFORMATION

HACSB administers multiple housing programs and is the largest provider of affordable housing in the County of San Bernardino. The FFY 2019-20 budget and financial operations continue to support the vision and mission of HACSB and are in line with its Strategic Plan and Moving to Work Annual Plans. Overall, HACSB has demonstrated fiscal stability even though the primary funding provider, the United States Department of Housing and Urban Development (HUD), has significantly decreased funding each year while expecting full program utilization. FFY 2019-20 continues to be another challenging year due to the following:

- Anticipated federal funding cuts to the Housing Choice Voucher (HCV) program, Administrative Fees, Public Housing Subsidy and Capital Funds.

- Expected reserve drawdowns in order to balance the FFY budget for the HCV program due to rental assistance costs exceeding funding. HACSB is currently working with HUD on this matter. A drawdown of HUD held reserves has been processed and received in April 2020 to offset the increase in HAP expenses through December 2019.
- Additional projections are also underway to forecast COVID-19 related expenditures and income losses, including related increases to the housing assistance payments for the voucher programs and rental income loss.
- Maintenance of aging properties is extremely costly, but it is needed to preserve much needed affordable housing in the County.

Based on HUD's guidance to routinely present key information to HACSB's Board of Commissioners, HACSB is presenting the financial statements on a monthly basis.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by Legal Counsel (Julie J. Surber, Principal Assistant County Counsel, 387-5455) on May 18, 2020.

HACSB Budget Comparison

Period = Oct 2019-Feb 2020

	YTD Actual	YTD Budget	Variance	% Var	Annual
INCOME					
TENANT INCOME					
Total Rental Income	10,824,541	10,685,811	138,730	1.30	25,890,742
Total Other Tenant Income	282,836	241,147	41,689	17.29	578,752
NET TENANT INCOME	11,107,377	10,926,958	180,419	1.65	26,469,494
GRANT INCOME					
TOTAL GRANT INCOME	50,746,339	51,589,057	-842,718	-1.63	123,414,095
OTHER INCOME					
TOTAL OTHER INCOME	2,779,369	3,061,346	-281,976	-9.21	5,639,874
TOTAL INCOME	64,633,085	65,577,361	-944,275	-1.44	155,523,464
EXPENSES					
GRANT EXPENSES					
TOTAL GRANT EXPENSES	2,724,625	2,542,593	-182,033	-7.16	6,102,222
ADMINISTRATIVE					
Total Administrative Salaries	4,980,035	5,618,153	638,117	11.36	13,511,215
Total Legal Expense	72,472	144,053	71,581	49.69	345,727
Total Other Admin Expenses	2,254,257	2,269,408	15,152	0.67	5,646,658
Total Miscellaneous Admin Expenses	1,046,463	1,478,581	432,119	29.23	2,938,056
TOTAL ADMINISTRATIVE EXPENSES	8,353,227	9,510,195	1,156,968	12.17	22,441,656
TENANT SERVICES					
TOTAL TENANT SERVICES EXPENSES	104,675	162,356	57,681	35.53	389,453
UTILITIES					
TOTAL UTILITY EXPENSES	1,308,700	1,516,868	208,168	13.72	3,640,484
MAINTENANCE AND OPERATIONS					
Total General Maint Expense	1,009,325	1,196,147	186,822	15.62	2,869,153
Total Materials	320,977	363,032	42,055	11.58	871,275
Total Contract Costs	1,280,387	1,871,050	590,663	31.57	4,485,145
TOTAL MAINTENANCE EXPENSES	2,610,689	3,430,229	819,540	23.89	8,225,573
GENERAL EXPENSES					
TOTAL GENERAL EXPENSES	491,866	514,395	22,529	4.38	1,241,332
EXTRAORDINARY MAINTENANCE EXPENSES					
TOTAL EXTRAORDINARY MAINTENANCE EXPENSES	690,674	5,989,978	5,299,303	88.47	14,767,546
HOUSING ASSISTANCE PAYMENTS					
TOTAL HOUSING ASSISTANCE PAYMENTS	43,273,985	40,321,997	-2,951,988	-7.32	97,841,355
FINANCING EXPENSE					
TOTAL FINANCING EXPENSES	696,361	678,285	-18,076	-2.66	1,627,884
TOTAL OPERATING EXPENSES	60,254,802	64,666,894	4,412,092	6.82	156,277,505
OPERATING NET INCOME	4,378,284	910,466	3,467,817	380.88	-754,041
NET OPERATING TRANSFER IN/OUT	0	285,783	285,783	100.00	285,783
NON-OPERATING ITEMS					
TOTAL NON-OPERATING ITEMS	2,446,505	0	-2,446,505	N/A	0
NET INCOME	1,931,778	624,683	1,307,095	209.24	-1,039,824