

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

TO BE HELD TELEPHONICALLY
August 11, 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: 894 1144 8466
Password: 648530

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 August 11, 2020. (Page 1)
- 5) Receive the board building presentation for August 11, 2020 regarding an overview of the Housing Authority of the County of San Bernardino's Veterans Affairs Supportive Housing program. (Page 2)
- 6) Adopt Resolution No. 92 approving a delegation of authority to the Executive Director or designee, upon consultation with Legal Counsel, to review, approve, and execute all documents necessary and appropriate to administer and implement the Housing Assets of the Former Redevelopment Agency of the City of Redlands, including, but not limited to the subordination agreements, assignments, loan amendments and modifications, and other administrative and real property documents that result in more affordable terms for individual homeowners. (Pages 3-12)
- 7) Adopt Resolution No. 93:
 - a. Authorizing submittal of a joint application with the Mountain Homeless Coalition to the California Department of Housing and Community Development for HomeKey grant funds in an amount not to exceed \$1,000,000 for capital expenditures and capitalized operating subsidy.
 - b. Authorizing the Housing Authority of the County of San Bernardino to serve as a member in a to be formed LLC with Mountain Homeless Coalition serving as Managing member, for the specific purpose of applying, as Eligible Applicant, for Homekey grant funds and subsequently acquiring and managing an apartment complex at 402 Georgia Street in Big Bear Lake, California; and
 - c. Authorize and direct the Executive Director, upon consultation with Legal Counsel, to execute and deliver all documents and agreements necessary to consummate the role in the limited liability company, including the Articles of Organization and Operating Agreement, and other ancillary documents necessary to carry out and close the acquisition of the 6-unit property at 402 Georgia Street in Big Bear Lake, California in collaboration with the Mountain Homeless Coalition, and to approve any non-substantive revisions necessary to complete the transaction. (Pages 13-17)
- 8)
 - 1 – Approve Amendment No. 1 to Contract No. PC943 with Potomac Partners DC for legislative consulting services increasing the current contract amount by \$300,000 for a total contract amount not to exceed \$750,000 for services provided during the one additional two-year option period through from October 1, 2020 to September 30, 2022.
 - 2 – Authorize and direct the Executive Director to execute and deliver the contract amendment to Potomac Partners DC, and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction. (Pages 18-24)
- 9)
 - 1 – Authorize the Housing Authority of the County of San Bernardino to enter into a Permanent Loan Promissory Note in an amount not-to-exceed \$1,990,000 and to execute related documents with Golden Apartments San Bernardino, L.P., to serve as permanent financing for a development known as the Golden Apartments, said Note to be executed in substantially the form attached, such approval to be evidenced conclusively by the execution and delivery thereof.

2 – Authorize and direct the Executive Director upon consultation with Legal Counsel, to make modifications to the Permanent Loan Promissory Note and the documents or exhibits attached to the Note in order to conform to the transaction and funding for the Project (County of San Bernardino and City of San Bernardino HOME program transaction) and to execute all documents or certificates which are necessary or appropriate to carry out and close the transaction as contemplated in the Note. (Pages 25-31)

- 10) 1 – Award a contract, effective August 12, 2020, to CohnReznick LLP for financial auditing services in an amount not to exceed \$291,790 for a three year base period through August 11, 2023, and the option for two additional single-year contract extensions through August 11, 2025.

2 – Authorize and direct the Executive Director to execute and deliver the contract to CohnReznick, LLP, and upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction. (Pages 32-85)

- 11) 1 – Approve Memorandum of Understanding with County of San Bernardino Department of Behavioral Health for referral and supportive services for the Mainstream Voucher Program for three years effective September 1, 2020 through August 31, 2023.

2 – Authorize and direct the Executive Director to execute and deliver Memorandum of Understanding to County of San Bernardino Department of Behavioral Health, and upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction. (Pages 86-105)

- 12) 1 – Adopt Memorandum of Understanding with Rolling Start, Inc. for referral and supportive services for the Mainstream Voucher Program for three years effective September 1, 2020 through August 31, 2023.

2 – Authorize and direct the Executive Director to execute and deliver Memorandum of Understanding to Rolling Start, Inc., and upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction. (Pages 106–114)

- 13) 1 – Approve Memorandum of Understanding with Inland Regional Center for referral and supportive services for the Mainstream Voucher Program for three years effective September 1, 2020 through August 31, 2023.

2 – Authorize and direct the Executive Director to execute and deliver the Memorandum of Understanding to Inland Regional Center, and upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction. (Pages 115-123)

- 14) 1 – Approve Memorandum of Understanding with Inland Empire Health Plan for referral and supportive services for the Mainstream Voucher Program for three years effective September 1, 2020 through August 31, 2023.

2 – Authorize and direct the Executive Director to execute and deliver the Memorandum of Understanding to Inland Empire Health Plan, and upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction. (Pages 124-142)

- 15) 1 – Approve Memorandum of Understanding with Knowledge and Education for Your Success, Inc. for referral and supportive services for the Mainstream Voucher Program for three years effective September 1, 2020 through August 31, 2023.

2 – Authorize and direct the Executive Director to execute and deliver the Memorandum of Understanding 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. (Pages 143-151)

CONSENT CALENDAR

- 16) APPROVAL OF CONSENT ITEMS: # 17-18

- 17) Approve the meeting minutes for the Board of Commissioners of the Housing Authority of the County of San Bernardino Regular Meeting held on July 14, 2020. (Pages 152-161)

- 18) Approve and file Agency-wide Financial Statements through April 2020. (Pages 162-164)

- 19) Individual Board member Comments

- 20) 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**

August 11, 2020

FROM

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

SUBJECT

Executive Director's Report for August 11, 2020

RECOMMENDATION(S)

Receive the Executive Director's Report for August 11, 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 July 8, 2020.

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

August 11, 2020

FROM

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

SUBJECT

Board Building Presentation for August 11, 2020

RECOMMENDATION(S)

Receive the board building presentation for August 11, 2020 regarding an overview of the Housing Authority of the County of San Bernardino's Veterans Affairs Supportive Housing program.
(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

Per the United States Department of Housing and Urban Development's (HUD) Commissioner Lead the Way Training, a requirement for all Board of Commissioners (Board), board building is required to provide the Board with information regarding ongoing initiatives of HACSB's strategic plan, Moving to Work activities, overall agency updates, as well as other initiatives federally regulated by HUD.

This month's board building presentation will include an overview of HACSB's Veterans Affairs Supportive Housing (VASH) program.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by Legal Counsel (Julie J. Surber, Principal Assistant County Counsel, 387-5455) on August 3, 2020.

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

August 11, 2020

FROM

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

SUBJECT

Housing Assets of the Former Redevelopment Agency of the City of Redlands

RECOMMENDATION(S)

Adopt Resolution No. 92 approving a delegation of authority to the Executive Director or designee, upon consultation with Legal Counsel, to review, approve, and execute all documents necessary and appropriate to administer and implement the Housing Assets of the Former Redevelopment Agency of the City of Redlands, including, but not limited to the subordination agreements, assignments, loan amendments and modifications, and other administrative and real property documents that result in more affordable terms for individual homeowners.

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

GOALS & OBJECTIVES

Clients have achieved their own personal level of stability and economic independence.

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 does not have a financial impact on the Housing Authority of the County of San Bernardino (HACSB) as there is no investment required. On occasion, certain actions (such as loan payoffs) will result in revenue received by HACSB to reinvest in the City of Redlands.

BACKGROUND INFORMATION

In 2011, Assembly Bill x1 26 (Blumenfield) was enacted into law mandating the dissolution of redevelopment agencies (RDA) and community development agencies in existence throughout California. As a result, on January 17, 2012, the Redlands City Council authorized the City of Redlands (Resolution No. 7111) to decline the retainment of the housing assets and functions previously performed by the former RDA. On June 21, 2012, the Oversight Board of the former RDA passed Resolution OB 2012-008, directing the Successor Agency of the former RDA to transfer the housing functions and assets to HACSB as the "housing successor" pursuant to Health and Safety Code Section 34176. In addition, on May 19, 2015 (Item No. 8), HACSB's Board of Governors adopted Resolution No. 2015-69 accepting these housing functions and assets. HACSB manages the housing assets contained in Exhibit A to the Resolution, which consist primarily of deferred interest loans that were made to first-time homebuyers or homeowners making home improvements.

Due to the current economic climate, and as mortgage rates come down, individual homeowners are attempting to refinance existing first mortgages, sell their homes, or seek modifications, and request HACSB to review, approve and execute various types of documents such as subordination agreements, assignments, loan amendments and other administrative and real property documents that result in more affordable terms for individual homeowners.

To facilitate implementation and administration of the housing assets, increase the efficiency of the various loan programs assumed by HACSB, and save administrative costs, approval of this item will delegate authority to the Executive Director or designee, upon consultation with the Housing Authority's legal counsel, to review, approve and execute any and all documents necessary and appropriate to administer and implement the Housing Assets of the Former RDA, including, but not limited to subordination agreements, assignments, loan amendments and modifications, reconveyances, and other administrative and real property documents that result in more affordable terms for individual homeowners.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by Legal Counsel (Julie J. Surber, Principal Assistant County Counsel, 387-5455) on July 8, 2020.

HOUSING AUTHORITY RESOLUTION NO. 2020-92

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO DELEGATING AUTHORITY TO THE HOUSING AUTHORITY'S EXECUTIVE DIRECTOR OR DESIGNEE TO REVIEW, APPROVE AND EXECUTE ANY AND ALL DOCUMENTS NECESSARY AND APPROPRIATE TO ADMINISTER AND IMPLEMENT THE HOUSING ASSETS OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF REDLANDS

RECITALS

WHEREAS, the Housing Authority of the County of San Bernardino, a public body ("Housing Authority") is permitted to transact business and exercise any power inferred pursuant to the Housing Authorities Law (Health and Safety Code Section 34200 et seq.);

WHEREAS, the California State Legislature enacted Assembly Bills x1 26 and 1484 (collectively, the "Dissolution Statutes") to dissolve and unwind the affairs of redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code Section 33000 et seq.). All redevelopment agencies, including the former Redevelopment Agency of the City of Redlands ("Former Redlands RDA"), were dissolved on February 1, 2012;

WHEREAS, the Dissolution Statute provides that the city, county, or city and county that authorized the creation of the redevelopment agency shall be the "successor agency" to the dissolved redevelopment agency unless the city, county, or city and county elects not to serve as the successor agency under Health and Safety Code Section 34173(d)(1);

WHEREAS, the City of Redlands ("City") is the successor agency to the Former Redlands RDA;

WHEREAS, pursuant to Resolution No. 7111, adopted on January 17, 2012, the City Council of the City of Redlands elected not to retain the housing assets and functions previously performed by the Former Redlands RDA pursuant to Health and Safety Code Section 34176;

WHEREAS, the City did not previously activate a local housing authority to operate in the City;

WHEREAS, pursuant to Health and Safety Code Section 34176(b)(2) of the Dissolution Statutes, if a city, county, or city and county does not elect to retain the responsibility for performing housing functions previously performed by a redevelopment agency, all rights, powers, assets, duties, and obligations associated with the housing activities of the agency, excluding enforceable obligations retained by the successor agency and any amounts in the Low and Moderate Income Housing Fund, shall be transferred to the local housing authority in the territorial jurisdiction of the former redevelopment agency;

WHEREAS, in accordance with the Dissolution Statutes, the Housing Authority is the local housing authority in the territorial jurisdiction of the Former Redlands RDA and was designated to retain the housing assets and functions previously performed by the Former Redlands RDA pursuant to Health and Safety Code Section 34176(b)(2) and Resolution No. 2105-69 adopted by the Board of Governors of the Housing Authority on May 19, 2015;

WHEREAS, the Housing Asset list prepared by the Housing Authority on or about September 13, 2012 pursuant to Health and Safety Code Section 34176(a)(2), a copy of which is attached hereto as Exhibit A and incorporated herein by this reference ("Housing Asset List") constitutes a list of all "housing assets" of the Former Redlands RDA, as defined in Health and Safety Code Section

34176(e), including real and personal property interests acquired for low and moderate income housing purposes, encumbered funds, loan and grant receivables for assistance provided by the Low and Moderate Income Housing Fund ("LMIHF"), rent and payments from housing operations, and amounts owed to the LMIHF as a result of previously deferred or borrowed LMIHF deposits (collectively, with the Housing Asset List, the "Housing Assets");

WHEREAS, the Housing Authority as the "housing successor" of the Former Redlands RDA currently administers all Housing Assets, including, but not limited to the loans and loan programs set forth in the Housing Asset List;

WHEREAS, due to the current economic climate, and as mortgage rates come down, individual homeowners are attempting to refinance existing senior loans, sell their homes, or seek modifications, and request the Housing Authority to review, approve and execute various types of documents such as subordination agreements, assignments, loan amendments and other administrative and real property documents that result in more affordable terms for individual homeowners;

WHEREAS, to facilitate implementation and administration of the Housing Assets, increase the efficiency of the various loan programs assumed by the Housing Authority, and save administrative costs, the Board of Commissioners desire to delegate to the Housing Authority's Executive Director or designee, upon consultation with the Housing Authority's legal counsel, the authority to review, approve and execute any and all documents necessary and appropriate to administer and implement the Housing Assets of the Former Redlands RDA, including, but not limited to subordination agreements, assignments, loan amendments and modifications, reconveyances, and other administrative and real property documents that result in more affordable terms for individual homeowners;

WHEREAS, the Board of Commissioners has duly considered the terms of the proposed delegation of authority, and believes that it is in the best interest of the City of Redlands and the health, safety, morals and welfare of its residents, and in accord with the public purposes and provisions of applicable State and local law and requirements; and

WHEREAS, the Board of Commissioners believe that the proposed delegation of authority will greatly benefit low and moderate income families within the City of Redlands and ensure continued affordability of their homes.

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 that all of the facts set forth in the Recitals are true and correct, and are incorporated herein by reference.

Section 2. The actions authorized in this Resolution do not commit the Housing Authority to any action that may be seen with certainty to have a significant effect on the environment. Accordingly, the actions authorized hereunder are exempt from the requirements of the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061(b)(3), providing that the authorized actions do not constitute a project subject to the requirements of CEQA. The Housing Authority staff is directed to file a Notice of Exemption within five (5) days following adoption of this Resolution with the Clerk of the Board of Supervisors of the County of San Bernardino.

Section 3. The Board of Commissioners hereby approves the proposed delegation of authority to the Housing Authority's Executive Director or designee, upon consultation with the Housing Authority's legal counsel, to review, approve and execute any and all documents necessary and appropriate to administer and implement the Housing Assets of the Former Redlands RDA, including, but not limited

to subordination agreements, assignments, loan amendments and modifications, reconveyances, and other administrative and real property documents that result in more affordable terms for individual homeowners, and to carry out the purposes of this Resolution.

Section 4. This resolution shall take effect immediately upon its 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)
) ss.
COUNTY OF SAN BERNARDINO)

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

Exhibit A

City of Redlands in the County of San Bernardino - Housing Asset List

Item #	Was the Low-Mod Housing Fund amount issued for a loan or a grant?	Amount of the loan or grant	Date the loan or grant was issued	Purpose for which the funds were loaned or granted	Are there contractual requirements specifying the purposes for which the funds may be used?	Repayment date, if the funds are for a loan	Interest rate of loan	Current outstanding loan balance
1	YES	11,000.00	3/3/2000	Developer Assistance Program	YES	03-Mar-15	0%	11,000.00
2	YES	11,000.00	1/7/2003	Developer Assistance Program	YES	07-Jan-48	0%	11,000.00
3	YES	11,000.00	1/7/2003	Developer Assistance Program	YES	07-Jan-48	0%	11,000.00
4	YES	11,000.00	2/1/2000	Developer Assistance Program	YES	01-Feb-15	0%	11,000.00
5	YES	11,000.00	11/3/2009	Developer Assistance Program	YES	03-Nov-54	0%	11,000.00
6	YES	75,000.00	5/29/2007	First Time Home Buyer Program	YES		0%	75,000.00
7	YES	75,000.00	3/22/2007	First Time Home Buyer Program	YES	22-Mar-57	0%	75,000.00
8	YES	35,000.00	12/7/2004	First Time Home Buyer Program	YES	13-Dec-49	0%	35,000.00
9	YES	15,500.00	12/2/2003	First Time Home Buyer Program	YES	16-Dec-13	0%	15,500.00
10	YES	13,950.00	12/3/2002	First Time Home Buyer Program	YES	09-Jan-13	0%	13,950.00
11	YES	12,500.00	10/15/2002	First Time Home Buyer Program	YES	04-Nov-17	0%	12,500.00
12	YES	75,000.00	3/5/2007	First Time Home Buyer Program	YES	05-Mar-57	0%	75,000.00
13	YES	15,000.00	4/26/2000	First Time Home Buyer Program	YES	26-Apr-30	0%	15,000.00
14	YES	12,000.00	4/7/2000	First Time Home Buyer Program	YES	07-Apr-30	0%	12,000.00
15	YES	11,700.00	3/28/2000	First Time Home Buyer Program	YES	28-Mar-30	0%	11,700.00
16	YES	14,500.00	3/28/2000	First Time Home Buyer Program	YES	28-Mar-30	0%	14,500.00
17	YES	12,500.00	10/30/2000	First Time Home Buyer Program	YES	30-Oct-30	0%	12,500.00
18	YES	75,000.00	6/22/2007	First Time Home Buyer Program	YES	22-Jun-57	0%	75,000.00
19	YES	7,475.00	3/28/2000	First Time Home Buyer Program	YES	28-Mar-30	0%	7,475.00
20	YES	75,000.00	6/22/2007	First Time Home Buyer Program	YES	22-Jun-57	0%	75,000.00
21	YES	13,000.00	8/30/2000	First Time Home Buyer Program	YES	30-Aug-30	0%	13,000.00
22	YES	75,000.00	10/12/2007	First Time Home Buyer Program	YES	12-Oct-57	0%	75,000.00
23	YES	75,000.00	10/10/2007	First Time Home Buyer Program	YES	10-Oct-57	0%	75,000.00
24	YES	75,000.00	7/24/2007	First Time Home Buyer Program	YES	24-Jul-57	0%	75,000.00
25	YES	75,000.00	9/19/2007	First Time Home Buyer Program	YES	19-Sep-57	0%	75,000.00
26	YES	75,000.00	8/14/2007	First Time Home Buyer Program	YES	14-Aug-57	0%	75,000.00
27	YES	75,000.00	7/25/2007	First Time Home Buyer Program	YES	25-Jul-57	0%	75,000.00
28	YES	12,500.00	8/23/1996	First Time Home Buyer Program	YES	23-Aug-26	0%	12,500.00
29	YES	75,000.00	1/14/2009	First Time Home Buyer Program	YES	14-Jan-59	0%	75,000.00
30	YES	14,000.00	9/4/1996	First Time Home Buyer Program	YES	04-Sep-26	0%	14,000.00
31	YES	75,000.00	6/18/2007	First Time Home Buyer Program	YES	18-Jun-57	0%	75,000.00
32	YES	75,000.00	7/28/2008	First Time Home Buyer Program	YES	20-Oct-58	0%	75,000.00
33	YES	75,000.00	2/14/2008	First Time Home Buyer Program	YES	21-Feb-58	0%	75,000.00
34	YES	75,000.00	1/16/2008	First Time Home Buyer Program	YES	16-Jan-58	0%	75,000.00

City of Redlands in the County of San Bernardino - Housing Asset List

Item #	Was the Low-Mod Housing Fund amount issued for a loan or a grant?	Amount of the loan or grant	Date the loan or grant was issued	Purpose for which the funds were loaned or granted	Are there contractual requirements specifying the purposes for which the funds may be used?	Repayment date, if the funds are for a loan	Interest rate of loan	Current outstanding loan balance
35	YES	75,000.00	9/19/2007	First Time Home Buyer Program	YES	19-Sep-57	0%	75,000.00
36	YES	10,600.00	2/7/2000	First Time Home Buyer Program	YES	11-Feb-30	0%	10,600.00
37	YES	3,294.00	9/16/1997	First Time Home Buyer Program	YES	16-Sep-27	0%	3,294.00
38	YES	11,300.00	12/2/1996	First Time Home Buyer Program	YES	02-Dec-26	0%	11,300.00
39	YES	75,000.00	10/20/2008	First Time Home Buyer Program	YES	20-Oct-58	0%	75,000.00
40	YES	75,000.00	04/28/2008	First Time Home Buyer Program	YES	28-Apr-58	0%	75,000.00
41	YES	75,000.00	11/25/2008	First Time Home Buyer Program	YES	25-Nov-58	0%	75,000.00
42	YES	75,000.00	9/11/2008	First Time Home Buyer Program	YES	11-Sep-58	0%	75,000.00
43	YES	75,000.00	9/30/2008	First Time Home Buyer Program	YES	30-Sep-58	0%	75,000.00
44	YES	75,000.00	3/17/2009	First Time Home Buyer Program	YES	17-Mar-59	0%	75,000.00
45	YES	75,000.00	9/26/2008	First Time Home Buyer Program	YES	26-Sep-58	0%	75,000.00
46	YES	75,000.00	8/7/2008	First Time Home Buyer Program	YES	07-Aug-58	0%	75,000.00
47	YES	12,900.00	11/15/2000	First Time Home Buyer Program	YES	15-Nov-30	0%	12,900.00
48	YES	9,000.00	12/14/1998	First Time Home Buyer Program	YES	14-Dec-28	0%	9,000.00
49	YES	10,600.00	9/17/1999	First Time Home Buyer Program	YES	17-Sep-29	0%	10,600.00
50	YES	75,000.00	10/20/2008	First Time Home Buyer Program	YES	20-Oct-58	0%	75,000.00
51	YES	12,350.00	5/6/1997	First Time Home Buyer Program	YES	06-May-27	0%	12,350.00
52	YES	11,700.00	2/4/1999	First Time Home Buyer Program	YES	04-Feb-29	0%	11,700.00
53	YES	12,490.00	8/12/1999	First Time Home Buyer Program	YES	12-Aug-29	0%	12,490.00
54	YES	7,400.00	1/21/1999	First Time Home Buyer Program	YES	21-Jan-29	0%	7,400.00
55	YES	11,000.00	6/23/1999	First Time Home Buyer Program	YES	23-Jun-29	0%	11,000.00
56	YES	12,800.00	11/13/1998	First Time Home Buyer Program	YES	13-Nov-28	0%	12,800.00
57	YES	11,700.00	11/5/1998	First Time Home Buyer Program	YES	05-Nov-28	0%	11,700.00
58	YES	8,750.00	11/3/1998	First Time Home Buyer Program	YES	03-Nov-28	0%	8,750.00
59	YES	8,150.00	11/3/1998	First Time Home Buyer Program	YES	03-Nov-28	0%	8,150.00
60	YES	14,000.00	9/28/1998	First Time Home Buyer Program	YES	28-Sep-28	0%	14,000.00
61	YES	9,000.00	10/26/1998	First Time Home Buyer Program	YES	26-Oct-28	0%	9,000.00
62	YES	11,000.00	9/25/1998	First Time Home Buyer Program	YES	25-Sep-28	0%	11,000.00
63	YES	10,000.00	1/20/2004	Great Neighborhoods Program	YES	20-Jan-14	0%	10,000.00
64	YES	6,973.00	11/18/2003	Great Neighborhoods Program	YES	18-Nov-13	0%	6,973.00
65	YES	10,000.00	1/21/2003	Great Neighborhoods Program	YES	21-Jan-13	0%	10,000.00
66	YES	9,952.00	1/21/2003	Great Neighborhoods Program	YES	21-Jan-13	0%	9,952.00
67	YES	7,728.00	11/18/2003	Great Neighborhoods Program	YES	18-Nov-13	0%	7,728.00
68	YES	11,348.00	1/21/2003	Great Neighborhoods Program	YES	21-Jan-13	0%	11,348.00

City of Redlands in the County of San Bernardino - Housing Asset List

Item #	Was the Low-Mod Housing Fund amount issued for a loan or a grant?	Amount of the loan or grant	Date the loan or grant was issued	Purpose for which the funds were loaned or granted	Are there contractual requirements specifying the purposes for which the funds may be used?	Repayment date, if the funds are for a loan	Interest rate of loan	Current outstanding loan balance
69	YES	10,000.00	1/7/2003	Great Neighborhoods Program	YES	07-Jan-13	0%	10,000.00
70	YES	8,925.00	1/21/2003	Great Neighborhoods Program	YES	21-Jan-13	0%	8,925.00
71	YES	8,675.00	1/21/2003	Great Neighborhoods Program	YES	21-Jan-13	0%	8,675.00
72	YES	10,000.00	1/21/2003	Great Neighborhoods Program	YES	21-Jan-13	0%	10,000.00
73	YES	10,000.00	11/19/2002	Great Neighborhoods Program	YES	19-Nov-12	0%	10,000.00
74	YES	10,000.00	11/2/2004	Great Neighborhoods Program	YES	02-Nov-49	0%	10,000.00
75	YES	10,000.00	12/2/2003	Great Neighborhoods Program	YES	02-Dec-12	0%	10,000.00
76	YES	10,000.00	1/21/2003	Great Neighborhoods Program	YES	21-Jan-13	0%	10,000.00
77	YES	10,000.00	4/20/2004	Great Neighborhoods Program	YES	20-Apr-14	0%	10,000.00
78	YES	10,000.00	6/7/2005	Great Neighborhoods Program	YES	07-Jun-50	0%	10,000.00
79	YES	7,067.00	7/19/2005	Great Neighborhoods Program	YES	17-Jul-50	0%	7,067.00
80	YES	10,000.00	7/19/2005	Great Neighborhoods Program	YES	19-Jul-50	0%	10,000.00
81	YES	10,000.00	7/17/2005	Great Neighborhoods Program	YES	17-Jul-50	0%	10,000.00
82	YES	10,000.00	7/19/2005	Great Neighborhoods Program	YES	19-Jul-50	0%	10,000.00
83	YES	10,000.00	7/5/2005	Great Neighborhoods Program	YES	05-Jul-50	0%	10,000.00
84	YES	10,000.00	1/3/2006	Great Neighborhoods Program	YES	03-May-51	0%	10,000.00
85	YES	10,000.00	4/19/2005	Great Neighborhoods Program	YES	19-Apr-50	0%	10,000.00
86	YES	45,000.00	3/21/2007	Great Neighborhoods Program	YES	21-Mar-57	0%	45,000.00
87	YES	45,000.00	11/19/2007	Great Neighborhoods Program	YES	19-Nov-27	0%	45,000.00
88	YES	45,000.00	5/31/2007	Great Neighborhoods Program	YES	31-May-57	0%	45,000.00
89	YES	9,840.00	10/19/2004	Great Neighborhoods Program	YES	19-Oct-49	0%	9,840.00
90	YES	45,000.00	3/9/2007	Great Neighborhoods Program	YES	09-Mar-57	0%	45,000.00
91	YES	45,000.00	5/31/2007	Great Neighborhoods Program	YES	31-May-57	0%	45,000.00
92	YES	45,000.00	7/12/2007	Great Neighborhoods Program	YES	12-Jul-57	0%	45,000.00
93	YES	45,000.00	6/28/07	Great Neighborhoods Program	YES	28-Jun-57	0%	45,000.00
94	YES	45,000.00	6/28/2007	Great Neighborhoods Program	YES	28-Jun-57	0%	45,000.00
95	YES	45,000.00	9/24/2007	Great Neighborhoods Program	YES	24-Sep-57	0%	45,000.00
96	YES	45,000.00	3/15/2007	Great Neighborhoods Program	YES	15-Mar-57	0%	45,000.00
97	YES	10,000.00	10/19/2004	Great Neighborhoods Program	YES	19-Oct-49	0%	10,000.00
98	YES	45,000.00	5/31/2007	Great Neighborhoods Program	YES	31-May-57	0%	45,000.00
99	YES	11,125.00	5/3/2005	Great Neighborhoods Program	YES	03-May-50	0%	11,125.00
100	YES	7,930.00	11/18/2003	Great Neighborhoods Program	YES	18-Nov-13	0%	7,930.00
101	YES	9,170.00	4/20/2004	Great Neighborhoods Program	YES	20-Apr-14	0%	9,170.00
102	YES	9,480.00	10/19/2004	Great Neighborhoods Program	YES	19-Oct-49	0%	9,480.00

City of Redlands in the County of San Bernardino - Housing Asset List

Item #	Was the Low-Mod Housing Fund amount issued for a loan or a grant?	Amount of the loan or grant	Date the loan or grant was issued	Purpose for which the funds were loaned or granted	Are there contractual requirements specifying the purposes for which the funds may be used?	Repayment date, if the funds are for a loan	Interest rate of loan	Current outstanding loan balance
103	YES	9,998.00	10/19/2004	Great Neighborhoods Program	YES	19-Oct-49	0%	9,998.00
104	YES	9,865.00	1/18/2005	Great Neighborhoods Program	YES	18-Jan-50	0%	9,865.00
105	YES	9,787.00	12/21/2004	Great Neighborhoods Program	YES	21-Dec-49	0%	9,787.00
106	YES	9,840.00	3/1/2005	Great Neighborhoods Program	YES	01-Mar-50	0%	9,840.00
107	YES	9,780.00	5/3/2005	Great Neighborhoods Program	YES	03-May-50	0%	9,780.00
108	YES	9,014.00	1/18/2005	Great Neighborhoods Program	YES	18-Jan-50	0%	9,014.00
109	YES	9,700.00	1/18/2005	Great Neighborhoods Program	YES	18-Jan-50	0%	9,700.00
110	YES	10,000.00	4/19/2005	Great Neighborhoods Program	YES	19-Apr-50	0%	10,000.00
111	YES	9,669.00	4/5/2005	Great Neighborhoods Program	YES	03-May-50	0%	9,669.00
112	YES	10,250.00	1/18/2005	Great Neighborhoods Program	YES	18-Jan-50	0%	10,250.00
113	YES	9,810.00	7/6/2004	Great Neighborhoods Program	YES	06-Jul-49	0%	9,810.00
114	YES	9,956.00	3/1/2005	Great Neighborhoods Program	YES	01-Mar-50	0%	9,956.00
115	YES	11,000.00	10/15/07	Multi-Family Housing Unit Program	YES	20-Mar-21	0%	11,000.00
116	YES	11,000.00	10/15/07	Multi-Family Housing Unit Program	YES	20-Mar-21	0%	11,000.00
117	YES	11,000.00	2/20/2001	Multi-Family Housing Unit Program	YES	20-Feb-21	0%	11,000.00
118	YES	88,335.00	6/18/2002	Multi-Family Housing Unit Program	YES	01-Feb-20	0%	88,335.00
119	YES	11,000.00	6/18/2002	Multi-Family Housing Unit Program	YES	01-Feb-20	0%	11,000.00
120	YES	11,000.00	8/6/1996	Multi-Family Housing Unit Program	YES	16-Aug-16	0%	11,000.00
121	YES	11,000.00	10/20/1998	Multi-Family Housing Unit Program	YES	10-Oct-18	0%	11,000.00
122	YES	11,000.00	9/5/2006	Multi-Family Housing Unit Program	YES	03-Oct-63	0%	11,000.00
123	YES	146,000.00	2/1/2000	Multi-Family Housing Unit Program	YES	01-Feb-20	0%	146,000.00
124	YES	11,000.00	10/15/07	Multi-Family Housing Unit Program	YES	20-Mar-21	0%	11,000.00
125	YES	11,000.00	8/8/1996	Multi-Family Housing Unit Program	YES	08-Aug-26	0%	11,000.00
126	YES	31,000.00	10/20/1998	Multi-Family Housing Unit Program	YES	20-Oct-18	0%	31,000.00
127	YES	11,000.00	10/15/07	Multi-Family Housing Unit Program	YES	20-Mar-21	0%	11,000.00
128	YES	150,000.00	10/15/07	Multi-Family Housing Unit Program	YES	20-Mar-21	0%	150,000.00
129	YES	11,000.00	11/7/92000	Multi-Family Housing Unit Program	YES	07-Nov-20	0%	11,000.00
130	YES	16,600.00	2/1/2000	Multi-Family Housing Unit Program	YES	01-Feb-20	0%	16,600.00
131	YES	11,000.00	2/1/2000	Multi-Family Housing Unit Program	YES	01-Feb-20	0%	11,000.00
132	YES	11,000.00	2/1/2000	Multi-Family Housing Unit Program	YES	01-Feb-20	0%	11,000.00
133	YES	11,000.00	2/1/2000	Multi-Family Housing Unit Program	YES	01-Feb-20	0%	11,000.00
134	YES	146,000.00	2/1/2000	Multi-Family Housing Unit Program	YES	01-Feb-20	0%	146,000.00
135	YES	51,666.67	8/8/1996	Multi-Family Housing Unit Program	YES	08-Aug-26	0%	51,666.67
136	YES	11,000.00	8/8/1996	Multi-Family Housing Unit Program	YES	08-Aug-26	0%	11,000.00

City of Redlands in the County of San Bernardino - Housing Asset List

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137	YES	11,000.00	1/4/1989	Multi-Family Housing Unit Program	YES	04-Jan-29	0%	11,000.00
138	YES	11,000.00	7/20/1999	Multi-Family Housing Unit Program	YES	20-Jul-19	0%	11,000.00
139	YES	11,000.00	2/1/2000	Multi-Family Housing Unit Program	YES	01-Feb-20	0%	11,000.00

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

August 11, 2020

FROM

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

SUBJECT

Joint Application with the Mountain Homeless Coalition for the Homekey Program

RECOMMENDATION(S)

1. Adopt Resolution No. 93:

- a. Authorizing submittal of a joint application with the Mountain Homeless Coalition to the California Department of Housing and Community Development for HomeKey grant funds in an amount not to exceed \$1,000,000 for capital expenditures and capitalized operating subsidy.
- b. Authorizing the Housing Authority of the County of San Bernardino to serve as a member in a to be formed LLC with Mountain Homeless Coalition serving as Managing member, for the specific purpose of applying, as Eligible Applicant, for Homekey grant funds and subsequently acquiring and managing an apartment complex at 402 Georgia Street in Big Bear Lake, California; and
- c. Authorize and direct the Executive Director, upon consultation with Legal Counsel, to execute and deliver all documents and agreements necessary to consummate the role in the limited liability company, including the Articles of Organization and Operating Agreement, and other ancillary documents necessary to carry out and close the acquisition of the 6-unit property at 402 Georgia Street in Big Bear Lake, California in collaboration with the Mountain Homeless Coalition, 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

The Housing Authority of the County of San Bernardino (HACSB) will advance approximately \$9,100 to complete the property appraisal, physical needs inspection report and phase I environmental review as required by the Homekey grant application. All such expenses are eligible to be funded under the grant program and therefore will be reimbursed upon grant award. HACSB will not be required to provide any funding for the acquisition or ongoing operation of this rental property at 402 Georgia Street in Big Bear Lake, California (Project), as all necessary funding will be provided by the Homekey grant in combination with funds provided by the Mountain Homeless Coalition (MHC).

BACKGROUND INFORMATION

On July 16, 2020, the California Department of Housing and Community Development (HCD) released a Notice of Funding Availability (NOFA) for the Homekey Program. Homekey is a statewide effort to rapidly sustain and expand housing for persons experiencing homelessness

and impacted by COVID-19. Of the \$600 million in Homekey funding, \$550 million is derived from the state's direct allocation of the federal Coronavirus Relief Fund (CRF) and \$50 million is state General Fund. The \$50 million in state General Fund money is intended to supplement the acquisition of, and provide initial operating subsidies for, Homekey sites to promote Project feasibility. Accordingly, HCD will use these moneys to fund 24-month operating subsidies. Projects receiving an award from the state's direct allocation of the federal CRF must expend the funds by December 30, 2020. The portion of a Project's award associated with state General Fund must be expended by June 30, 2022. Depending on the funding award, the successful applicant must close escrow by the expenditure deadline.

HACSB has been approached by the Mountain Homeless Coalition (MHC), an active member of the County of San Bernardino's (County) Continuum of Care (CoC) program addressing homelessness and a recipient of CoC funding to deliver supportive services and housing navigation for homeless participants. MHC has identified a 6-unit apartment complex in Big Bear Lake that it wishes to acquire utilizing Homekey funding to further its mission in serving the homeless in the mountain community. Because the NOFA requires that a public agency be the applicant and sponsoring entity, they have requested that HACSB partner with MHC in submitting a Homekey application for acquisition of the 6-unit property, which would be managed completely by MHF, with no financial support required of HACSB.

HCD began receiving applications on an over-the-counter basis on July 22, 2020. Due to the federal requirements to deploy the funding as fast as possible, HCD has crafted Homekey as an opportunity for public agencies to purchase a broad range of housing types to respond to homelessness and the current COVID-19 pandemic. In order to ensure that there is an equitable distribution of funding across the state, HCD has identified a "priority application period", ending August 13, 2020 wherein funding will be awarded on a regional basis. Thereafter, applications will be accepted on a first come, first served basis until September 29, 2020, and awarded on a state-wide competitive basis. Our chances of being awarded funding are therefore greatly enhanced if we are able to submit during the "priority" period. For that reason we are requesting that the board pass a Resolution authorizing a joint Homekey application supporting the HACSB/MHC collaboration in acquiring the 6-unit property in Big Bear Lake. The Resolution authorizes the Executive Director to execute agreements necessary to ensure that funds awarded for capital expenditures and operating subsidies are spent prior to program deadlines, and pursuant to all other legal requirements of the program.

PROCUREMENT

Not Applicable

REVIEW BY OTHERS

This item has been reviewed by Legal Counsel (Julie J. Surber, Principal Assistant County Counsel, 387-5455) on August 5, 2020, and Legal Counsel (Isabel Brown, Attorney, Goldfarb & Lipman LLP, (518) 836-6336) on August 5, 2020.

HOUSING AUTHORITY RESOLUTION NO. 2020-93

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO AUTHORIZING A JOINT APPLICATION TO THE HOMEKEY PROGRAM AND VARIOUS ACTIONS RELATED TO THE ACQUISITION OF SIX RENTAL UNITS IN BIG BEAR LAKE IN COLLABORATION WITH THE MOUNTAIN HOMELESS COALITION

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, the California Department of Housing and Community Development (Department) has issued a Notice of Funding Availability ("NOFA"), dated July 16, 2020, for the Homekey Program ("Homekey" or "Homekey Program"). The Department has issued the NOFA for Homekey grant funds pursuant to Health and Safety Code section 50675.1.1 (Assem. Bill No. 83 (2019-2020 Reg. Sess.), § 21.); and

WHEREAS, the Authority ("Co-Applicant") desires to jointly apply for Homekey grant funds with the Mountain Homeless Coalition ("Corporation"). Towards that end, Co-Applicant is joining Corporation in the submittal of an application for Homekey funds ("Application") to the Department for review and consideration; and

WHEREAS, the Department is authorized to administer Homekey pursuant to the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code). Homekey funding allocations are subject to the terms and conditions of the NOFA, the Application, the Department-approved STD 213, Standard Agreement ("Standard Agreement"), and all other legal requirements of the Homekey Program; and

WHEREAS, the Co-Applicant and the Corporation intend to form a California limited liability company in which the Co-Applicant will have a 49% ownership interest, with the Corporation serving as Managing Member with a 51% ownership interest (the "LLC"); and

WHEREAS, the LLC intends to acquire a 6 unit property at 402 Georgia Street in Big Bear Lake, California utilizing funding received as a result of a successful Homekey program application.

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: Co-Applicant is hereby authorized and directed to submit a joint Application to the Department in response to the NOFA, dated July 16, 2020, and to jointly apply for Homekey grant funds in a total amount not to exceed \$ 1,000,000. That amount includes \$ 856,000 for capital expenditures (as allowed under Health and Safety Code, § 50675.1.1, subd. (a)(1)-(6)) and \$144,000 for a capitalized operating subsidy (as allowed under Health and Safety Code, § 50675.1.1, subd. (a)(7)).

Section 3: If the Application is approved, Co-Applicant is hereby authorized and directed to ensure that any funds awarded for capital expenditures are spent by December 30, 2020, and that any funds awarded for capitalized operating subsidies are spent by June 30, 2022.

Section 4: If the Application is approved, Co-Applicant is hereby authorized and directed to enter into, execute, and deliver a Standard Agreement in a total amount not to exceed \$1,000,000, any and all other documents required or deemed necessary or appropriate to secure the Homekey funds from the Department and to participate in the Homekey Program, and all amendments thereto (collectively, the "Homekey Documents").

Section 5: Co-Applicant acknowledges and agrees that it shall be subject to the terms and conditions specified in the Standard Agreement, and that the NOFA and Application will be incorporated in the Standard Agreement by reference and made a part thereof. Any and all activities, expenditures, information, and timelines represented in the Application are enforceable through the Standard Agreement. Funds are to be used for the allowable expenditures and activities identified in the Standard Agreement

Section 6: That the Co-Applicant shall enter into any agreements necessary or desirable to become a member holding a 49% ownership interest in the LLC and assist the LLC in operating the Housing Development.

Section 7: 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 acting alone on behalf of the Co-Applicant, acting on behalf of the Co-Applicant in its capacity as a member of the LLC, including but not limited to, a purchase and sale agreement, escrow instructions, a preliminary change of ownership form, regulatory agreements, deeds of trust, assignment agreements, and to do any and all such other acts and things that may be necessary or required to assist the LLC in acquiring the 6-unit property at 402 Georgia Street in Big Bear Lake, California, and to do any and all other activities contemplated in this Resolution.

Section 8: That the Executive Director of the Authority shall be authorized and directed to execute the Application and the Homekey Documents on behalf of the Co-Applicant, and any and all necessary documents and to furnish all materials necessary or desirable to accomplish the other activities contemplated by this Resolution.

Section 9: That the Executive Director of the Authority shall be authorized to execute any other form of resolution required by the Department which are determined, with the advice of counsel to the Authority, to not materially conflict with the substance of this Resolution.

Section 10: 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 resolution are ratified, confirmed, adopted and approved by the Board of Commissioners of the Authority.

Section 11: 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

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

August 11, 2020

FROM

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

SUBJECT

Contract Amendment with Potomac Partners DC for Legislative Consulting Services.

RECOMMENDATION(S)

1. Approve Amendment No. 1 to Contract No. PC943 with Potomac Partners DC for legislative consulting services increasing the current contract amount by \$300,000 for a total contract amount not to exceed \$750,000 for services provided during the one additional two-year option period through from October 1, 2020 to September 30, 2022.
2. Authorize and direct the Executive Director to execute and deliver the contract amendment to Potomac Partners DC, 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 leaders and supporters are innovative policy makers and influencers of legislation.

HACSB has secured the resources needed for accomplishing its mission.

HACSB communication is open, honest and consistent.

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

FINANCIAL IMPACT

This contract is not expected to exceed \$750,000 for the term of the contract of October 1, 2017 through September 30, 2022, including \$300,000 for the one additional two-year option period from October 1, 2020 through September 30, 2022. Non-federal funds are used to pay for these consulting services. The amount for Fiscal Year 20/21 is included in the Housing Authority of the County of San Bernardino's (HACSB) budget and will be included in subsequent fiscal year budgets.

BACKGROUND INFORMATION

HACSB has been very successful in creating relationships with officials from the United States Department of Housing and Urban Development's (HUD) Washington DC office, members of Congress and their staff, housing advocacy groups, and other federal agencies. These relationships have helped HACSB shape federal housing policy and assisted in advancing Moving to Work efforts. In addition, these efforts provided assistance with liaison activities with HUD officials and Congress, and ensured that legislative and budget proposals advanced HACSB's priorities. To continue to maximize our existing efforts, if approved, this proposal will assist in retaining legislative consultant services for matters that require advocacy efforts.

The legislative consultants will continue to meet with HACSB staff in order to perform the responsibilities assigned, such as: attend meetings with Congressional and federal agency personnel on matters that directly or indirectly may affect HACSB; assist HACSB to strategically seek funds; further favorable legislation and execution action; understand Congressional proposed bills and agency rulemaking process; interpret proposed bill and enacted laws for legal

and practical implications; assist in annual appropriations requests; work with San Bernardino County's Congressional delegation to provide Congressional testimony talking points and questions for various panelist; provide monthly summary of services and updates; and advise the HACSB accordingly.

PROCUREMENT

HACSB previously issued a Request for Proposal (RFP) PC943 on May 22, 2017, which resulted in the receipt of two proposals. Proposals were evaluated per the requirements of the RFP in which Potomac Partners DC was the most qualified and most responsive vendor selected to provide these services to the HACSB.

On September 12, 2017, HACSB's Housing Commission (Item No. 16) awarded a contract to Potomac Partners DC for legislative consulting services for a three year term beginning October 1, 2017 through September 30, 2020 with an option to extend by one additional two-year term ending September 30, 2022.

REVIEW BY OTHERS

This item has been reviewed by Legal Counsel (Julie J. Surber, Principal Assistant County Counsel, 387-5455) on July 8, 2020.



**AMENDMENT #1 TO CONTRACT FOR LEGISLATIVE CONSULTANT SERVICES
(PC943)**

BETWEEN

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

And

POTOMAC PARTNERS DC

This Amendment No. 1, dated October 1, 2020 ("First Amendment"), to Contract for Legislative Consultant Services (PC943), is entered into by and between the Housing Authority of the County of San Bernardino, a California public body ("Authority") and Potomac Partners DC, a Limited Liability Company in the District of Columbia ("Contractor").

RECITALS

WHEREAS, the Authority and Contractor entered into that certain Consulting, Services, and Non-Routine Maintenance Related Services Agreement (Non-Construction), dated October 1, 2017 relating to Legislative Consultant Services ("Agreement").

OPERATIVE PROVISIONS

NOW, THEREFORE, the foregoing Recitals being true and correct, and in consideration of the mutual covenants and obligations contained in this first amendment by the Parties and other consideration, the sufficiency of which is hereby expressly acknowledged, the Parties hereto agree as follows:

Section 1. Article 1, Statement of Work, of the Agreement is amended to read as follows:

"Article 1. Statement of Work. Contractor shall furnish all labor, materials, tools, equipment, and supervision to perform all work required in the Statement of Work set forth on Exhibit "A-1", attached hereto and incorporated herein by this reference and as may be amended by the Parties from time to time (the "Work"). In connection with its performance of the Work, Contractor shall comply with all of the Contract Documents (as hereinafter defined)."

Section 2. References to Exhibit "A" shall mean Exhibits "A-1" and "A-2", attached hereto and incorporated herein by this reference.

Section 3. Pursuant to Article 3 of the Agreement, the Agreement is hereby commencing on October 1, 2017 and expiring on September 30, 2022.

Section 4. Article 4 of the Agreement is amended to read as follows:

“Article 4. Price. HACSB agrees to pay Contractor for the provision of the Work based on the fee schedule set forth on Exhibit “A-2”, and as may be amended by the Parties from time to time (the “Agreement Price”).”

Section 5. The effective date of this amendment is October 1, 2020.

EXCEPT AS AMENDED HEREBY ALL OTHER TERMS AND CONDITIONS OF THE AGREEMENT REMAIN IN FULL FORCE AND EFFECT.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Housing Authority of the County of San Bernardino and Potomac Partners DC.

POTOMAC PARTNERS DC

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

By:_____

By:_____

Name:_____

Name: Maria Razo

Title:_____

Title: Executive Director

Date:_____

Date:_____

Exhibit A-1

SCOPE OF SERVICES

Consultant(s) shall...

- Monitor, on a daily basis or as needed, legislative activity by the United States Senate and Housing of Representatives, as well as Federal agencies.
- Represent the interests of HACSB before the appropriate federal agencies, legislative committees, members of the United States House of Representatives and Senate, and the Office of the President and Vice-President.
- Act as advocates for and foster relations between HUD Headquarters staff and HACSB staff.
- Secure sponsorship of legislation and shall monitor and advocate the enactment of legislation as identified by HACSB Executive Director, and Board of Commissioners.
- Advocate against legislation not aligned with HACSB's interest as identified by HACSB's Board of Commissioners.
- Consult with the HACSB Executive Director concerning problems and needs in order to provide informed representation in the Legislature and thereby assist in securing legislation favorable to HACSB.
- Establish and maintain close contacts among legislative committees, individual legislators and staff, public officials, trade and industrial associations, business organizations, and other housing agencies in order to educate members and to assure full communication of ideas, interests, and purposes.
- Perform research concerning proposed legislation and ordinances; analyzes tax laws and related data; prepares articles, speeches and reports on administrative and legislative problems and practices; explains or recommends action to HACSB Executive Director, and Board of Commissioners; informs HACSB Executive Director, and Board of Commissioners regarding federal governmental trends, attitudes, and programs.
- Submit a written summary report by the end of each month detailing legislative action taken during the month, status of legislative issues, anticipated action during the upcoming week, develop recommendations, suggested action plan that HACSB may implement, and updates on meetings/calls with legislative staff members or contacts regarding HACSB's priorities.
- Provide reports that may be included, but not limited to: personal briefings and information bulletins pertinent to any legislation, rules or regulations, budget issues, and other federal policies or programs that affect HACSB and its residents and program participants either directly or indirectly.
- Prepare and submit periodic written reports (at least monthly) during those months that the Congress is not in session, on issues of interest or concern to HACSB. Such information may include, but not limited to action taken at interim committee meetings, rule making hearings, status of studies underway, and advance notice of legislation being proposed.
- Communicate with HACSB Executive Director, and Director of Policy and Public Relations as needed throughout the session for the purpose of updating the Board of Commissioners and staff on current activities and developments regarding the legislative initiatives and general matters affecting HACSB.
- Coordinate appointments/meetings/briefings between HACSB and appropriate federal officials and legislators when necessary.
- Assist HACSB in coordinating applications and obtaining federal grants. The consultant is not expected to prepare grant applications.
- Perform the scope of services as contained in the RFP. The scope of services shall not be deemed to be all-inclusive and may be changed from time to time as authorized by HACSB Executive Director.

Exhibit A-2
Work Authorization

Schedule Dates:

Start Date: October 1, 2020
Completion Date: September 30, 2022

Total Agreement Price: Not to exceed \$750,000.00

Per Fee Schedules Below:

Option Year:	Total Cost:
Option Year One	\$150,000.00
Option Year Two	\$150,000.00
Total:	\$300,000.00

Statement of Work ("Exhibit A-1")

Work Authorization ("Exhibit A-2")

General Conditions for Non-construction work ("Exhibit B")

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

August 11, 2020

FROM

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

SUBJECT

Permanent Residual Receipts Loan for Golden Apartments

RECOMMENDATION(S)

1. Authorize the Housing Authority of the County of San Bernardino to enter into a Permanent Loan Promissory Note in an amount not-to-exceed \$1,990,000 and to execute related documents with Golden Apartments San Bernardino, L.P., to serve as permanent financing for a development known as the Golden Apartments, said Note to be executed in substantially the form attached, such approval to be evidenced conclusively by the execution and delivery thereof.
2. Authorize and direct the Executive Director upon consultation with Legal Counsel, to make modifications to the Permanent Loan Promissory Note and the documents or exhibits attached to the Note in order to conform to the transaction and funding for the Project (County of San Bernardino and City of San Bernardino HOME program transaction) and to execute all documents or certificates which are necessary or appropriate to carry out and close the transaction as contemplated in the Note.

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

GOALS & OBJECTIVES

HACSB has secured the resources needed for accomplishing its mission.

HACSB is a leading developer and provider of affordable housing in the County of San Bernardino.

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 action authorizes the Housing Authority of the County of San Bernardino (HACSB) to provide a permanent loan in an amount not-to-exceed \$1,990,000, to Golden Apartments San Bernardino, L.P. (Project). The proposed loan approval will assist to reconcile all Project costs, supplement and convert the HACSB construction bridge loan to a long-term permanent loan in an amount not-to-exceed \$1,990,000. The loan will be at 3% interest, payable via residual payments, with a term of 30 years and subordinate to the HOME loans. The Sources and Uses of all funding comprising the total development costs for Acquisition and Rehabilitation of the Project are as follows:

SOURCES: PERMANENT	AMOUNT	USES: PERMANENT	AMOUNT
County of San Bernardino HOME	\$ 3,158,308	Acquisition	\$ 2,035,000
City of San Bernardino HOME	\$ 880,000	Existing Resident Relocation	\$ 235,589
IEHP Grant	\$ 100,000	Architecture Fees and Permits	\$ 346,776
HACSB Acquisition carry-back	\$ 1,155,000	Construction Costs	\$ 4,610,093
HACSB Post Construction Perm	\$ 1,990,000	Escrow/Title/Legal	\$ 55,850

SOURCES: PERMANENT	AMOUNT	USES: PERMANENT	AMOUNT
TOTAL	\$ 7,283,308	TOTAL	\$ 7,283,308

BACKGROUND INFORMATION

The Project consists of the complete renovation of three existing, detached buildings containing 21 two-story townhome style apartment homes. 19 of these units have been converted into 38 one bedroom stacked-flats, while the other two have been reconfigured as the property manager's residence and a common community room/management office. The converted units are now serving as permanent supportive housing for homeless and chronically homeless individuals. In addition to creating a quality living space, onsite social services are being provided in order to better serve the needs of the residents.

HACSB is partnering with its affiliate non-profit, Housing Partners I, Inc. (HPI) a Community Housing Development Organization, for the purposes of accepting HOME funds from the County of San Bernardino (County). Such funds were approved for the Project by the County Board of Supervisors on July 25, 2017 (Item No. 22) in the amount of \$3,158,308. The City of San Bernardino (City) also invested HOME funds in the amount of \$880,000, which were allocated toward the acquisition costs. Both loans from the County and City are payable via residual payments.

At the outset of the Project, it was anticipated that the combination of the County and City Home funds (\$4,038,308) with HACSB's original acquisition investment (\$2,035,000) would be sufficient to complete the Project (total available: \$6,073,308). However, as not uncommon for residential rehabilitation, once demolition revealed underlying conditions throughout the Project, the scope of work increased substantially. As a result of such additional scope of work, staff requested the February 11, 2020 board action that approved the additional construction and operating bridge loan funds to ensure that all unforeseen issues were appropriately addressed. The end product, as a result, is far superior to the basic renovation originally envisioned. The housing units now occupied are "as-new", with up-to-date systems and technology which reduce initial maintenance expenses and increase expected lifespan of the units. This is all accomplished at approximately \$192,000 per unit, or less than one-half the cost of our most recent new construction, tax credit projects (at \$430,000 per unit for example). Approval of this item will authorize HACSB to enter into a loan agreement for the Project to serve as permanent financing for Golden Apartments.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by Legal Counsel (Julie J. Surber, Principal Assistant County Counsel, 387-5455) on July 8, 2020.

**AUTHORITY PERMANENT LOAN
PROMISSORY NOTE
(Golden Apartments)**

\$1,990,000

San Bernardino, California
July 1, 2020

FOR VALUE RECEIVED, Golden Apartments San Bernardino, LP, a California limited partnership ("Borrower"), promises to pay to the order of the Housing Authority of the County of San Bernardino, a public body, corporate and politic ("Lender"), the principal sum of One Million Nine Hundred Ninety Thousand Dollars (\$1,990,000), plus interest thereon pursuant to Section 2 below.

1. Borrower's Obligation. This promissory note (the "Note") evidences Borrower's obligation to pay Lender the principal amount of One Million Nine Hundred Ninety Thousand Dollars (\$1,990,000) for the funds loaned to Borrower by Lender (the "Loan"). A portion of the Loan funds will be used repay the outstanding principal balance on the loan provided by Lender to Borrower in the principal amount of One Million Two Hundred Thousand Dollars (\$1,200,000) as evidence by a Loan Agreement entered into as of August 1, 2020, by and between the Borrower and the Lender, to provide a line of credit to cover reimbursable expenses related to the development of the real property located at 2312, 2324 and 2336 North Golden Ave, San Bernardino, California 92404 (the "Property"), improved with a 38-unit apartment complex (plus a manager's unit) (the "Improvements"). The Property and the Improvements are collectively referred to as the "Development". The remainder of the Loan will be used for permanent costs of the Development as approved by Lender.

2. Interest. The outstanding principal balance of this Note bears simple interest from the date of disbursement at an annual rate of three percent (3%), until all amounts due hereunder have been paid in full; provided, however, if a Default occurs (defined in Section 7 below), interest on the principal balance will begin to accrue, as of the date of Default and continuing until such time as the Loan funds are repaid in full or the Default is cured, at the default rate of the lesser of ten percent (10%), compounded annually, or the highest rate permitted by law.

3. Purchase Money Financing. Lender made a loan to Borrower in the amount of One Million One Hundred Fifty-Five Thousand Dollars (\$1,155,000) to assist in the acquisition of the Development (the "Purchase Money Financing"). Pursuant to Section 4.12(b) of the Limited Partnership Agreement of Golden Apartments of San Bernardino, LP, a California limited partnership dated on or about August 28, 2017 (the "Partnership Agreement"), forty percent (40%) of Excess Cash Flow (as defined in the Partnership Agreement) is allocated to the payment of the Purchase Money Financing until paid in full, and thereafter is paid to Borrower's limited partner. Borrower's limited partner is Golden Apartments HACSB, LLC, a California limited liability company, and is controlled by its sole member, Lender. As such, Lender is entitled under the Partnership Agreement to receive the Forty Percent (40%) of Excess Cash Flow after payment of the Purchase Money Financing, and will allocate those funds to repayment of the Loan.

4. No Assumption. This Note is not assumable by the successors and assigns of Borrower without the prior written consent of the Lender.

5. Term and Repayment Requirements.

(a) Term. The term of this Note (the "Term"), commences with the date of this Note and expires thirty (30) years after the date of this Note.

(b) Annual Payments. Commencing on April 1 of the year following repayment of the Purchase Money Financing, and on April 1 of each year thereafter for the Term, Borrower shall make repayments of the outstanding principal and accrued interest on the Loan pursuant to Section 4.12(b) of the Partnership Agreement, in an amount equal to 40% of Excess Cash Flow (each, an "Annual Payment"). The Lender shall apply all Annual Payments as follows: (1) first, to accrued interest, and (2) second, to principal.

(c) Payment in Full. All principal and accrued interest on the Loan is due and payable upon the earlier to occur of: (i) the date of any Default, and (ii) the expiration of the Term.

(d) Right to Prepay. Borrower may prepay the Loan at any time without premium or penalty.

6. Terms of Payment.

(a) Borrower shall make all payments due under this Note in currency of the United States of America, which at the time of payment is lawful for the payment of public and private debts.

(b) All payments on this Note are to be paid to the Lender at the Housing Authority of the County of San Bernardino, 715 East Brier Drive, San Bernardino, CA 92408-2841, Attention: Executive Director, or to such other place as the Lender may from time to time designate.

(c) All payments on this Note are without expense to the Lender. The Borrower shall pay all costs and expenses, including re-conveyance fees and reasonable attorney's fees of the Lender, incurred in connection with the payment of this Note and the release of any security hereof.

(d) Notwithstanding any other provision of this Note, or any instrument securing the obligations of the Borrower under this Note, if, for any reason whatsoever, the payment of any sums by the Borrower pursuant to the terms of this Note would result in the payment of interest that exceeds the amount that the Lender may legally charge under the laws of the State of California, then the amount by which payments exceed the lawful interest rate will automatically be deducted from the principal balance owing on this Note, so that in no event is Borrower obligated under the terms of this Note to pay any interest that would exceed the lawful rate.

(e) The Loan is an unsecured obligation of Borrower.

7. Default.

(a) Any of the following constitutes an event of default under this Note ("Default"):

(i) Any failure to pay, in full, any payment required under this Note within ten (10) days of written notice that such payment is due;

(ii) Other than the failure addressed above in subsection (i), failure of Borrower to duly perform, comply with, or observe any of the conditions, terms, or covenants of this Note, and such failure having continued uncured for thirty (30) days after receipt of written notice thereof from the Lender to Borrower.

(b) Upon the occurrence of a Default, the entire unpaid principal balance, together with all interest thereon, and together with all other sums then payable under this Note will at the option of the Lender become immediately due and payable without further demand.

(c) Lender's failure to exercise the remedy set forth in Subsection 7(b) above or any other remedy provided by law upon the occurrence of one or more of the foregoing events of Default does not constitute a waiver of the right to exercise any remedy at any subsequent time in respect to the same or any other Default. The acceptance by Lender hereof of any payment which is less than the total of all amounts due and payable at the time of such payment does not constitute a waiver of the right to exercise any of the foregoing remedies or options at that time or at any subsequent time, or nullify any prior exercise of any such remedy or option, without the express consent of Lender, except as and to the extent otherwise provided by law.

8. Waivers.

(a) Borrower hereby waives diligence, presentment, protest and demand, and notice of protest, notice of demand, and notice of dishonor of this Note. Borrower expressly agrees that this Note or any payment hereunder may be extended from time to time, and that Lender may accept further security or release any security for this Note, all without in any way affecting the liability of Borrower.

(b) Any extension of time for payment of this Note or any installment hereof made by agreement by Lender with any person now or hereafter liable for payment of this Note will not operate to release, discharge, modify, change or affect the original liability of Borrower under this Note, either in whole or in part.

(c) The obligations of Borrower under this Note are absolute and the Borrower waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reason whatsoever.

9. Miscellaneous Provisions.

(a) All notices to Lender or Borrower shall be sufficiently given if and shall not be deemed given unless dispatched by registered or certified mail, postage prepaid, return

receipt requested, or delivered by express delivery service, return receipt requested, or delivered personally, to the principal office of the parties as follows:

Lender:

Housing Authority of the County of San Bernardino
715 East Brier Drive
San Bernardino, CA 92408-2841
Attn: Executive Director

Borrower:

Golden Apartments San Bernardino, LP
c/o Golden Apartments HPI, LLC
715 East Brier Drive
San Bernardino, CA 92408-2841
Attn: Executive Director

Such written notices, demands and communications may be sent in the same manner to such other addresses as the affected party may from time to time designate by mail as provided in this Section. Receipt shall be deemed to have occurred on the date shown on a written receipt as the date of delivery or refusal of delivery (or attempted delivery if undeliverable).

(b) Borrower promises to pay all costs and expenses, including reasonable attorney's fees, incurred by Lender in the enforcement of the provisions of this Note, regardless of whether suit is filed to seek enforcement.

(c) This Note may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

(d) This Note is governed by and construed in accordance with the laws of the State of California.

(e) The times for the performance of any obligations hereunder are strictly construed, time being of the essence.

(f) This Note contains the entire agreement between Lender and Borrower as to the Loan. This Note may not be modified except upon the written consent of Lender and Borrower.

[signature on following page]

IN WITNESS WHEREOF, Borrower has caused this Note to be executed and delivered on the date set forth above.

BORROWER:

GOLDEN APARTMENTS SAN BERNARDINO, LP,
a California limited partnership

By: Golden Apartments HPI, LLC,
a California limited liability company,
its general partner

By: Housing Partners I, Incorporated,
a California nonprofit public benefit corporation,
its sole member

By: _____
Lee McDougal, President

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

August 11, 2020

FROM

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

SUBJECT

Contract for Financial Audit Services

RECOMMENDATION(S)

1. Award a contract, effective August 12, 2020, to CohnReznick LLP for financial auditing services in an amount not to exceed \$291,790 for a three year base period through August 11, 2023, and the option for two additional single-year contract extensions through August 11, 2025.
2. Authorize and direct the Executive Director to execute and deliver the contract to CohnReznick LLP, 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 communication is open, honest and consistent.

FINANCIAL IMPACT

This item is not expected to exceed \$291,790 which will be funded through the Housing Authority of the County of San Bernardino's (HACSB) operation's budget. The amount for Fiscal Year 2020 is included in the budget and additional years will be included in subsequent fiscal year budgets.

BACKGROUND INFORMATION

HACSB is required to have a third party independent financial audit conducted each fiscal year. The audited financial statements are used to provide financial information to various reporting entities such as the United States Department of Housing and Urban Development (HUD) and other funding institutions. Financial audit services shall be conducted in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. The financial statements are to be prepared by the auditor in accordance with Generally Accepted Accounting Principles (GAAP) and HUD's timetable for submission. Approval of this item will provide HACSB with the financial auditing services needed to comply with such requirements.

PROCUREMENT

On December 17, 2019, HACSB issued a Request for Proposal (RFP) PC1154 for Financial Audit Services which resulted in the receipt of seven proposals. Outreach efforts included email invitations via PlanetBids, our eBidding website to 11 vendors and posting on the agency website. The proposals were evaluated per the requirements of the RFP in which CohnReznick LLP was deemed reasonably priced, considered responsive, and determined qualified to provide this service to HACSB.

Responses were received by the deadline from the following organizations:		
<u>Contractors Name</u>	<u>Location</u>	<u>Score</u>
CohnReznick LLP	Sacramento, CA.	371
Eide Bailly, LLP	Riverside, CA.	359
Clifton Larson Allen, LLP	Glendora, CA.	357
Harshwal & Company, LLP	San Diego, CA.	356
Berman Hopkins CPA's	Melbourne, FL.	349
Smith Marion & Co.	Redlands, CA.	316
Sotomayor and Associates, LLP	Pasadena, CA.	273

Based on the responses for these services, which were solicited to an adequate number of sources and in accordance with Title 2 Code of Federal Regulations Part 200, staff recommends awarding a contract for financial audit services to CohnReznick LLP and authorize and direct the Executive Director to execute and deliver the contract and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.

REVIEW BY OTHERS

This item has been reviewed by Legal Counsel (Julie J. Surber, Principal Assistant County Counsel, 387-5455) on August 3, 2020.

THIS SERVICES AGREEMENT (NON-CONSTRUCTION) ("Agreement") (PC1154) is made as of the **12th** day of **August 2020** ("Effective Date") by and between **CohnReznick LLP** ("Contractor"), and the Housing Authority of the County of San Bernardino, a California public entity ("HACSB").

RECITALS

WHEREAS, HACSB is a public entity in San Bernardino County, State of California, committed to provide affordable and safe public housing for low- and moderate-income families; and

WHEREAS, Contractor has offered to provide certain services to HACSB, and HACSB wishes to retain Contractor for the provision of such services.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the foregoing Recitals, which Recitals are incorporated herein by this reference, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and for the mutual covenants contained herein, Contractor and HACSB hereby agree as follows:

ARTICLE 1. Statement of Work. Contractor shall furnish all labor, materials, tools, equipment, and supervision to perform all work required in the Statement of Work set forth on Exhibit "A", attached hereto and incorporated herein by reference ("Work"). In connection with its performance of the Work, Contractor and HACSB shall comply with all the Contract Documents (as hereinafter defined).

ARTICLE 2. Contract Documents. This Agreement incorporates by reference all the following documents ("Contract Documents"):

1. Scope of Work, attached hereto as Exhibit "A" and incorporated herein by reference.
2. Engagement Letters executed in accordance with applicable professional standards, attached hereto as Exhibit "A-1" – Engagement Letters.
3. General Conditions for Non-Construction Contracts Section I – (with or without Maintenance Work) (Form HUD 5370 C1 and C2), attached hereto as Exhibit "B" and incorporated herein by reference.
4. Additional General Provisions, attached hereto as Exhibit "C" and incorporated herein by reference ("Additional Provisions").
5. Work Authorization, attached hereto as Exhibit "D" and incorporated herein by reference.
6. All applicable Federal, State, and Local laws, ordinances and regulations related to this Agreement shall be incorporated herein by reference. This Agreement is funded by the U. S. Department of Housing and Urban Development and is subject to all applicable regulations and requirements for agreements funded by HUD. Federal Regulations may be found at <http://www.gpoaccess.gov>. State of California regulations may be found at <http://www.leginfo.ca.gov>. For laws the County of San Bernardino, go to <http://www.sblawlibrary.org>.

ARTICLE 3 Term; Time of Completion. Contractor shall commence work under this Agreement for a **three (3) year base period** beginning on **August 12, 2020** and expiring on **August 11, 2023** unless for any reason funds which have been appropriated for the provision of these services are no longer available, or until such time as terminated per the terms of the Agreement in accordance with contract provisions in Article 19. **HACSB shall have the option to extend the agreement for up to two additional single year options.** The optional years shall be exercised by written amendment executed by each party with Board of Commissioners approval on behalf of HACSB for additional funding on option years if needed. The option years will begin on or about **August 12, 2023** and expire no later than **August 11, 2025**. Following issuance of a Work Authorization, Contractor shall timely complete the Work in accordance with the schedule requirements specified in Exhibit "A" and "A-1", and within the term of this Agreement.

ARTICLE 4. Price. Unless otherwise specified in the Statement of Work, HACSB agrees to pay Contractor a not-to-exceed amount of **\$291,790.00** for the provision of work per the fee schedule **for the three (3) year base contract period.** Details defined in Exhibit A – Scope of Services – Annual Fee Schedule. Price as set forth herein, is in consideration for and provides full and complete compensation for the Work and the performance by Contractor of all its obligations hereunder. Terms are defined in the Additional Provisions.

ARTICLE 5. Performance of Work. Contractor shall perform its duties on premises approved by HACSB, during HACSB's regular workdays and normal work hours and it shall perform the work in accordance with applicable professional standards. Contractor acknowledges that HACSB has the right, to the extent entitled by applicable professional standards, to review the Work performed by Contractor and may, in its discretion, reject the Work, or any part thereof, as set forth in the Additional Provisions. In the event HACSB rejects any or all the Work, at HACSB's election: (a) Contractor shall promptly correct any such deficiencies in the Work, or (b) the deficient Work shall be stricken from this Agreement and Contractor shall not be paid for such portion of the Work. Contractor employees and subcontractors shall have sufficient skill and experience to perform the Work assigned to them. Finally, Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Work and that such licenses and approvals shall be maintained throughout the term of this Agreement. Any employee of Contractor or its subcontractors who is determined by HACSB to be uncooperative, incompetent, a threat to the adequate or timely completion of the Work, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Work in a manner acceptable to HACSB, shall be promptly removed from the Work by the Contractor and shall not be re-employed to perform any of the Work under this Agreement.

ARTICLE 6. HACSB's Right to Stop Work. HACSB has the right to require Contractor to stop or suspend Work pursuant to the "Stop Work" provisions of the Additional Provisions.

ARTICLE 7. No Conflicts. HACSB acknowledges that Contractor has other business and personal interests, separate and apart from the services contemplated by this Agreement, and nothing in this Agreement is intended to preclude Contractor from devoting time and attention to such business and personal interests. HACSB further acknowledges that Contractor has the right to accept other engagements as long as said engagements do not represent a conflict of interest with respect to the Work or the obligations of Contractor to HACSB pursuant to this Agreement. In connection with Contractor's performance of the Work hereunder, Contractor represents, to the best of its knowledge that there exists no actual, potential or appearance of conflict arising out of Contractor's business and financial interests.

ARTICLE 8. Limit of Engagement. This Agreement does not and shall not be construed to create any partnership or agency whatsoever. Contractor shall not be deemed to be a partner, joint venture, agent or legal representative of HACSB for any purpose, nor shall Consultant have any authority or power to act for, or to undertake any obligation or responsibility on behalf of, HACSB or corporations affiliated with HACSB, other than as expressly herein provided. HACSB retains Contractor on an independent contractor basis and Contractor is not an employee of HACSB. Any additional personnel performing Work under this Agreement on behalf of Contractor shall not be employees of HACSB and shall at all times be under Contractor's exclusive direction and control.

ARTICLE 9. Responsibilities of HACSB. If information, data, or documentation necessary to facilitate Contractor's performance of the Work is required to be provided by HACSB, HACSB shall provide such information upon request by Contractor. It is Contractor's responsibility to determine if any such information is necessary in order to perform its obligations hereunder and to request such information from HACSB in a sufficient amount of time in order for Contractor to perform the Work hereunder.

ARTICLE 10. Additional Work.

- a. In the event that the parties mutually agree that additional and further work beyond that specified in the Statement of Work ("Additional Work") is required to be performed by Contractor, such Additional Work shall be memorialized in a Work Authorization executed by HACSB and Contractor. The Work Authorization shall include and specifically identify the types of services required to perform as part of the Additional Work, all significant material to be delivered to HACSB, the time schedule for completion of the Additional Work, and the price for such Additional Work.
- b. Nothing herein shall obligate HACSB to utilize Contractor to perform the Additional Work or in any way limit HACSB's rights to utilize third parties to perform or assist in performing the Additional Work. In no event shall Contractor commence performance of the Additional Work until it has received written consent executed by a duly authorized representative of HACSB.
- c. In the event that HACSB provides a Work Authorization for Additional Work, all the terms and conditions of this Agreement shall apply to the performance of such Additional Work.

ARTICLE 11. Contractor's Obligation to Stop Work. Personnel resources will not be expended (at a cost to HACSB) on task accomplishment in excess of the schedule requirements set forth in "Exhibit A" unless the procedure below is followed:

- a. If, in the performance of the Work, Contractor determines that the Work to be performed under this Agreement cannot be accomplished within the estimated work hours, Contractor will immediately notify HACSB in writing of Contractor's estimate of the work hours which will be required to complete the Work. Upon receipt of such notification, HACSB may:
 - i. Authorize Contractor to expend the estimated additional work hours or service in excess of the original estimate necessary to accomplish the Work Authorization (such an authorization not unreasonably to be withheld); or
 - ii. Terminate this Agreement; or
 - iii. Alter the scope of the Work in order to define tasks that can be accomplished within the remaining estimated work hours.
- b. HACSB will notify Contractor in writing of its election within seven (7) calendar days after receipt of Contractor's notification. If notice of the election is given to proceed, Contractor may expend the estimated additional work hours or services, as memorialized in a Work Authorization signed by Contractor and HACSB. In the event that HACSB fails to notify Contractor within such seven (7) calendar day period, Contractor shall provide a second notice to HACSB requesting a determination. Contractor shall not proceed with the Work until such time as HACSB has made an election as to how it wishes to proceed, and a Work Authorization has been approved.

ARTICLE 12. Invoicing and Payment for Services. During the execution of each Milestone (as set forth in the Statement of Work) which involves the delivery to HACSB of identified Deliverables (as defined in the Statement of Work), Contractor may submit periodically to HACSB invoices reflecting a pro-rata cost of the Milestones, determined on the basis of the lesser of either:

- a. The number of Deliverables provided to HACSB divided by the total number of Deliverables required to be delivered to HACSB, less a ten percent (10%) withhold, less any amounts previously invoiced; or

- b. The number of work-hours expended by Contractor in the performance of the Work divided by the number of work hours scheduled for the Work, less a ten percent (10%) withhold, less any amounts previously invoiced; provided that the Statement of Work may specify a withhold of more than ten percent (10%).
- c. For those Milestones which do not involve delivery to HACSB of identified Deliverables, but which are of a continuing nature, Contractor may submit invoices reflecting a pro-rata cost of the Milestone, less a ten percent (10%) withhold, less any amount previously invoiced. Actual progress payment amounts for such Milestones must be based on at least equivalent services rendered, and to the extent practicable, will be keyed to clearly identifiable stages of progress as reflected in written reports submitted with the invoices.
- d. Upon completion of a Milestone in accordance with the acceptance criteria set forth herein, the full charge for such Milestone, less amounts previously invoiced to HACSB, may be submitted for payment.
- e. In the event that Additional Work is performed pursuant to a Work Authorization, such Additional Work shall be paid by HACSB according to the same procedure set forth above with respect to the Work, unless a different method for payment is specified in such Work Authorization.
- f. Invoices prepared in accordance with this provision will not be submitted more frequently than monthly to HACSB.
- g. In the aggregate, invoices reflecting progress payments will not exceed ninety percent (90%) of the Agreement Price, with the balance to be invoiced upon completion of the Agreement, in accordance with the acceptance criteria set forth herein.
- h. No charge for transportation, delivery, express, parcel post, packing, cartage, insurance, license fees, permits, cost of bonds, or for any other purpose will be paid by HACSB unless expressly included and itemized in the Statement of Work or Work Authorization.

ARTICLE 13. Return of HACSB Property. All reports, plans, designs, specifications, field data, construction documents, and other documents and instruments, including electronic files, but excluding Contractor's notes, relating to the Work shall be and remain the property of HACSB and shall be turned over to HACSB promptly upon the completion of the Work, or upon the earlier termination of this Agreement. Contractor hereby waives and assigns to HACSB all intellectual property or common law rights Contractor may develop in the Work. Contractor shall not use any trademarks owned by HACSB without HACSB's prior written authorization. Notwithstanding anything contained herein, the Contractor's working papers, and proprietary internal communications shall remain the property of the Contractor. The obligation to turn over documents or files shall not apply to automatically generated computer back-up or electronic copies created in the ordinary course of Contractor's information system procedures. Additionally, the Contractor shall be permitted to retain a copy of any documents or files as necessary to comply with applicable law, regulations, professional standards or internal document retention policies.

ARTICLE 14. Confidential Information. HACSB agrees to make available to Contractor information that may be needed to perform the Work. Such information may include information HACSB considers to be confidential. For purposes hereof, "Confidential Information" of HACSB means any nonpublic, proprietary information or technology used in HACSB's business, and any materials evidencing the same (specifically, including, without limitation, technical data or know-how relating to development plans, business plans, services, customers, markets, inventions (whether patentable or not), processes, designs, drawings, research, developments, strategies, marketing and/or financial information). Unless HACSB acknowledges that any such information provided under this Agreement is not Confidential Information, all information provided by HACSB to Contractor shall be Confidential Information. Unless approved in advance in writing or compelled to make such disclosure by a government agency, by court order, or by

law, or in response to a regulatory requirement. Contractor shall not disclose, transfer, distribute or allow access to any of HACSB's Confidential Information to any third parties, except those individuals employed by Contractor and who are specifically authorized by Contractor to perform the Work contemplated in this Agreement.

ARTICLE 15. Indemnity; Hold Harmless. Contractor agrees to indemnify and hold harmless HACSB and all its officers, employees, and agents, against any and all liabilities, claims, judgments, or demands arising from physical injuries or death of persons (Contractor's employees included) and damage to tangible property, arising directly or indirectly out of the performance of the Work, the obligations herein undertaken or out of the operation conducted by Contractor, save and except claims or litigation to the extent arising through the negligence or willful misconduct of HACSB. Contractor shall reimburse HACSB for any expenditures, including reasonable attorney's fees, HACSB may incur arising out of any such claims or litigation. Contractor shall pay and satisfy any judgment, award or decree that may be rendered against HACSB or its officers, employees, and agents in any such suit, action or other legal proceeding.

ARTICLE 16. Compliance with Contract Documents. Contractor and HACSB shall comply with all of the Contract Documents in connection with the performance of the Work hereunder. In the event of any conflict between this Agreement and the Contract Documents, the Contract Documents shall control and take precedence in the specific order set forth in Article 2 herein. Contractor shall also comply with all agreements, representations, warranties, covenants, and certifications of Contractor made in connection with the procurement of this Agreement, provided that in the case of a conflict between the foregoing and the Contract Documents and this Agreement, the Contract Documents and this Agreement shall control.

ARTICLE 17. Assignment. Neither the Agreement, nor any part thereof, nor moneys due or to become due there under may be assigned by Contractor without the prior written approval of HACSB. This Agreement shall be binding on the successors and assigns of the parties.

ARTICLE 18. Rights and Remedies of HACSB for Default.

In the event any goods furnished or services provided by Contractor in the performance of the Work should fail to conform to the requirements herein, or to the sample submitted by Contractor, HACSB may reject the same, and it shall become the duty of Contractor to reclaim and remove the item promptly or to correct the performance of services, without expense to HACSB, and immediately replace all such rejected items with others conforming to the Agreement.

- a. In addition to any other rights and remedies HACSB may have, HACSB may require Contractor, at Contractor's expense, to ship goods via air freight or expedited routing to avoid or minimize actual or potential delay if the delay is the fault of Contractor.
- b. In the event of the termination of the Agreement, either in whole or in part, by reason of default or breach by Contractor, any loss or damage sustained by HACSB in procuring any items which Contractor agreed to supply shall be borne and paid for by Contractor.
- c. HACSB reserves the right to offset the reasonable cost of all damages caused to HACSB against any outstanding invoices or amounts owed to Contractor or to make a claim against Contractor, therefore.

ARTICLE 19. Termination. In addition to the rights of Termination for Convenience of HACSB and Termination for Default set forth in the Contract Documents, HACSB may terminate this Agreement if Contractor should file a bankruptcy petition and/or be adjudged a bankrupt, or if Contractor should make a general assignment for the benefit of creditors, or if a receiver should be appointed on account of insolvency (as referenced in HUD Form 5370-C section 1 page 1). HACSB may serve written notice upon Contractor of its intention to terminate the Agreement. The notice shall contain the reasons for such intention to terminate the Agreement, and, unless within ten (10) days after serving such notice, such violation shall cease and satisfactory arrangements for correction

thereof be made, upon the expiration of the ten (10) days, the Agreement shall cease and terminate. In the event of any such termination, HACSB shall serve written notice thereof upon any surety and Contractor, and any such surety shall have the right to take over and perform Contractor's obligations pursuant to this Agreement; provided, however, that if such surety does not provide HACSB written notice of its intention to take over and perform the Work required under this Agreement within fifteen (15) days after receiving such written notice, or such surety does not commence performance thereof within thirty (30) days after providing such written notice to HACSB, HACSB shall have the right to perform all uncompleted portions of the Work and to prosecute the same to completion by contract or by any other method it deems advisable, for the account and at the expense of Contractor, and Contractor and its surety shall be liable to HACSB for any excess costs occasioned HACSB thereby and, in such event, HACSB may, without liability for doing so, take possession of and utilize in completing the Work, such materials, appliances, and other property belonging to Contractor as may be on the site of the Work and necessary for the performance of the Work.

ARTICLE 20. No Waiver. No waiver by the parties hereto of any default or breach of any term, condition or covenant of this Agreement shall be deemed to be a waiver of any subsequent default or breach of the same or any other term, condition or covenant contained herein.

ARTICLE 21. Modification. This written Agreement may not be later modified except by a further writing signed by HACSB and Contractor and no term of this Agreement may be waived, except by writing signed by the party waiving the benefit of such term. No oral understanding or agreement not incorporated in this Agreement is binding on any of the parties.

ARTICLE 22. Notices. All notices required pursuant to this Agreement shall be communicated in writing, and shall be delivered in person, by commercial courier providing proof of delivery, or by certified mail, return receipt requested. ***All notices sent pursuant to this Agreement shall be addressed as follows:***

If to HACSB:

Angie Lardapide, Procurement and Contracts Supervisor
Housing Authority of the County of San Bernardino
715 E. Brier Drive
San Bernardino, CA 92408-2841
alardapide@hacsb.com

If to Contractor:

Ahamodou Alainchar Bocar, CPA
CohnReznick LLP
400 Capitol Mall, Suite 1200
Sacramento, CA 95814
Ahamadou.bocar@cohnreznick.com

Notices will be deemed effective upon receipt or rejection only.

ARTICLE 23. Complete Agreement. This written Agreement is the final, complete and exclusive statement and expression of the Agreement between HACSB and Contractor and of all the terms of this Agreement and cannot be varied, contradicted, nor supplemented by evidence of any prior or contemporaneous oral or written agreements.

ARTICLE 24. Applicable Law/Venue. This Agreement shall be construed and interpreted in accordance with the internal laws of the State of California, with proper venue for any litigation in San Bernardino County, California.

ARTICLE 25. Severability; Headings. If any portion of this Agreement is held invalid or inoperative, the other portions of this Agreement shall be deemed valid and operative and so far as is reasonable and possible, effect shall be given to the intent manifested by the portion held invalid or inoperative. The section headings herein are for reference purposes only and are not intended in any way to describe, interpret, define or limit the extent or intent of this Agreement or of any part hereof.

ARTICLE 26. Interpretation. Should any provision of this Agreement require interpretation, it is agreed that the person or persons interpreting or construing the same shall not apply a presumption that the terms of this Agreement shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party who itself or through its agent or counsel prepared the same or caused the same to be prepared; it being agreed that the agents and counsel of all of the parties have participated equally in the negotiation and preparation of this Agreement. The language in all parts of this Agreement shall be in all cases

construed simply, fairly, equitably and reasonably, according to its plain meaning and not strictly for or against any of the parties.

ARTICLE 27. Counterparts. This Agreement may be executed in multiple counterparts, and when so executed by each of the parties hereto shall constitute a single agreement binding upon all of the parties hereto.

ARTICLE 28. Eight-Hour Law. Pursuant to the provisions of the California Labor Code, eight hours of labor shall constitute a legal day's work, and the time of service of any worker employed on the work shall be limited and restricted to eight hours during any one calendar day, and forty hours in any one calendar week, except when payment for overtime is made at not less than one and one-half the basic rate for all hours worked in excess of eight hours per day ("Eight-Hour Law"). Contractor shall forfeit to HACSB as a penalty, \$50.00 for each worker employed in the execution of this Agreement by him, or by any subcontractor under him, for each calendar day during which such workman is required or permitted to work more than eight hours in any calendar day and forty hours in any one calendar week without such compensation for overtime violation of the provisions of the California Labor Code, unless Contractor or the Work are not subject to the Eight-Hour Law.

ARTICLE 29. Subcontracting. Contractor shall not subcontract any portion of the Work required by this Agreement, except as expressly stated herein, without prior written approval of HACSB. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

ARTICLE 30. Attorney's Fees. If any legal action is instituted to enforce any party's rights hereunder, each party shall bear its own costs and attorney fees, regardless of who is the prevailing party. This paragraph shall not apply to those costs and attorney fees directly arising from a third-party legal action against a party hereto and payable under indemnification and insurance Requirements.

ARTICLE 31. Survival. All rights and obligations hereunder that by their nature are to continue after any expiration or termination of this Agreement, including, but not limited to, the indemnification and confidentiality obligations, shall survive any such expiration or termination.

ARTICLE 32. No Third-Party Beneficiaries. Except as expressly stated herein or in the Contract Documents, there are no intended third-party beneficiaries of any right or obligation assumed by the parties.

[END – SIGNATURES ON NEXT PAGE]

**SIGNATURE PAGE TO
(NON-CONSTRUCTION)
PC1154 – Financial Audit Services**

IN WITNESS WHEREOF, HACSB and Contractor have entered into this Agreement as of the Effective

Date: _____

CohnReznick LLP

By: _____ (Affix seal if a corporation)

Name: _____

Its: _____

CERTIFICATE OF CORPORATE AUTHORITY

I, _____, certify that I am the _____ of the corporation named as Contractor herein; that _____ who signed this Agreement on behalf of Contractor, was then _____ of said corporation; that said Contract was duly signed for and in behalf of said corporation and its governing body and is within the scope of its corporate powers.

By: _____

Name: _____

Its: _____

Date: _____

HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

By: _____

Name: Maria Razo

Its: Executive Director

Date: _____

Exhibit A

Scope of Work

GENERAL INFORMATION

The Authority's fiscal year begins on October 1st and ends on September 30th. The last audit was performed for the fiscal year that ended on September 30, 2018. The September 30, 2019 audit is currently being performed. Prior year audit reports and financial statements may be reviewed at the HACSB office located at 715 East Brier Drive, San Bernardino, CA 92408-2841. Please call the HACSB Finance Manager, Jesse Diaz, at (909) 890-0644 x 6323 to arrange for an appointment if you wish to review the statements.

HACSB currently utilizes Yardi Voyager 7.8 Application Software for the Financial, Operations, and Procurement, functions. A conversion of financial software systems occurred in January 2014.

Each federally assisted program has its own separate books of account.

In addition to our federally funded housing programs, HACSB, owns more than 3,500 units between the agency and its affiliates. Our programs enable us to provide quality, safe affordable housing to approximately 25,000 low income families, seniors and disabled individuals who reside throughout the County of San Bernardino.

AUDIT STANDARDS

The audit shall be conducted in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. The audit and financial statements shall meet the requirements of federal single audit regulations as prescribed by OMB Circular A-133, Audits of States, Local Governments and Nonprofit Organizations, OMB Circular A-128, Audit for State and Local Governments, GASB-34 Basic Financial Statement's and Management's Discussion and Analysis for State and Local Governments and the U.S. Department of Housing and Urban Development's Public and Indian Housing Compliance Supplement. The financial statements are to be prepared by the auditor in accordance with Generally Accepted Accounting Principles (GAAP) and HUD's timetable for submission. This includes assistance with electronically submitting Financial Data Schedules (FDS) via the internet as required by the Real Estate Assessment Center (REAC).

SCOPE OF WORK

1. **FINANCIAL STATEMENTS**-A financial statement and compliance audit of HACSB for fiscal years ending September 30, 2020, September 30, 2021, and September 30, 2022; with an option to renew for the fiscal year ending September 30, 2023 and the fiscal year ending September 30, 2024; performed in accordance with Section "Audit Standards" above. The statement should include the following:

Basic Financial Statements

- Statement of Net Position
- Statement of Revenues, Expenses and Changes Net Position
- Statement of Cash Flows
- Notes to Basic Financial Statements

Required Supplementary Information (Other than MD&A)

- Schedule of Changes in Net Pension Liability and Related Ratios
- Schedule of Pension Plan Contributions
- Schedule of Changes in Net OPEB Liability and Related Ratios
- Schedule of OPEB Plan Contributions

Other Supplementary Information

- Combining Schedule of Program Net Position by fund/program/funding
- Combining Schedule of Program Revenues, Expenses and Changes in Net Position by fund/program/funding
- Schedule of Expenditures of Federal Awards
- Statement of Certification of Actual Capital Fund Grant Costs – Completed for The Year.
- Schedule of Public Housing Capital Funds Grants
- Financial Data Schedule
- Entity Wide Balance Sheet
- Entity Wide Revenue and Expense Summary
- Supplementary Data Required by the California Department of Housing and Community Development
- Housing Authority Successor Agency Supplemental Information

Report on Compliance with Applicable Laws, Regulations and Grant agreements for:

- Housing Choice Voucher Program
- Low Income Public Housing Program
- Rental Assistance Demonstration (RAD) program.
- Capital Fund Program
- Continuum of Care (Shelter Plus Care), VASH, Mainstream, and HOPWA Programs
- Locally owned units, locally managed units and local funds

The above procedures should be performed in accordance with OMB Circular A-133 and the Public and Indian Housing Compliance Supplement.

- Report on Internal Controls in accordance with OMB Circular, A-133.

1.1 **FINANCIAL STATEMENTS**-A financial statement and compliance audit of Yucaipa Terrace Project for fiscal years ending September 30, 2020, September 30, 2021, and September 30, 2022; with an option to renew for the fiscal year ending September 30, 2023 and the fiscal year ending September 30, 2024 with a due date of 90 days after the project's fiscal year ending date. The audit must be performed in accordance with "Audited Financial Statements Handbook for Multifamily Rental Housing" published by the California Department of Housing and Community Development California Housing Finance Agency

2. **ATTESTATION**-Attestation and compilation by auditors on Financial Data System (FDS) data as to its "fair presentation in relation to audited basic financial statements" in accordance with Government Auditing standards.
3. **ADDITIONAL SERVICES**-If the need for other audit services arises concerning the fiscal year under audit, HACSB expects to be able to negotiate with the selected auditor to obtain the additional services needed.

4. **REPORTS**

- A. One PDF and 12 bound copies of each audit opinion, financial statements and compliance report shall be submitted to the Executive Director within **270 days** of the close of the Authority's' fiscal year, but not later than May 30th of each year. It is anticipated that financial records will be closed and ready for audit by December 15 of each year. The Single Audit Act stipulates a submission requirement of no later than nine (9) months after the end of the audit period and REAC stipulates a submission due date of nine (9) months after the fiscal year end. However, the Authority requires that the audit report shall be submitted within **270 days** after the closing of the HACSB's fiscal year end, but no later than May 30th of each year.
- B. Preparation of the Data Collection Form for submission to the Federal Audit Clearinghouse.
- C. Any other reports as requested by the Housing Authority and as required by HUD's Uniform Financial Reporting Standards (UFRS) for Public Housing Authority. These reports may include, but are not limited to, the following:

Reports required by the Housing Authority

Home FUND supplemental Financials

Housing Authority Successor Agency Supplemental Financials

Reports required by HUD

FDS-Unaudited

FDS Audited

Data Collection Form

- D. The auditor will be expected to provide a letter to the Executive Director on the non-reportable conditions and immaterial instances of noncompliance. This letter will also include general recommendations on observations made during the audit that could be helpful to the management of the Authority.

- E. The auditor will be expected to attend a meeting with the Executive Director and Deputy Executive Director to present the audit report and review the management letter.

5. AUDITOR RESPONSIBILITIES

- A. Independent Accountants' Report on Applying Agreed-Upon Procedures for the FY 2020 HACSB Computation of Payment in Lieu of Taxes. Auditor shall examine these items; however, a separate report is not issued, nor is it required.
- B. Independent Auditors' Report on the Schedules of Actual Modernization Cost Certificate for completed and uncompleted Capital Fund Grants(s). Note that this item is issued separately.
- C. Preparation of FY 2020 for SF-SAC, Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organization.
- D. Independent Auditors Management Letter to the Executive Director concerning minor findings noted that were not material in nature during tests of internal control structures policies and procedures.
- E. Auditor shall perform audit tests of private firms at their management office sites, and their home office location, and at Housing Services Management Offices/Public Housing Management Offices. HACSB currently uses one private property management company. All files related to the properties that the management company maintains are kept in one location. The auditors would visit the offices of the property management company during the interim testing and the year-end testing.
- F. Auditor shall assist in draft preparation of the Management Discussion and Analysis (MD&A) and audit the HACSB completed MD&A.
- G. Auditor shall provide 12 Bound copies of the final audit report.
- H. The Auditor agrees to adhere to the following audit engagement schedule:
- I. Audit fieldwork shall start no later than January 15 of each year. HACSB will have all books closed and ready for audit within 75 days after fiscal year end. HACSB will provide the audit lead sheets along with supporting documentation.
- J. The auditor shall prepare an audit schedule to include when specific HACSB and private firm sites will be visited for audit tests, and a schedule of when specific Administration Offices' staff will be interviewed. These schedules shall be prepared within 60 calendar days prior to the start of any field work
- K. After each HACSB site visit, the Auditor shall conduct an exit discussion with the site supervisor to discuss audit results. The site supervisor and Executive Director also be provided a written summary of any noted findings or audit issues after each site visit.
- L. The Auditor shall immediately review with the Executive Director any material findings or audit issues that are noted during the audit. The Auditor shall provide a monthly status review of audit progress during the audit fieldwork.

- M. Audit fieldwork shall be completed on or before March 1 of each year. Auditor shall provide by April 1st, a draft audit report to the Finance Manager. Within 5 working days of HACSB's final draft approval, which will be no later than May 30th, the auditor shall provide the following documents for transmission with the audited FDS: Independent Auditor's Report, top-level financial statements, notes to basic financial statements, Auditor Reports on Compliance, Internal Control and Schedule of Expenditures of Federal Awards.
- N. The Auditor shall conduct an audit exit discussion with the Executive Director and Deputy Executive Director within 10 workdays after issuance of the draft audit report. The Auditor may be requested to attend a Board of Commissioners meeting to discuss material audit issues.
- O. The Auditor shall perform their on-line review, compilation, and submittal into the HUD Real Estate Assessment Center (REAC) financial assessment system within 2 days prior to the FDS deadline.
- P. The final audit report shall be issued within the Audited FDS submission, after HUD REAC approves the audit FDS.
- Q. The Authority understands that generally accepted auditing standards require that the Auditor obtain a representation letter from the Authority prior to completion of the audit and submission of the Audit Report. This representation letter requires that the Executive Director and Finance Manager provide the Auditor with assurance based on knowledge and belief as to matters concerning the accounting records, operations and matters contained within the financial statements. Delay in providing this assurance will extend the date of completion of the audit.
- R. The Authority may, before or during the conduct of the audit, request changes in the scopes of the services of the Auditor to be performed under this contract. Such changes including any increase or decrease in the amount of the Auditor's report, which are mutually agreed upon by and between the Authority and the Auditor, shall be incorporated into written amendments to the contract.
- S. The books of account and financial records to be audited are maintained and are located at the Authority's Administration Offices at 715 East Brier Drive, San Bernardino, California. These books and records will be made available to the Auditor by the Authority during normal business hours. Non-financial records required for compliance testing are maintained at various management offices throughout the County. Financial records of property management firms that manage our public housing units are maintained at their corporate/home office.
- T. If the Auditor ascertains the Authority's books and records are not in a sufficiently satisfactory condition for performing an audit, the Auditor shall disclose this deficiency to the Authority.
- U. The Auditor must be a Certified Public Accountant, licensed by the State of California and must meet any legal requirements concerning registration in the State of California.

Scope of Services – Annual Fee Schedule:

Contract Base Years:

Base Year:	Fiscal Year Ending:	Cost:
Year 1	September 30, 2020	\$95,580.00
Year 2	September 30, 2021	\$97,230.00
Year 3	September 30, 2022	\$98,980.00
Not-To Exceed Total:		\$291,790.00

Contract Option Years:

Option Year:	Fiscal Year Ending:	Cost:
Year 1	September 30, 2023	\$101,230.00
Year 2	September 30, 2024	\$102,780.00

Exhibit A-1
Engagement Letters

Documents on Following Page

July 22, 2020

Ms. Maria Razo
Housing Authority of the County of San Bernardino
715 East Brier Drive
San Bernardino, CA 92408-2841

RE: Agreed-Upon Procedure Service for Housing Authority of the County of San Bernardino

Dear Ms. Razo:

Thank you for choosing CohnReznick LLP ("CohnReznick" and/or "we") to perform professional services for the Housing Authority of the County of San Bernardino (referred to herein as the "Organization", and/or "you"). This engagement letter and the attached General Terms and Conditions (collectively, the "Agreement") shall confirm our understanding of the services we are to provide the Organization for each of the years ended September 30, 2020, 2021, 2022, 2023 and 2024. This engagement letter is being issued under Exhibit A, Scope of Services, to the agreement between CohnReznick and the Housing Authority of the County of San Bernardino (Contract No. PC 1154).

CohnReznick will perform the following services:

Electronic Submission

The owning entity has the responsibility to make an electronic submission to the U.S. Department of Housing and Urban Development ("HUD")'s Real Estate Assessment Center ("REAC") via the Internet under the Uniform Financial Reporting Standards for HUD Housing Programs published September 1, 1998. The submission deadline is no more than nine months after year-end.

We have the responsibility to confirm that the data submitted are accurate and agree with the hard copies of the supporting documentation. This agreed-upon procedure engagement does not include any services which constitute an audit of the financial statements.

Agreed-Upon Procedure

We will apply the agreed-upon procedure which HUD, Public Indian Housing-Real Estate Assessment Center ("PIH-REAC"), and Housing Authority of the County of San Bernardino have specified and agreed to, listed in the attached schedule, to the electronic submission and related hard copy documents listed in the attached schedule of Housing Authority of the County of San Bernardino as of and for each of the years ended September 30, 2020 through 2024.

Our engagement to apply the agreed-upon procedure will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The sufficiency of the procedure performed or to be performed is solely the responsibility of those specified parties in the report and we will require an acknowledgement in writing of that sufficiency and that

responsibility. Consequently, we make no representation regarding the sufficiency of the procedure described in the attached schedule either for the purpose for which the agreed-upon procedure report has been requested or for any other purpose. If, for any reason, we are unable to complete the procedure, we will describe any restrictions on the performance of the procedure in our report, or will not issue a report as a result of this engagement.

Because the agreed-upon procedure listed in the attached schedule does not constitute an examination or review, we will not express an opinion or conclusion, respectively, on the electronic submission and related hard copy documents. In addition, we have no obligation to perform any procedures beyond those listed in the attached schedule.

We plan to begin our procedures on approximately May 15 following each fiscal year-end and, unless unforeseeable problems are encountered, the engagement should be completed by June 30 following each fiscal year-end.

We will submit a written report upon completion of our engagement that lists the procedure performed and our findings. This report is intended solely for the use of Housing Authority of the County of San Bernardino and HUD, PIH-REAC and is not suitable for any other purpose. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you. Further, we take no responsibility for the security of the information transmitted electronically to the HUD, PIH-REAC.

An agreed-upon procedures engagement is not designed to detect instances of fraud or noncompliance with laws or regulations; however, we will communicate to you any known and suspected fraud and noncompliance with laws or regulations affecting the electronic submission and related hard copy documents that come to our attention. CohnReznick shall not have responsibility for prevention and detection of fraud, and CohnReznick's services cannot be relied upon to detect fraud, defalcations or other irregularities. Because of the characteristics of fraud, particularly those involving concealment through collusion, falsified documentation and management's ability to override controls, our services may not detect a material fraud. CohnReznick expressly disclaims any responsibility for detecting fraud affecting the Company and the Company releases CohnReznick from any liability for failure to detect fraud. If the Company needs assistance in this area, CohnReznick can refer the Company to others who specialize in fraud detection and investigations, and who can provide such services pursuant to a separate engagement setting forth the agreed upon scope of such services.

In addition, if, in connection with this engagement, matters come to our attention that contradict the electronic submission and related hard copy documents listed in the attached schedule, we will disclose those matters in our report.

You are responsible for designing, implementing and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulation, contracts, and grant agreements.

You are responsible for and for asserting that the electronic submission to HUD, PIH-REAC of the information listed in the attached schedule agrees with the related hard copy documents within the OMB Uniform Administrative Requirements reporting package; and for selecting the criteria and procedures and determining that such criteria and procedures are appropriate for your purposes.

In addition, you are responsible for providing us with (1) access to all information of which you are aware that is relevant to the performance of the agreed-upon procedure on the subject matter, (2) additional information that we may request for the purpose of performing the agreed-upon procedure, and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence relating to performing the procedure.

You agree to retain a copy of the OMB Uniform Administrative Requirements reporting package in its entirety.

The attest documentation for this engagement is the property of CohnReznick and constitutes confidential information. However, we may be requested to make certain attest documentation available to the Secretary of Housing and Urban Development or designee, the HUD Inspector General, or the U.S. Government Accountability Office or their representatives, pursuant to authority given to them by law or regulation. We will notify you of any such request. If requested, access to such attest documentation will be provided under the supervision of CohnReznick personnel. Furthermore, upon request, we may provide copies of selected attest documentation to HUD or the Government Accountability Office representatives. HUD and the Government Accountability Office may decide to distribute the copies or information contained therein to others, including other governmental agencies.

Ahamadou Alainchar Bocar is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. At the conclusion of our engagement, we will require certain written representations in the form of a representation letter from management that, among other things, will contain management's assertion that the electronic submission to HUD, PIH-REAC of the information listed in the attached schedule agrees with the related hard copy documents within the OMB Uniform Administrative Requirements reporting package.

If the need for additional procedures arises, or the procedures need to be modified, our agreement with you will need to be revised in writing. It is customary for us to enumerate these revisions in an addendum to this letter. If additional specified parties of the report are added, we will require that they acknowledge in writing their agreement with the procedures performed or to be performed and their responsibility for the sufficiency of procedures.

We estimate that our fee for these services will be as per agreement between CohnReznick and the Housing Authority of the County of San Bernardino (Contract No. PC 1154) (the "Fee"). The Fee is due and payable to us on or before June 30 following each fiscal year end.

Invoices will be rendered on or about the dates indicated above and are payable upon presentation.

The Fee is based on the time budgeted to perform the engagement assuming certain conditions including anticipated cooperation from the Company's personnel, timely responses to our requests/inquiries and the assumption that unexpected circumstances would not be encountered during the engagement (such as new attestation standards, illegal or fraudulent

acts, incomplete accounting records, etc.). In the event any such circumstances arise which cause the actual time incurred to exceed the budgeted time, we shall advise you and you shall be separately invoiced for the additional time expended by CohnReznick.

This Agreement does not constitute an engagement to perform any services other than those specified in this Agreement, and only for the entities referred to as Company herein. Should additional services be requested, we will separately agree to the terms of the engagement by means of an addendum to this Agreement or a separate engagement letter.

The agreed-upon procedures report should not be provided or otherwise made available to recipients of any document to be used in connection with the sale of securities (including securities offering on the Internet) without first obtaining our written consent.

Management authorizes CohnReznick to post any draft and final versions of its financial statements and other related engagement documents to the CohnReznick Portals in order to facilitate management's access to these documents. The Portal site is intended solely to accommodate the Company (and the Company alone will be given access to the Portal site). The Company is not authorized to grant access to the Portal site to any third party.

Ms. Maria Razo
Housing Authority of the County of San Bernardino
July 22, 2020
Page 5

By your execution of this Agreement, the undersigned represent and warrant that he or she is authorized on behalf of the entity or entities listed to bind and are in fact binding each such entity to the terms and conditions of this Agreement.

We appreciate the opportunity to be of service to you. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this Agreement, please sign the enclosed copy and return it to us.

Sincerely,



Ahamadou Alainchar Bocar, CPA
Partner

AAB/kj

Attachment: General Terms and Conditions (ver. 12/2019)

AGREED TO AND ACCEPTED BY:

Housing Authority of the County of San Bernardino

By: _____
Authorized signature

Print Name: _____

Title: _____

Date: _____

Agreed-Upon Procedure

Compare the electronic submission of the items listed in the “UFRS Rule Information” column with the corresponding printed documents listed in the “Hard Copy Documents” column as shown in the chart below.

UFRS Rule Information	Hard Copy Documents
Balance Sheet and Revenue and Expense (data line items 111 to 13901)	Financial Data Schedule, all CFDA's, if applicable
Footnotes (data element G5000-010)	Footnotes to audited basic financial statements
Type of opinion on FDS (data element G3100-040)	Auditor's supplemental report on FDS
Audit findings narrative (data element G5200-010)	Schedule of Findings and Questioned Costs
General information (data element series G2000, G2100, G2200, G9000, G9100)	OMB Data Collection Form
Financial statement report information (data element G3000-010 to G3000-050)	Schedule of Findings and Questioned Costs, Part 1 and OMB Data Collection Form
Federal program report information (data element G4000-020 to G4000-040)	Schedule of Findings and Questioned Costs, Part 1 and OMB Data Collection Form
Type of Compliance Requirement (G4200-020 & G4000-030)	OMB Data Collection Form
Basic financial statements and auditor's reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)

GENERAL TERMS AND CONDITIONS

References to Client in these General Terms and Conditions shall refer to “you”, “Company”, “Client” or other term used in the engagement letter to refer to the individual(s) or entity(ies) for whom the services are being performed and the individual(s) or entity(ies) who signed the engagement letter.

Client Representations: Client acknowledges that as a condition of CohnReznick’s engagement, Client agrees to the best of Client’s knowledge and belief to be truthful, accurate, and complete in making oral or written representations to CohnReznick during the course of its engagement and in any written representations that may be required at the conclusion of the engagement. Because of the importance of management’s representations to the services, Client shall be responsible for any and all claims, liabilities, damages, and costs relating to CohnReznick’s services arising out of or caused by any misrepresentations by Client’s management, personnel or representatives.

Invoicing & Payment Terms: Unless otherwise agreed to in the engagement letter, Client agrees to pay CohnReznick fees for its services based upon the time expended in performing the services at CohnReznick’s hourly rates in effect at the time the services were rendered plus out-of-pocket costs. Invoices that are not paid in full within thirty (30) days after receipt of the invoices shall be subject to interest of 1% per month (12% annual percentage rate), computed from the date of the invoice until paid.

Client shall reimburse CohnReznick for reasonable costs and attorneys’ fees incurred by CohnReznick should it prevail in proceedings to collect fees due from Client to CohnReznick.

Confidentiality: CohnReznick agrees that any confidential information received from Client (“Client information”) will be kept confidential and CohnReznick will not disclose any Client information to any third party except as permitted in this Agreement including, but not limited to, the Use of Third Parties, Third-Party Requests and Electronic Signatures, Transmissions & Storage sections of these General Terms and Conditions, or with Client’s prior written consent.

Use of Third Parties: Client acknowledges that CohnReznick may use service providers, affiliated entities (including CohnReznick Professional Services PVT Ltd. or other affiliated entities located outside the United States) and/or subcontractors (collectively, “service providers”) to assist with the performance of services under this Agreement. CohnReznick’s use of service providers may require access to Client information by the service provider. CohnReznick will remain responsible for the confidentiality of Client information accessed by such service provider and any work performed by such service provider.

Third-Party Requests: In the event CohnReznick is required pursuant to law, regulation, subpoena or applicable professional standards and/or rules to produce Client information or CohnReznick’s personnel as witnesses including in connection with any legal or regulatory action or proceeding involving or relating to any services provided by CohnReznick (collectively, a “Demand”), CohnReznick shall, to the extent legally permissible, notify Client promptly of the Demand to allow Client to seek a protective order or other relief, unless the Demand is made pursuant to regulatory oversight applicable to CohnReznick. Client shall reimburse CohnReznick for its professional time, expenses (including reasonable attorneys’ fees), costs and/or losses incurred in connection with a Demand or in connection with any other production of Client information authorized or requested by the Client, provided CohnReznick is not a party to the proceeding or the subject of the investigation in which the information is sought.

Record Retention: CohnReznick’s working papers, records and other file materials (collectively, “files”) are CohnReznick’s property and are not a substitute for Client’s own records. It is Client’s responsibility to retain copies of its own records and any Client deliverables provided by CohnReznick. CohnReznick shall not store any Client documentation or Client deliverables for Client. Client agrees that CohnReznick shall not be liable to Client for the destruction of CohnReznick’s files including any Client documentation contained therein.

Non-Solicitation: During the term of this Agreement and for a period of one year thereafter, Client agrees, except with CohnReznick’s express written consent, not to solicit (except by means of a general solicitation not targeted to any individual employee or group of employees for employment or any consulting or other relationship substantially equivalent to employment), entice, hire or employ any of CohnReznick’s employees.

LIMITATIONS: CLIENT AGREES THAT COHNREZNICK’S AND ITS PERSONNEL’S MAXIMUM LIABILITY TO CLIENT AND CLIENT’S PERSONNEL FOR ANY ACTS OR OMISSIONS (INCLUDING NEGLIGENT ACTS AND OMISSIONS) BY COHNREZNICK (INCLUDING ITS AFFILIATES AND/OR SUBCONTRACTORS) AND/OR ITS PERSONNEL ARISING OUT OF OR RELATED TO THIS AGREEMENT OR ANY SERVICES PROVIDED TO CLIENT WILL BE LIMITED TO \$1,000,000. THIS LIMITATION SHALL NOT APPLY TO THE EXTENT IT IS DETERMINED THAT THE LOSS WAS CAUSED BY COHNREZNICK’S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

EXCEPT FOR THE INDEMNIFICATION OBLIGATIONS SET FORTH HEREIN, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR ITS PERSONNEL FOR ANY

GENERAL TERMS AND CONDITIONS

CONSEQUENTIAL, INCIDENTAL, INDIRECT, PUNITIVE OR SPECIAL DAMAGES, INCLUDING ANY AMOUNT FOR LOSS OF PROFIT, DATA OR GOODWILL, WHETHER OR NOT THE LIKELIHOOD OF SUCH LOSS OR DAMAGE WAS CONTEMPLATED.

USE & INDEMNIFICATION: CLIENT AGREES TO INDEMNIFY COHNREZNICK AND ITS PERSONNEL FROM AND AGAINST ANY AND ALL CLAIMS OR DAMAGES ASSERTED AS PART OF A LEGAL PROCEEDING BROUGHT AGAINST COHNREZNICK BY A THIRD PARTY DIRECTLY RELATING TO SUCH THIRD PARTY'S RELIANCE ON THE DELIVERABLES PROVIDED TO CLIENT PURSUANT TO THIS AGREEMENT.

Electronic Signatures, Transmissions & Storage: This Agreement may be transmitted in electronic format and shall not be denied legal effect because it was formed or transmitted, in whole or in part, by electronic means. An electronic, digital or electronically transmitted signature (collectively, "Electronic Signature") will be deemed an acceptable original.

Notwithstanding anything else to the contrary herein, CohnReznick and Client acknowledge that they may use e-mail, facsimile and/or other electronic means (including commercial services for data processing, cloud storage, data or document storage, cloud computing and/or file sharing) to communicate, transmit, share and store documents under this Agreement. Each party accepts the inherent risks associated with the use of electronic means to communicate, transmit, share and store information.

Client Data Privacy: The CohnReznick Client Data Privacy Notice can be accessed at <https://www.cohnreznick.com/insights/client-data-privacy-notice>. It is incorporated herein by reference and applies to the extent CohnReznick processes personal data that is subject to the data protection laws as set forth therein.

Choice of Law: This Agreement, and any claims, matters or obligations arising out of or related to this Agreement or any services provided to the Client, including, but not limited to, claims arising in contract, tort, fraud, under statute or otherwise, shall be governed by and construed in accordance with the laws of the State of California as if this Agreement was entered into, and was to be entirely performed within, the State of California without giving any effect to any contrary choice of law or conflict of law provision or rule (whether of the State of California or any other jurisdiction).

Dispute Resolution: Any dispute, controversy, or claim arising out of or relating to the services or the performance or breach of this Agreement (including disputes regarding the termination, validity, interpretation or enforceability of this provision) or any prior services or agreements between the parties shall

be finally resolved by arbitration in accordance with the International Institute for Conflict Prevention and Resolution ("IICPR") Rules for Non-Administered Arbitrations in effect on the date of this Agreement (unless those rules are inconsistent with this clause in which case this clause shall govern) by a panel of three arbitrators to be selected in accordance with the screened selection process provided for in such rules provided, however, the two party-appointed arbitrators shall select the third arbitrator who shall be a retired Judge and does not need to be on the IICPR's list of arbitrators. The arbitration shall take place in San Bernardino, California and shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1 et seq. The arbitration shall be confidential, and any award shall be binding and final. In agreeing to arbitration, the parties acknowledge that in the event of any dispute (including a dispute over fees) the parties are giving up the right to have the dispute decided in a court of law before a judge or jury and instead the parties are accepting the use of arbitration for resolution.

The arbitration panel shall have no authority to award punitive damages, damages that are inconsistent with those damages allowed under this Agreement, or a remedy that could not be made or imposed by a court deciding the matter in the same jurisdiction.

All fees and expenses for the arbitrators, meeting and hearing facilities and hearing transcripts shall be split evenly 50% by the claimant(s) and 50% by the respondent(s), with any division among claimants or respondents to be decided by each side respectively as the case may be. No neutral experts shall be appointed by the arbitration Panel.

At the initial pre-hearing conference, the arbitrators shall (a) require that the parties exchange (i) a good faith calculation of claimed damages or counterclaimed damages, (ii) the name and, if known, address and telephone number of each person likely to have knowledge of relevant information, and (iii) non-privileged documents, including those in electronic form, that are relevant to the issues raised by any claim, defense or counterclaim; and (b) determine the number of depositions to be permitted taking into consideration the nature of the claims. Third-party subpoenas seeking documents and/or testimony shall be permitted. Unless the parties agree otherwise or the arbitrators determine that proceedings should be bifurcated in some manner, absent extraordinary circumstances, the arbitration hearing shall be held on consecutive hearing days. In the event it is necessary to confirm the arbitration award in court, the costs of such confirmation proceedings, including attorneys' fees, incurred by the party seeking confirmation shall be borne entirely by the party against whom enforcement is sought.

Term & Termination: This Agreement applies to all services performed at any time (including before the date of this Agreement) arising out of or related to the

GENERAL TERMS AND CONDITIONS

subject matter of this Agreement. This Agreement shall terminate upon completion of the services.

Either party may terminate this Agreement, or the services, upon 30 days' prior written notice to the other. CohnReznick may terminate this Agreement, or the services, immediately upon written notice to Client (a) if CohnReznick determines in its professional judgment that it is unable to complete the services in accordance with applicable law or professional standards, (b) for reasonable cause (including failure to provide the information or cooperation necessary for successful performance of the services), or (c) if Client's account becomes overdue.

The services will be deemed to be concluded upon written notification of termination (regardless of the extent of services performed as of the notification date). Client will be obligated to compensate CohnReznick for the time expended and to reimburse CohnReznick for all expenses and out-of-pocket costs incurred up to and including the date of termination of this Agreement or the services.

Miscellaneous: The provisions of this Agreement that give either of the parties rights or obligations beyond its termination shall survive termination of this Agreement. This Agreement is the complete and exclusive statement of agreement between the parties, and it replaces and supersedes all proposals, communications and agreements between the parties, whether written or oral, related to the subject matter and time periods referenced in this Agreement, including any prior agreement CohnReznick may have entered into related to the confidentiality of information provided by Client to CohnReznick. No terms and/or conditions contained in any "shrink-wrap," "click-wrap" or "click-through" license or agreement, or similar electronic notification shall be of any force or effect, nor shall any terms and conditions contained on Client's website, invoice, purchase order, billing, payment or similar transactional documentation be deemed to amend or supplement this Agreement.

If any provision of this Agreement is found to be invalid, then such provision will be modified to reflect the parties' intention as closely as possible without being unenforceable, and all remaining provisions of this Agreement shall remain in full force and effect.

July 22, 2020

Ms. Maria Razo
Housing Authority of the County of San Bernardino
715 East Brier Drive
San Bernardino, CA 92408-2841

RE: 2020 Audit Services for Housing Authority of the County of San Bernardino

Dear Ms. Razo:

Thank you for choosing CohnReznick LLP ("CohnReznick" and/or "we") to perform professional services for the Housing Authority of the County of San Bernardino (referred to herein as the "Entity", "Company", "Organization", and/or "you"). This engagement letter and the attached General Terms and Conditions (collectively, the "Agreement") shall confirm our understanding of the services we are to provide the Entity for each of the years ended September 30, 2020, 2021, 2022, 2023 and 2024. This engagement letter is being issued under Exhibit A, Scope of Services, to the agreement between CohnReznick and the Housing Authority of the County of San Bernardino (Contract No. 1154).

CohnReznick is pleased to confirm our understanding of the services we are to provide the Housing Authority of the County of San Bernardino for each of the years ended September 30, 2020, 2021, 2022, 2023 and 2024. We will audit the financial statements of the Organization, including the related notes to the financial statements which collectively comprise the basic financial statements of Housing Authority of the County of San Bernardino as of and for each of the years ended September 30, 2020 through 2024. Accounting standards generally accepted in the United States of America provide for certain required supplementary information ("RSI"), such as management's discussion and analysis ("MD&A"), to supplement Housing Authority of the County of San Bernardino's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Housing Authority of the County of San Bernardino's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Pension Plan Schedules
 - a. Schedule of Changes in Net Pension Liability and Related ratios
 - b. Schedule of Pension Plan Contributions

3) OPEB Plan Schedules

- a. Schedule of Changes in Net OPEB liability and Related Ratios and
- b. Schedule of OPEB Plan Contributions

We have also been engaged to report on supplementary information other than RSI that accompanies Housing Authority of the County of San Bernardino's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements:

- 1) Combining schedules of net position, revenues, expenses and changes in net position.
- 2) Schedule of expenditures of Federal awards
- 3) Schedule of Public Housing Capital Fund Grants
- 4) Financial Data Schedule required by HUD
- 5) Supplemental Data required by the California Department of Housing and Community Development.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the third paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance").

The *Governmental Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (a) that the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance and (b) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing

based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance; and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our single audit. Our reports will be addressed to Board of Commissioners of the Entity. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (a) errors, (b) fraudulent financial reporting, (c) misappropriation of assets, or (d) violations of laws or governmental regulations that are attributable to the Entity or to acts by management or employees acting on behalf of the Entity. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors or any fraudulent

financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a single audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of Federal awards; Federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures - Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major Federal and state award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our reports on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Entity's compliance with provisions of applicable laws, regulations, contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and

we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the Entity's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on the Entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of Housing Authority of the County of San Bernardino in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for (1) designing, implementing, establishing and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also

responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including identification of all related parties and all related-party relationships and transactions, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the Housing Authority of the County of San Bernardino from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review on December 1 following the end of each fiscal year.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to [include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon]. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period

(or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to [include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon]. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees and Other

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of Federal awards, summary schedule of prior audit findings, auditor's reports, and

corrective action plan) along with the Data Collection Form to the Federal Audit Clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to the Entity; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of CohnReznick and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to US Department of Housing and Urban Development or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. If requested, access to such audit documentation will be provided under the supervision of CohnReznick's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

Ahamadou Alainchar Bocar is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

To ensure that CohnReznick's independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

We estimate that our fee for these services will be as per the Exhibit D, Work Authorization, to the agreement between CohnReznick and the Housing Authority of the County of San Bernardino (Contract No. 1154) (the "Fee"). The Fee shall be payable to us as services are rendered on or before June 30 following the end of each fiscal year.

Invoices will be rendered on or about the date indicated above and are payable upon presentation.

The Fee is based on the time budgeted to perform the engagement assuming certain conditions including anticipated cooperation from the Company's personnel, timely responses to our requests/inquiries and the assumption that unexpected circumstances would not be encountered during the engagement (such as new audit standards, illegal or fraudulent acts, incomplete accounting records, etc.). In the event any such circumstances arise which cause the actual time incurred to exceed the budgeted time, we shall advise you and you shall be separately invoiced for the additional time expended by CohnReznick.

This Agreement does not constitute an engagement to perform any services other than those specified in this Agreement, and only for the entities referred to as Company herein. Should additional services be requested, we will separately agree to the terms of the engagement by means of an addendum to this Agreement or a separate engagement letter.

The audited financial statements and our report thereon should not be provided or otherwise made available to recipients of any document to be used in connection with the sale of securities (including securities offering on the Internet) without first obtaining our written consent.

Management authorizes CohnReznick to post any draft and final versions of its financial statements and other related engagement documents to the CohnReznick Portals in order to facilitate management's access to these documents. The Portal site is intended solely to accommodate the Company (and the Company alone will be given access to the Portal site). The Company is not authorized to grant access to the Portal site to any third party.

y your execution of this Agreement, the undersigned represent and warrant that he or she is authorized on behalf of the entity or entities listed to bind and are in fact binding each such entity to the terms and conditions of this Agreement.

We appreciate the opportunity to be of service to you. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this Agreement, please sign the enclosed copy and return it to us.

Sincerely,



Ahamadou Alainchar Bocar, CPA
Partner

AAB/kj

Attachment: General Terms and Conditions (ver. 12/2019)

AGREED TO AND ACCEPTED BY:

Housing Authority of the County of San Bernardino

By: _____
Authorized signature

Print Name: _____

Title: _____

Date: _____

GENERAL TERMS AND CONDITIONS

References to Client in these General Terms and Conditions shall refer to “you”, “Company”, “Client” or other term used in the engagement letter to refer to the individual(s) or entity(ies) for whom the services are being performed and the individual(s) or entity(ies) who signed the engagement letter.

Client Representations: Client acknowledges that as a condition of CohnReznick’s engagement, Client agrees to the best of Client’s knowledge and belief to be truthful, accurate, and complete in making oral or written representations to CohnReznick during the course of its engagement and in any written representations that may be required at the conclusion of the engagement. Because of the importance of management’s representations to the services, Client shall be responsible for any and all claims, liabilities, damages, and costs relating to CohnReznick’s services arising out of or caused by any misrepresentations by Client’s management, personnel or representatives.

Invoicing & Payment Terms: Unless otherwise agreed to in the engagement letter, Client agrees to pay CohnReznick fees for its services based upon the time expended in performing the services at CohnReznick’s hourly rates in effect at the time the services were rendered plus out-of-pocket costs. Invoices that are not paid in full within thirty (30) days after receipt of the invoices shall be subject to interest of 1% per month (12% annual percentage rate), computed from the date of the invoice until paid.

Client shall reimburse CohnReznick for reasonable costs and attorneys’ fees incurred by CohnReznick should it prevail in proceedings to collect fees due from Client to CohnReznick.

Confidentiality: CohnReznick agrees that any confidential information received from Client (“Client information”) will be kept confidential and CohnReznick will not disclose any Client information to any third party except as permitted in this Agreement including, but not limited to, the Use of Third Parties, Third-Party Requests and Electronic Signatures, Transmissions & Storage sections of these General Terms and Conditions, or with Client’s prior written consent.

Use of Third Parties: Client acknowledges that CohnReznick may use service providers, affiliated entities (including CohnReznick Professional Services PVT Ltd. or other affiliated entities located outside the United States) and/or subcontractors (collectively, “service providers”) to assist with the performance of services under this Agreement. CohnReznick’s use of service providers may require access to Client information by the service provider. CohnReznick will remain responsible for the confidentiality of Client information accessed by such service provider and any work performed by such service provider.

Third-Party Requests: In the event CohnReznick is required pursuant to law, regulation, subpoena or applicable professional standards and/or rules to produce Client information or CohnReznick’s personnel as witnesses including in connection with any legal or regulatory action or proceeding involving or relating to any services provided by CohnReznick (collectively, a “Demand”), CohnReznick shall, to the extent legally permissible, notify Client promptly of the Demand to allow Client to seek a protective order or other relief, unless the Demand is made pursuant to regulatory oversight applicable to CohnReznick. Client shall reimburse CohnReznick for its professional time, expenses (including reasonable attorneys’ fees), costs and/or losses incurred in connection with a Demand or in connection with any other production of Client information authorized or requested by the Client, provided CohnReznick is not a party to the proceeding or the subject of the investigation in which the information is sought.

Record Retention: CohnReznick’s working papers, records and other file materials (collectively, “files”) are CohnReznick’s property and are not a substitute for Client’s own records. It is Client’s responsibility to retain copies of its own records and any Client deliverables provided by CohnReznick. CohnReznick shall not store any Client documentation or Client deliverables for Client. Client agrees that CohnReznick shall not be liable to Client for the destruction of CohnReznick’s files including any Client documentation contained therein.

Non-Solicitation: During the term of this Agreement and for a period of one year thereafter, Client agrees, except with CohnReznick’s express written consent, not to solicit (except by means of a general solicitation not targeted to any individual employee or group of employees for employment or any consulting or other relationship substantially equivalent to employment), entice, hire or employ any of CohnReznick’s employees.

LIMITATIONS: CLIENT AGREES THAT COHNREZNICK’S AND ITS PERSONNEL’S MAXIMUM LIABILITY TO CLIENT AND CLIENT’S PERSONNEL FOR ANY ACTS OR OMISSIONS (INCLUDING NEGLIGENT ACTS AND OMISSIONS) BY COHNREZNICK (INCLUDING ITS AFFILIATES AND/OR SUBCONTRACTORS) AND/OR ITS PERSONNEL ARISING OUT OF OR RELATED TO THIS AGREEMENT OR ANY SERVICES PROVIDED TO CLIENT WILL BE LIMITED TO \$1,000,000. THIS LIMITATION SHALL NOT APPLY TO THE EXTENT IT IS DETERMINED THAT THE LOSS WAS CAUSED BY COHNREZNICK’S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

EXCEPT FOR THE INDEMNIFICATION OBLIGATIONS SET FORTH HEREIN, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR ITS PERSONNEL FOR ANY

GENERAL TERMS AND CONDITIONS

CONSEQUENTIAL, INCIDENTAL, INDIRECT, PUNITIVE OR SPECIAL DAMAGES, INCLUDING ANY AMOUNT FOR LOSS OF PROFIT, DATA OR GOODWILL, WHETHER OR NOT THE LIKELIHOOD OF SUCH LOSS OR DAMAGE WAS CONTEMPLATED.

USE & INDEMNIFICATION: CLIENT AGREES TO INDEMNIFY COHNREZNICK AND ITS PERSONNEL FROM AND AGAINST ANY AND ALL CLAIMS OR DAMAGES ASSERTED AS PART OF A LEGAL PROCEEDING BROUGHT AGAINST COHNREZNICK BY A THIRD PARTY DIRECTLY RELATING TO SUCH THIRD PARTY'S RELIANCE ON THE DELIVERABLES PROVIDED TO CLIENT PURSUANT TO THIS AGREEMENT.

Electronic Signatures, Transmissions & Storage: This Agreement may be transmitted in electronic format and shall not be denied legal effect because it was formed or transmitted, in whole or in part, by electronic means. An electronic, digital or electronically transmitted signature (collectively, "Electronic Signature") will be deemed an acceptable original.

Notwithstanding anything else to the contrary herein, CohnReznick and Client acknowledge that they may use e-mail, facsimile and/or other electronic means (including commercial services for data processing, cloud storage, data or document storage, cloud computing and/or file sharing) to communicate, transmit, share and store documents under this Agreement. Each party accepts the inherent risks associated with the use of electronic means to communicate, transmit, share and store information.

Client Data Privacy: The CohnReznick Client Data Privacy Notice can be accessed at <https://www.cohnreznick.com/insights/client-data-privacy-notice>. It is incorporated herein by reference and applies to the extent CohnReznick processes personal data that is subject to the data protection laws as set forth therein.

Choice of Law: This Agreement, and any claims, matters or obligations arising out of or related to this Agreement or any services provided to the Client, including, but not limited to, claims arising in contract, tort, fraud, under statute or otherwise, shall be governed by and construed in accordance with the laws of the State of California as if this Agreement was entered into, and was to be entirely performed within, the State of California without giving any effect to any contrary choice of law or conflict of law provision or rule (whether of the State of California or any other jurisdiction).

Dispute Resolution: Any dispute, controversy, or claim arising out of or relating to the services or the performance or breach of this Agreement (including disputes regarding the termination, validity, interpretation or enforceability of this provision) or any

prior services or agreements between the parties shall be finally resolved by arbitration in accordance with the International Institute for Conflict Prevention and Resolution ("IICPR") Rules for Non-Administered Arbitrations in effect on the date of this Agreement (unless those rules are inconsistent with this clause in which case this clause shall govern) by a panel of three arbitrators to be selected in accordance with the screened selection process provided for in such rules provided, however, the two party-appointed arbitrators shall select the third arbitrator who shall be a retired Judge and does not need to be on the IICPR's list of arbitrators. The arbitration shall take place in San Bernardino, California and shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1 et seq. The arbitration shall be confidential, and any award shall be binding and final. In agreeing to arbitration, the parties acknowledge that in the event of any dispute (including a dispute over fees) the parties are giving up the right to have the dispute decided in a court of law before a judge or jury and instead the parties are accepting the use of arbitration for resolution.

The arbitration panel shall have no authority to award punitive damages, damages that are inconsistent with those damages allowed under this Agreement, or a remedy that could not be made or imposed by a court deciding the matter in the same jurisdiction.

All fees and expenses for the arbitrators, meeting and hearing facilities and hearing transcripts shall be split evenly 50% by the claimant(s) and 50% by the respondent(s), with any division among claimants or respondents to be decided by each side respectively as the case may be. No neutral experts shall be appointed by the arbitration Panel.

At the initial pre-hearing conference, the arbitrators shall (a) require that the parties exchange (i) a good faith calculation of claimed damages or counterclaimed damages, (ii) the name and, if known, address and telephone number of each person likely to have knowledge of relevant information, and (iii) non-privileged documents, including those in electronic form, that are relevant to the issues raised by any claim, defense or counterclaim; and (b) determine the number of depositions to be permitted taking into consideration the nature of the claims. Third-party subpoenas seeking documents and/or testimony shall be permitted. Unless the parties agree otherwise or the arbitrators determine that proceedings should be bifurcated in some manner, absent extraordinary circumstances, the arbitration hearing shall be held on consecutive hearing days. In the event it is necessary to confirm the arbitration award in court, the costs of such confirmation proceedings, including attorneys' fees, incurred by the party seeking confirmation shall be borne entirely by the party against whom enforcement is sought.

Term & Termination: This Agreement applies to all services performed at any time (including before the

GENERAL TERMS AND CONDITIONS

date of this Agreement) arising out of or related to the subject matter of this Agreement. This Agreement shall terminate upon completion of the services.

Either party may terminate this Agreement, or the services, upon 30 days' prior written notice to the other. CohnReznick may terminate this Agreement, or the services, immediately upon written notice to Client (a) if CohnReznick determines in its professional judgment that it is unable to complete the services in accordance with applicable law or professional standards, (b) for reasonable cause (including failure to provide the information or cooperation necessary for successful performance of the services), or (c) if Client's account becomes overdue.

The services will be deemed to be concluded upon written notification of termination (regardless of the extent of services performed as of the notification date). Client will be obligated to compensate CohnReznick for the time expended and to reimburse CohnReznick for all expenses and out-of-pocket costs incurred up to and including the date of termination of this Agreement or the services.

Miscellaneous: The provisions of this Agreement that give either of the parties rights or obligations beyond its termination shall survive termination of this Agreement. This Agreement is the complete and exclusive statement of agreement between the parties, and it replaces and supersedes all proposals, communications and agreements between the parties, whether written or oral, related to the subject matter and time periods referenced in this Agreement, including any prior agreement CohnReznick may have entered into related to the confidentiality of information provided by Client to CohnReznick. No terms and/or conditions contained in any "shrink-wrap," "click-wrap" or "click-through" license or agreement, or similar electronic notification shall be of any force or effect, nor shall any terms and conditions contained on Client's website, invoice, purchase order, billing, payment or similar transactional documentation be deemed to amend or supplement this Agreement.

If any provision of this Agreement is found to be invalid, then such provision will be modified to reflect the parties' intention as closely as possible without being unenforceable, and all remaining provisions of this Agreement shall remain in full force and effect.

Exhibit B
GENERAL CONDITIONS FOR NON-CONSTRUCTION WORK
(HUD – 5370-C)

Document on Following Page

General Conditions for Non-Construction Contracts

Section I – (With or without Maintenance Work)

U.S. Department of Housing and Urban Development

Office of Public and Indian Housing

Office of Labor Relations

OMB Approval No. 2577-0157 (exp. 3/31/2020)

Public Reporting Burden for this collection of information is estimated to average 0.08 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Office of Information Policies and Systems, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600; and to the Office of Management and Budget, Paperwork Reduction Project (2577-0157), Washington, D.C. 20503. Do not send this completed form to either of these addressees.

Applicability. This form HUD-5370-C has 2 Sections. These Sections must be inserted into non-construction contracts as described below:

- 1) **Non-construction contracts** (*without* maintenance) **greater than \$105,000 - use Section I;**
- 2) **Maintenance contracts** (including nonroutine maintenance as defined at 24 CFR 968.105) **greater than \$2,000 but not more than \$150,000 - use Section II; and**
- 3) **Maintenance contracts** (including nonroutine maintenance), **greater than \$150,000 – use Sections I and II.**

Section I - Clauses for All Non-Construction Contracts greater than \$150,000

1. Definitions

The following definitions are applicable to this contract:

- (a) "Authority or Housing Authority (HA)" means the Housing Authority.
- (b) "Contract" means the contract entered into between the Authority and the Contractor. It includes the contract form, the Certifications and Representations, these contract clauses, and the scope of work. It includes all formal changes to any of those documents by addendum, Change Order, or other modification.
- (c) "Contractor" means the person or other entity entering into the contract with the Authority to perform all of the work required under the contract.
- (d) "Day" means calendar days, unless otherwise stated.
- (e) "HUD" means the Secretary of Housing and Urban development, his delegates, successors, and assigns, and the officers and employees of the United States Department of Housing and Urban Development acting for and on behalf of the Secretary.

2. Changes

- (a) The HA may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this contract in the services to be performed or supplies to be delivered.
- (b) If any such change causes an increase or decrease in the hourly rate, the not-to-exceed amount of the contract, or the time required for performance of any part of the work under this contract, whether or not changed by the order, or otherwise affects the conditions of this contract, the HA shall make an equitable adjustment in the not-to-exceed amount, the hourly rate, the delivery schedule, or other affected terms, and shall modify the contract accordingly.
- (c) The Contractor must assert its right to an equitable adjustment under this clause within 30 days from the date of receipt of the written order. However, if the HA decides that the facts justify it, the HA may receive and act upon a

proposal submitted before final payment of the contract.

- (d) Failure to agree to any adjustment shall be a dispute under clause Disputes, herein. However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.
- (e) No services for which an additional cost or fee will be charged by the Contractor shall be furnished without the prior written consent of the HA.

3. Termination for Convenience and Default

- (a) The HA may terminate this contract in whole, or from time to time in part, for the HA's convenience or the failure of the Contractor to fulfill the contract obligations (default). The HA shall terminate by delivering to the Contractor a written Notice of Termination specifying the nature, extent, and effective date of the termination. Upon receipt of the notice, the Contractor shall: (i) immediately discontinue all services affected (unless the notice directs otherwise); and (ii) deliver to the HA all information, reports, papers, and other materials accumulated or generated in performing this contract, whether completed or in process.
- (b) If the termination is for the convenience of the HA, the HA shall be liable only for payment for services rendered before the effective date of the termination.
- (c) If the termination is due to the failure of the Contractor to fulfill its obligations under the contract (default), the HA may (i) require the Contractor to deliver to it, in the manner and to the extent directed by the HA, any work as described in subparagraph (a)(ii) above, and compensation be determined in accordance with the Changes clause, paragraph 2, above; (ii) take over the work and prosecute the same to completion by contract or otherwise, and the Contractor shall be liable for any additional cost incurred by the HA; (iii) withhold any payments to the Contractor, for the purpose of off-set or partial payment, as the case may be, of amounts owed to the HA by the Contractor.
- (d) If, after termination for failure to fulfill contract obligations (default), it is determined that the Contractor had not failed, the termination shall be deemed to have been effected for the convenience of the HA, and the Contractor shall be entitled to payment as described in paragraph (b) above.
- (e) Any disputes with regard to this clause are expressly made subject to the terms of clause titled Disputes herein.

4. Examination and Retention of Contractor's Records

- (a) The HA, HUD, or Comptroller General of the United States, or any of their duly authorized representatives shall, until 3 years after final payment under this contract, have access to and the right to examine any of the Contractor's directly pertinent books, documents, papers, or other records involving transactions related to this contract for the purpose of making audit, examination, excerpts, and transcriptions.

- (b) The Contractor agrees to include in first-tier subcontracts under this contract a clause substantially the same as paragraph (a) above. "Subcontract," as used in this clause, excludes purchase orders not exceeding \$10,000.
- (c) The periods of access and examination in paragraphs (a) and (b) above for records relating to:
 - (i) appeals under the clause titled Disputes;
 - (ii) litigation or settlement of claims arising from the performance of this contract; or,
 - (iii) costs and expenses of this contract to which the HA, HUD, or Comptroller General or any of their duly authorized representatives has taken exception shall continue until disposition of such appeals, litigation, claims, or exceptions.

5. Rights in Data (Ownership and Proprietary Interest)

The HA shall have exclusive ownership of, all proprietary interest in, and the right to full and exclusive possession of all information, materials and documents discovered or produced by Contractor pursuant to the terms of this Contract, including but not limited to reports, memoranda or letters concerning the research and reporting tasks of this Contract.

6. Energy Efficiency

The contractor shall comply with all mandatory standards and policies relating to energy efficiency which are contained in the energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub.L. 94-163) for the State in which the work under this contract is performed.

7. Disputes

- (a) All disputes arising under or relating to this contract, except for disputes arising under clauses contained in Section III, Labor Standards Provisions, including any claims for damages for the alleged breach thereof which are not disposed of by agreement, shall be resolved under this clause.
- (b) All claims by the Contractor shall be made in writing and submitted to the HA. A claim by the HA against the Contractor shall be subject to a written decision by the HA.
- (c) The HA shall, with reasonable promptness, but in no event in no more than 60 days, render a decision concerning any claim hereunder. Unless the Contractor, within 30 days after receipt of the HA's decision, shall notify the HA in writing that it takes exception to such decision, the decision shall be final and conclusive.
- (d) Provided the Contractor has (i) given the notice within the time stated in paragraph (c) above, and (ii) excepted its claim relating to such decision from the final release, and (iii) brought suit against the HA not later than one year after receipt of final payment, or if final payment has not been made, not later than one year after the Contractor has had a reasonable time to respond to a written request by the HA that it submit a final voucher and release, whichever is earlier, then the HA's decision shall not be final or conclusive, but the dispute shall be determined on the merits by a court of competent jurisdiction.
- (e) The Contractor shall proceed diligently with performance of this contract, pending final resolution of any request for relief, claim, appeal, or action arising under the contract, and comply with any decision of the HA.

8. Contract Termination; Debarment

A breach of these Contract clauses may be grounds for termination of the Contract and for debarment or denial of participation in HUD programs as a Contractor and a subcontractor as provided in 24 CFR Part 24.

9. Assignment of Contract

The Contractor shall not assign or transfer any interest in this contract; except that claims for monies due or to become due from the HA under the contract may be assigned to a bank, trust company, or other financial institution. If the Contractor is a partnership, this contract shall inure to the benefit of the surviving or remaining member(s) of such partnership approved by the HA.

10. Certificate and Release

Prior to final payment under this contract, or prior to settlement upon termination of this contract, and as a condition precedent thereto, the Contractor shall execute and deliver to the HA a certificate and release, in a form acceptable to the HA, of all claims against the HA by the Contractor under and by virtue of this contract, other than such claims, if any, as may be specifically excepted by the Contractor in stated amounts set forth therein.

11. Organizational Conflicts of Interest

- (a) The Contractor warrants that to the best of its knowledge and belief and except as otherwise disclosed, it does not have any organizational conflict of interest which is defined as a situation in which the nature of work under this contract and a contractor's organizational, financial, contractual or other interests are such that:
 - (i) Award of the contract may result in an unfair competitive advantage; or
 - (ii) The Contractor's objectivity in performing the contract work may be impaired.
- (b) The Contractor agrees that if after award it discovers an organizational conflict of interest with respect to this contract or any task/delivery order under the contract, he or she shall make an immediate and full disclosure in writing to the Contracting Officer which shall include a description of the action which the Contractor has taken or intends to take to eliminate or neutralize the conflict. The HA may, however, terminate the contract or task/delivery order for the convenience of the HA if it would be in the best interest of the HA.
- (c) In the event the Contractor was aware of an organizational conflict of interest before the award of this contract and intentionally did not disclose the conflict to the Contracting Officer, the HA may terminate the contract for default.
- (d) The terms of this clause shall be included in all subcontracts and consulting agreements wherein the work to be performed is similar to the service provided by the prime Contractor. The Contractor shall include in such subcontracts and consulting agreements any necessary provisions to eliminate or neutralize conflicts of interest.

12. Inspection and Acceptance

- (a) The HA has the right to review, require correction, if necessary, and accept the work products produced by the Contractor. Such review(s) shall be carried out within 30 days so as to not impede the work of the Contractor. Any

product of work shall be deemed accepted as submitted if the HA does not issue written comments and/or required corrections within 30 days from the date of receipt of such product from the Contractor.

- (b) The Contractor shall make any required corrections promptly at no additional charge and return a revised copy of the product to the HA within 7 days of notification or a later date if extended by the HA.
- (c) Failure by the Contractor to proceed with reasonable promptness to make necessary corrections shall be a default. If the Contractor's submission of corrected work remains unacceptable, the HA may terminate this contract (or the task order involved) or reduce the contract price or cost to reflect the reduced value of services received.

13. Interest of Members of 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 contract or to any benefit to arise there from, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

14. Interest of Members, Officers, or Employees and Former Members, Officers, or Employees

No member, officer, or employee of the HA, no member of the governing body of the locality in which the project is situated, no member of the governing body in which the HA was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the project, shall, during his or her tenure, or for one year thereafter, have any interest, direct or indirect, in this contract or the proceeds thereof.

15. Limitation on Payments to Influence Certain Federal Transactions

(a) Definitions. As used in this clause:

"Agency", as defined in 5 U.S.C. 552(f), includes Federal executive departments and agencies as well as independent regulatory commissions and Government corporations, as defined in 31 U.S.C. 9101(1).

"Covered Federal Action" means any of the following Federal actions:

- (i) The awarding of any Federal contract;
- (ii) The making of any Federal grant;
- (iii) The making of any Federal loan;
- (iv) The entering into of any cooperative agreement; and,
- (v) The extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

Covered Federal action does not include receiving from an agency a commitment providing for the United States to insure or guarantee a loan.

"Indian tribe" and "tribal organization" have the meaning provided in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450B). Alaskan Natives are included under the definitions of Indian tribes in that Act.

"Influencing or attempting to influence" means making, with the intent to influence, any communication to or appearance before 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 any covered Federal action.

"Local government" means a unit of government in a State and, if chartered, established, or otherwise recognized by a State for the performance of a governmental duty, including a local public authority, a special district, an intrastate district, a council of governments, a sponsor group representative organization, and any other instrumentality of a local government.

"Officer or employee of an agency" includes the following individuals who are employed by an agency:

- (i) An individual who is appointed to a position in the Government under title 5, U.S.C., including a position under a temporary appointment;
- (ii) A member of the uniformed services as defined in section 202, title 18, U.S.C.;
- (iii) A special Government employee as defined in section 202, title 18, U.S.C.; and,
- (iv) An individual who is a member of a Federal advisory committee, as defined by the Federal Advisory Committee Act, title 5, appendix 2.

"Person" means an individual, corporation, company, association, authority, firm, partnership, society, State, and local government, regardless of whether such entity is operated for profit or not for profit. This term excludes an Indian tribe, tribal organization, or other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Recipient" includes all contractors, subcontractors at any tier, and subgrantees at any tier of the recipient of funds received in connection with a Federal contract, grant, loan, or cooperative agreement. The term excludes an Indian tribe, tribal organization, or any other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Regularly employed means, with respect to an officer or employee of a person requesting or receiving a Federal contract, grant, loan, or cooperative agreement, an officer or employee who is employed by such person for at least 130 working days within one year immediately preceding the date of the submission that initiates agency consideration of such person for receipt of such contract, grant, loan, or cooperative agreement. An officer or employee who is employed by such person for less than 130 working days within one year immediately preceding the date of submission that initiates agency consideration of such person shall be considered to be regularly employed as soon as he or she is employed by such person for 130 working days.

"State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, a territory or possession of the United States, an agency or instrumentality of a State, and a multi-State, regional, or interstate entity having governmental duties and powers.

(b) Prohibition.

- (i) Section 1352 of title 31, U.S.C. provides in part that no appropriated funds may be expended by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay 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 any of the following covered Federal actions: the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (ii) The prohibition does not apply as follows:

(1) Agency and legislative liaison by Own Employees.

(a) The prohibition on the use of appropriated funds, in paragraph (i) of this section, does not apply in the case of a payment of reasonable compensation made to an officer or employee of a person requesting or receiving a Federal contract, grant, loan, or cooperative agreement, if the payment is for agency and legislative activities not directly related to a covered Federal action.

(b) For purposes of paragraph (b)(i)(1)(a) of this clause, providing any information specifically requested by an agency or Congress is permitted at any time.

(c) The following agency and legislative liaison activities are permitted at any time only where they are not related to a specific solicitation for any covered Federal action:

(1) Discussing with an agency (including individual demonstrations) the qualities and characteristics of the person's products or services, conditions or terms of sale, and service capabilities; and,

(2) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use.

(d) The following agency and legislative liaison activities are permitted where they are prior to formal solicitation of any covered Federal action:

(1) Providing any information not specifically requested but necessary for an agency to make an informed decision about initiation of a covered Federal action;

(2) Technical discussions regarding the preparation of an unsolicited proposal prior to its official submission; and

(3) Capability presentations by persons seeking awards from an agency pursuant to the provisions of the Small Business Act, as amended by Public Law 95-507 and other subsequent amendments.

(e) Only those activities expressly authorized by subdivision (b)(ii)(1)(a) of this clause are permitted under this clause.

(2) Professional and technical services.

(a) The prohibition on the use of appropriated funds, in subparagraph (b)(i) of this clause, does not apply in the case of-

(i) A payment of reasonable compensation made to an officer or employee of a person requesting or receiving a covered Federal action or an extension, continuation, renewal, amendment, or modification of a covered Federal action, if payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action.

(ii) Any reasonable payment to a person, other than an officer or employee of a

person requesting or receiving a covered Federal action or an extension, continuation, renewal, amendment, or modification of a covered Federal action if the payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action. Persons other than officers or employees of a person requesting or receiving a covered Federal action include consultants and trade associations.

(b) For purposes of subdivision (b)(ii)(2)(a) of clause, "professional and technical services" shall be limited to advice and analysis directly applying any professional or technical discipline.

(c) Requirements imposed by or pursuant to law as a condition for receiving a covered Federal award include those required by law or regulation, or reasonably expected to be required by law or regulation, and any other requirements in the actual award documents.

(d) Only those services expressly authorized by subdivisions (b)(ii)(2)(a)(i) and (ii) of this section are permitted under this clause.

(iii) Selling activities by independent sales representatives.

(c) The prohibition on the use of appropriated funds, in subparagraph (b)(i) of this clause, does not apply to the following selling activities before an agency by independent sales representatives, provided such activities are prior to formal solicitation by an agency and are specifically limited to the merits of the matter:

(i) Discussing with an agency (including individual demonstration) the qualities and characteristics of the person's products or services, conditions or terms of sale, and service capabilities; and

(ii) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use.

(d) Agreement. In accepting any contract, grant, cooperative agreement, or loan resulting from this solicitation, the person submitting the offer agrees not to make any payment prohibited by this clause.

(e) Penalties. Any person who makes an expenditure prohibited under paragraph (b) of this clause shall be subject to civil penalties as provided for by 31 U.S.C. 1352. An imposition of a civil penalty does not prevent the Government from seeking any other remedy that may be applicable.

(f) Cost Allowability. Nothing in this clause is to be interpreted to make allowable or reasonable any costs which would be unallowable or unreasonable in accordance with Part 31 of the Federal Acquisition Regulation (FAR), or OMB Circulars dealing with cost allowability for recipients of assistance agreements. Conversely, costs made specifically unallowable by the requirements in this clause will not be made allowable under any of the provisions of FAR Part 31 or the relevant OMB Circulars.

16. Equal Employment Opportunity

During the performance of this contract, the Contractor agrees as follows:

- (a) The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin.
- (b) The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to (1) employment; (2) upgrading; (3) demotion; (4) transfer; (5) recruitment or recruitment advertising; (6) layoff or termination; (7) rates of pay or other forms of compensation; and (8) selection for training, including apprenticeship.
- (c) The Contractor shall post in conspicuous places available to employees and applicants for employment the notices to be provided by the Contracting Officer that explain this clause.
- (d) The Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
- (e) The Contractor shall send, to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, the notice to be provided by the Contracting Officer advising the labor union or workers' representative of the Contractor's commitments under this clause, and post copies of the notice in conspicuous places available to employees and applicants for employment.
- (f) The Contractor shall comply with Executive Order 11246, as amended, and the rules, regulations, and orders of the Secretary of Labor.
- (g) The Contractor shall furnish all information and reports required by Executive Order 11246, as amended and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto. The Contractor shall permit access to its books, records, and accounts by the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- (h) In the event of a determination that the Contractor is not in compliance with this clause or any rule, regulation, or order of the Secretary of Labor, this contract may be canceled, terminated, or suspended in whole or in part, and the Contractor may be declared ineligible for further Government contracts, or federally assisted construction contracts under the procedures authorized in Executive Order 11246, as amended. In addition, sanctions may be imposed and remedies invoked against the Contractor as provided in Executive Order 11246, as amended, the rules, regulations, and orders of the Secretary of Labor, or as otherwise provided by law.
- (i) The Contractor shall include the terms and conditions of this clause in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued under Executive Order 11246, as amended, so that these terms and conditions will be binding upon each subcontractor or vendor. The Contractor shall take such action with respect to any subcontractor or purchase order as the Secretary of Housing and Urban Development or the Secretary of Labor may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided that if the

Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

17. Dissemination or Disclosure of Information

No information or material shall be disseminated or disclosed to the general public, the news media, or any person or organization without prior express written approval by the HA.

18. Contractor's Status

It is understood that the Contractor is an independent contractor and is not to be considered an employee of the HA, or assume any right, privilege or duties of an employee, and shall save harmless the HA and its employees from claims suits, actions and costs of every description resulting from the Contractor's activities on behalf of the HA in connection with this Agreement.

19. Other Contractors

HA may undertake or award other contracts for additional work at or near the site(s) of the work under this contract. The contractor shall fully cooperate with the other contractors and with HA and HUD employees and shall carefully adapt scheduling and performing the work under this contract to accommodate the additional work, heeding any direction that may be provided by the Contracting Officer. The contractor shall not commit or permit any act that will interfere with the performance of work by any other contractor or HA employee.

20. Liens

The Contractor is prohibited from placing a lien on HA's property. This prohibition shall apply to all subcontractors.

21. Training and Employment Opportunities for Residents in the Project Area (Section 3, HUD Act of 1968; 24 CFR 135)

- (a) The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- (b) The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.
- (c) The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of

apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

- (d) The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.
- (e) The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 135.
- (f) Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

22. Procurement of Recovered Materials

- (a) In accordance with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, the Contractor shall procure items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition. The Contractor shall procure items designated in the EPA guidelines that contain the highest percentage of recovered materials practicable unless the Contractor determines that such items: (1) are not reasonably available in a reasonable period of time; (2) fail to meet reasonable performance standards, which shall be determined on the basis of the guidelines of the National Institute of Standards and Technology, if applicable to the item; or (3) are only available at an unreasonable price.
- (b) Paragraph (a) of this clause shall apply to items purchased under this contract where: (1) the Contractor purchases in excess of \$10,000 of the item under this contract; or (2) during the preceding Federal fiscal year, the Contractor: (i) purchased any amount of the items for use under a contract that was funded with Federal appropriations and was with a Federal agency or a State agency or agency of a political subdivision of a State; and (ii) purchased a total of in excess of \$10,000 of the item both under and outside that contract.

Exhibit C
Additional General Provisions

Document on Following Page

ADDITIONAL GENERAL PROVISIONS

1. **DEFINITIONS:** The following terms shall be given the meaning shown, unless context requires otherwise, or a unique meaning is otherwise specified.
 - a. **Business Entity** means any individual, business, partnership, joint venture, corporation, S-corporation, limited liability corporation, limited liability partnership, sole proprietorship, joint stock company, consortium, or other private legal entity recognized by statute.
 - b. **Contractor** means the Business Entity with whom the Housing Authority of the County of San Bernardino enters into this Agreement. Contractor shall be synonymous with "supplier", "vendor" or other similar term.
 - c. **Firm Price** means the Agreement requires the delivery of products or services at a specific price, fixed at the time of the Agreement and not subject to any adjustment on the basis of Contractor's cost experience in performing under the terms of the Agreement.
 - d. **HACSB** means the Housing Authority of the County of San Bernardino, its employees and authorized representatives, including without limitation any department, agency, or other unit of HACSB.
 - e. **Non-routine maintenance** means duties or tasks that ordinarily would be performed on a regular basis in the course of upkeep of property, but have become substantial in scope because they have been put off, and involve expenditures that would otherwise materially distort the level trend of maintenance expenses. Replacement of equipment and materials rendered unsatisfactory because of normal wear and tear by items of substantially the same kind does qualify, but reconstruction, substantial improvement in the quality or kind of original equipment and materials, or remodeling that alters the nature or type of housing units does not qualify.
2. **COMPLIANCE WITH STATUTES AND REGULATIONS:** Contractor will comply with all applicable statutes, rules, regulations and orders of the United States, the State of California and HACSB.
3. **CONTRACTOR'S POWER AND AUTHORITY:** Contractor warrants that it has full power and authority to enter into and perform its obligations under this Agreement. Further, Contractor agrees that it will not enter into any arrangement with any third party which might abridge any rights of HACSB under this Agreement.
4. **TRANSPORTATION COSTS AND OTHER FEES OR EXPENSES:** No charge for delivery, express, parcel post, packing, cartage, insurance, license fees, permits, cost of bonds, or for any other purpose will be paid by HACSB unless expressly included and itemized in the Agreement.
 - a. Contractor must strictly follow Agreement requirements regarding Free on Board (F.O.B.), freight terms and routing instructions. HACSB may permit use of an alternate carrier at no additional cost to HACSB with advance written authorization of HACSB.
 - b. If "prepay and add" is selected, supporting freight bills are required when over \$50, unless an exact freight charge is approved by HACSB and a waiver is granted in writing and in advance of shipping.
 - c. On "F.O.B. Shipping Point" transactions, should any shipments under the Agreement be received by HACSB in a damaged condition and any related freight loss and damage claims filed against the carrier or carriers be wholly or partially declined by the carrier or carriers with the inference that damage was the result of the act of the shipper such as inadequate packaging or loading or some inherent defect in the equipment and/or material, contractor, on request of HACSB, shall at Contractor's own expense assist HACSB in establishing carrier liability by supplying evidence that the equipment and/or material was properly constructed, manufactured, packaged, and secured to withstand normal transportation conditions.
5. **DELIVERY:** Contractor shall strictly adhere to the delivery and completion schedules specified in the Agreement. Time, if stated as a number of days, shall mean calendar days unless otherwise specified. The quantities specified herein are the only quantities required. If Contractor delivers in excess of the quantities specified herein, HACSB shall not be required to make any payment for the excess goods, and may return them to Contractor, at Contractor's expense, or utilize any other rights available to HACSB at law or in equity.
6. **SUBSTITUTIONS:** Substitution of goods may not be tendered, without advance written consent of HACSB. Contractor shall not use any specification in lieu of those contained in the Agreement, without written consent of HACSB.

7. INSPECTION, ACCEPTANCE AND REJECTION:

- a. Contractor and its subcontractors will provide and maintain a quality assurance system acceptable to HACSB covering goods and services under this Agreement and will tender to HACSB only those goods that have been inspected and found to conform to the requirements of this Agreement. Contractor will keep records evidencing inspections and their result and will make these records available to HACSB during performance of the Work and for three years after final payment. Contractor shall permit HACSB to review procedures, practices, processes and related documents to determine the acceptability of Contractor's quality assurance system or other business practices related to performance of the Work.
- b. All goods may be subject to inspection and test by HACSB or its authorized representatives.
- c. Contractor and its subcontractors shall provide all reasonable facilities for the safety and convenience of inspectors at no additional cost to HACSB. Contractor shall furnish to inspectors all information and data as may be reasonably required to perform their inspection.
- d. All goods to be delivered hereunder may be subject to final inspection, test and acceptance by HACSB at destination, notwithstanding any payment or inspection at source.
- e. HACSB shall give written notice of rejection of goods delivered or services performed hereunder within a reasonable time after receipt of such goods or performance of such services. Such notice of rejection will state the respects in which the goods do not substantially conform to their specifications. If HACSB does not provide such notice of rejection within thirty (30) days, unless otherwise specified in the Statement of Work, of delivery, such goods and services will be deemed to have been accepted. Acceptance by HACSB will be final and irreversible, except as it relates to latent defects, fraud, and gross mistakes amounting to fraud. Acceptance shall not be construed to waive any warranty rights that HACSB might have at law or by express reservation in this Agreement with respect to any nonconformity.

8. SAMPLES:

- a. Samples of items may be required by HACSB for inspection and specification testing and must be furnished free of expense to HACSB. The samples furnished must be identical in all respects to the products bid and/or specified in the Agreement.
- b. Samples, if not destroyed by tests, may, upon request made at the time the sample is furnished, be returned at Contractor's expense.

9. SAFETY AND ACCIDENT PREVENTION: In performing the Work under this Agreement on HACSB premises, Contractor shall conform to any specific safety requirements contained in the Agreement or as required by law or regulation. Contractor shall take any additional precautions as HACSB may reasonably require for safety and accident prevention purposes. Any violation of such rules and requirements, unless promptly corrected, shall be grounds for termination of this Agreement in accordance with the default provisions hereof.

10. ACCIDENT PREVENTION: Precaution shall be exercised at all times for the protection of persons (including employees) and property. The safety provisions of applicable laws, building and construction codes shall be observed. Machinery, equipment, and other hazards shall be guarded or eliminated in accordance with the safety provisions issued by the Industrial Accident Commission of the State of California.

11. INSURANCE: Contractor shall not commence Work under this Agreement until all insurance required under this paragraph has been obtained and such insurance has been approved by HACSB, nor shall Contractor allow any subcontractor to commence work on a subcontract until all similar insurance required of the subcontractor has been so obtained and approved. Contractor shall furnish HACSB with satisfactory proof of the carriage of insurance required, and there shall be a specific contractual liability endorsement extending Contractor's coverage to include the contractual liability assumed by Contractor pursuant to this Agreement. Contractor shall provide thirty (30) days' notice in writing to HACSB of any cancellation of the policy. All insurance required hereunder shall be issued by a California admitted insurance carrier.

The insurance required to be carried by Contractor hereunder shall include:

- a. Compensation Insurance and Employer's Liability Insurance. Contractor shall take out and maintain during the entire term of this Agreement, Workers' Compensation Insurance and Employer's Liability Insurance for all of employees employed at the site of the project and, in case any work is sublet, Contractor shall require the subcontractor similarly to provide Workers' Compensation Insurance and Employer's Liability Insurance for all of the latter's employees unless such employees are covered by the protection afforded by Contractor.

In signing this Agreement, Contractor makes the following certification, required by Section 1861 of the Labor Code:

"I am aware of the provision of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract."

- b. Commercial General Liability Insurance. Contractor, at its own cost and expense, shall maintain Commercial General Liability insurance for the entire term of this Agreement in the amount of One Million and No/100 Dollars (\$1,000,000.00) per occurrence. Such coverage shall include, but shall not be limited to, protection against claims arising from, and damage to property resulting from, activities contemplated under this Agreement. Such insurance shall be with insurers and under forms of policies satisfactory in all respects to HACSB and shall provide that notice must be given to HACSB at least thirty (30) days prior to cancellation or material change.

Policy shall cover on an "occurrence" basis.

HACSB is to be included as an additional insured on any contracts of insurance under this paragraph b. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code. The policies of insurance shall be considered primary insurance before any policies of insurance maintained by HACSB. HACSB shall be included as an additional insured with respect to such general liability insurance policy.

- c. Automobile Liability. Contractor, at its own cost and expense, shall maintain automobile insurance for the period covered by the Contract in the amount of One Million and No/100 Dollars (\$1,000,000.00) combined single limit coverage. Contractor shall be included as an additional insured with respect to such automobile liability insurance policy.
- d. Errors and Omissions Liability: \$1,000,000; combined single limit bodily and property damage liability per claims made and \$3,000,000 aggregate OR;
- e. Professional Liability: \$1,000,000; per claims made and aggregate.
- f. Worker's Compensation. A state approved Workers Compensation and Employers Liability Insurance policy providing benefits as required by law with employer's liability limits no less than One Million and No/100 Dollars (\$1,000,000) per accident or disease, which covers all employees of the Contractor and each and every contractor.

- 12. **FORCE MAJEURE:** Contractor shall be excused for performing the Work hereunder in the event that Contractor is unable to perform the Work for one of the following reasons:

- a. Acts of God or of the public enemy, and
- b. Acts of the federal, state or local government in either its sovereign or contractual capacity.

Such delay shall be for the period of time that Contractor is delayed from performing the Work as a direct result of one of the foregoing reasons. Contractor shall provide HACSB notice within three (3) days of any such force majeure event.

- 13. **CONTRACTOR'S LIABILITY FOR INJURY TO PERSONS OR DAMAGE TO PROPERTY:**

- a. Contractor shall be liable for damages arising out of injury to the person and/or damage to the property of HACSB, employees of HACSB, persons designated by HACSB for training, or any other person(s) other than agents or employees of Contractor, designated by HACSB for any purpose, prior to, during, or subsequent to delivery, installation, acceptance, and use of the goods either at Contractor's site or at HACSB's place of business, provided that the injury or damage was caused by the fault or negligence of Contractor.
- b. Contractor shall not be liable for damages arising out of or caused by an alteration or an attachment not made or installed by Contractor, or for damage to alterations or attachments that may result from the normal operation and maintenance of the goods provided by Contractor during the Agreement.

- 14. **INVOICES:** Unless otherwise specified, invoices shall be sent to the address set forth herein. Invoices shall be submitted in triplicate and shall include the contract number; release order number (if applicable); item

number; unit price, extended item price and invoice total amount. The State of California and other sales tax and/or use tax shall be itemized separately and added to each invoice as applicable.

15. **REQUIRED PAYMENT DATE:** Payment will be made in accordance with the provisions of the Agreement for work completed through the date of invoice. HACSB will pay properly submitted, undisputed invoices not more than thirty (30) days after (i) the date of acceptance of goods or performance of services; or (ii) receipt of an undisputed invoice, whichever is later.
16. **TAXES:** HACSB will only pay for any state or local sales or use taxes on the services rendered or goods supplied to HACSB pursuant to this Agreement.
17. **NEWLY MANUFACTURED GOODS:** All goods furnished under this contract shall be newly manufactured goods; used or reconditioned goods are prohibited, unless otherwise specified.
18. **NEWS RELEASES:** Unless otherwise exempted, news releases pertaining to this Agreement shall not be made without prior written approval of HACSB.
19. **PATENT, COPYRIGHT and TRADE SECRET INDEMNITY:**
 - a. Contractor shall hold HACSB, its officers, agents and employees, harmless from liability of any nature or kind, including costs and expenses, for infringement or use of any copyrighted or uncopyrighted composition, secret process, patented or unpatented invention, article or appliance furnished or used in connection with the Agreement.
 - b. Contractor may be required to furnish a bond to HACSB against any and all loss, damage, costs, expenses, claims and liability for patent, copyright and trade secret infringement.
 - c. Contractor, at its own expense, shall defend any action brought against HACSB to the extent that such action is based upon a claim that the goods or software supplied by Contractor or the operation of such goods pursuant to a current version of Contractor supplied operating software infringes a United States patent or copyright or violates a trade secret. Contractor shall pay those costs and damages finally awarded against HACSB in any such action. Such defense and payment shall be conditioned on the following:
 - i. That Contractor shall be notified within a reasonable time in writing by HACSB of any notice of such claim; and,
 - ii. That Contractor shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise, provided, however, that when principles of government or public law are involved, HACSB shall have the option to participate in such action at its own expense.
 - d. Should the goods or software, or the operation thereof, become, or in Contractor's opinion are likely to become, the subject of a claim of infringement of a United States patent or copyright or a trade secret, HACSB shall permit Contractor at its option and expense either to procure for HACSB the right to continue using the goods or software, or to replace or modify the same so that they become non-infringing. If none of these options can reasonably be taken, or if the use of such goods or software by HACSB shall be prevented by injunction, Contractor agrees to take back such goods or software and make every reasonable effort to assist HACSB in procuring substitute goods or software. If, in the sole opinion of HACSB, the return of such infringing goods or software makes the retention of other goods or software acquired from Contractor under this Agreement impractical, HACSB shall then have the option of terminating such Agreement, or applicable portions thereof, without penalty or termination charge. Contractor agrees to take back such goods or software and refund any sums HACSB has paid Contractor.
 - e. Contractor shall have no liability to HACSB under any provision of this clause with respect to any claim of patent, copyright or trade secret infringement which is based upon:
 - i. The combination or utilization of goods furnished hereunder with equipment or devices not made or furnished by Contractor; or,
 - ii. The operation of equipment furnished by Contractor under the control of any operating software other than, or in addition to, the current version of Contractor-supplied operating software; or
 - iii. The modification by HACSB of the equipment furnished hereunder or of the software; or
 - iv. The combination or utilization of software furnished hereunder with non-Contractor supplied software.

- f. Contractor certifies that it has appropriate systems and controls in place to ensure that HACSB funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.
- g. The foregoing states the entire liability of Contractor to HACSB with respect to infringement of patents, copyrights or trade secrets.

20. STOP WORK:

- a. HACSB may, at any time, by written Stop Work order ("Stop Work Order") to Contractor, require Contractor to stop all, or any part, of the Work called for by this Agreement for a period up to ninety (90) days after the Stop Work Order is delivered to Contractor, and for any further period to which the parties may agree. The Stop Work Order shall be specifically identified as such and shall indicate it is issued under this clause. Upon receipt of the Stop Work Order, Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the Stop Work Order during the period of work stoppage. Within a period of ninety (90) days after a Stop Work Order is delivered to Contractor, or within any extension of that period to which the parties shall have agreed, HACSB shall either:
 - i. Cancel the Stop Work Order; or
 - ii. Terminate the Work covered by the Stop Work Order as provided for in the termination for default or the voluntary termination provision of this Agreement.
 - iii. If a Stop Work Order issued under this clause is canceled or the period of the Stop Work Order or any extension thereof expires, Contractor shall resume work. HACSB shall make an equitable adjustment in the delivery schedule, the price, or both, and the Agreement shall be modified, in writing, accordingly, if:
 - 1. The Stop Work Order results in an increase in the time required for, or in Contractor's cost properly allocable to the performance of any part of this Agreement; and
 - 2. Contractor asserts its right to an equitable adjustment within thirty (30) days after the end of the period of work stoppage; provided that if HACSB decides the facts justify the action, HACSB may receive and act upon a proposal submitted at any time before final payment under this Agreement.
- b. If a Stop Work Order is not canceled and the Work covered by the Stop Work Order is terminated in accordance with the provision entitled Voluntary Termination, HACSB shall allow reasonable costs resulting from the Stop Work Order in arriving at the termination settlement.
- c. HACSB shall not be liable to Contractor for loss of profits because of a Stop Work Order issued under this clause.

21. COVENANT AGAINST GRATUITIES: Contractor warrants that it complies with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR Part 3), and that no gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by Contractor, or any agent or representative of Contractor, to any officer or employee of HACSB with a view toward securing the Agreement or securing favorable treatment with respect to any determinations concerning the performance of the Agreement. For breach or violation of this warranty, HACSB shall have the right to terminate the Agreement, either in whole or in part, and any loss or damage sustained by HACSB in procuring on the open market any items which Contractor agreed to supply shall be borne and paid for by Contractor. The rights and remedies of HACSB provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or in equity.

22. COMPLIANCE WITH DAVIS-BACON ACT: For construction agreements in excess of \$2,000, Contractor certifies that it complies with the Davis-Bacon Act (40 U.S.C. 276a to 276a-7) as supplemented by Department of Labor regulations (29 CFR Part 3). Unless otherwise indicated in the Statement of Work, Contractors of HACSB are required, pursuant to 24 CFR 85.36(h)(5), to pay Davis-Bacon wage rates for all "construction contracts and related subcontracts in excess of \$2000," which means, for such jobs, the wage rates paid must be equal to or exceed the listed applicable Davis-Bacon wage rate. Compliance with this clause also means that Contractor may be subject to completing certain reports and to audits by HACSB and the Department of Housing and Urban Development. Such reports and information relating to compliance can be obtained at the Internet website: <http://www.gpo.gov/davisbacon/>. Contractor shall include the wage provisions of this clause in all subcontracts to perform work under this Agreement.

HACSB shall have the right to audit Contractor, at any time, in order to ensure compliance with the requirements of this Section. In connection therewith, Contractor agrees to maintain accurate books and

records in connection with the Work, and all payments made or received by Contractor pursuant to this Agreement, and to provide such information to HACSB, within five (5) business days of any request by HACSB. In addition, Contractor shall provide, upon two (2) business days request, information to HACSB of each and every employee retained by Contractor in connection with the Work, and shall permit HACSB to interview any such employees, contractors or subcontractors. Contractor agrees that all maintenance laborers and mechanics employed by it in connection with the performance of the Work shall be paid unconditionally and not less often than semi-monthly, and without subsequent deduction (except as otherwise provided by law or regulations), the full amount of wages due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Housing and Urban Development. Such laborers and mechanics shall be paid the appropriate wage rate on the wage determination for the classification of work actually performed, without regard to skill. Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein; provided, that Contractor's payroll records accurately set forth the time spent in each classification in which the work is performed. The wage determination, including any additional classifications and wage rates approved by HUD shall be posted at all times by Contractor and its subcontractors at the site of the Work in a prominent and accessible place where it can be easily seen by the workers.

23. **CALIFORNIA PREVAILING WAGE (IF AGREEMENT PRICE IS LESS THAN \$2,000):** In the event the Agreement Price is less than \$2,000, Contractor agrees to comply with all prevailing rate requirements of the California Labor Code. HACSB shall have the right to audit and inspect Contractor's books and records, and interview Contractor's employees, contractors and subcontractors, all according to the same provisions set forth in Section 26 above.
24. **EQUAL EMPLOYMENT OPPORTUNITY:** For all construction agreements in excess of \$10,000, Contractor certifies its compliance with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR Chapter 60).
25. **NONDISCRIMINATION CLAUSE:**
 - a. During the performance of this Agreement, Contractor and its subcontractors shall not unlawfully discriminate, harass or allow harassment, against any employee or applicant for employment because of sex, sexual orientation, race, color, ancestry, religious creed, national origin, disability (including HIV and AIDS), medical condition (cancer), age, marital status, and denial of family care leave. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12990 et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
 - b. Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.
26. **NATIONAL LABOR RELATIONS BOARD CERTIFICATION:** Contractor swears under penalty of perjury that no more than one final, unappealable finding of contempt of court by a federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of the National Labor Relations Board. This provision is required by, and shall be construed in accordance with, Public Contract Code Section 10296.
27. **DRUG-FREE WORKPLACE CERTIFICATION:** Contractor certifies under penalty of perjury under the laws of the State of California that Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350 et seq.) and will provide a drug-free workplace by taking the following actions:
 - a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355(a).

- b. Establish a Drug-Free Awareness Program as required by Government Code Section 8355(b) to inform employees about all of the following:
 - i. the dangers of drug abuse in the workplace;
 - ii. the person's or organization's policy of maintaining a drug-free workplace;
 - iii. any available counseling, rehabilitation and employee assistance programs; and,
 - iv. penalties that may be imposed upon employees for drug abuse violations.
 - c. Provide, as required by Government Code Section 8355(c), that every employee who works on the proposed or resulting agreement:
 - i. will receive a copy of the company's drug-free policy statement; and,
 - ii. will agree to abide by the terms of the company's statement as a condition of employment on the agreement.
- 28. **RECYCLING:** Contractor shall certify in writing under penalty of perjury, compliance with Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to HACSB regardless of whether the product meets the requirements of Section 12209.
- 29. **COMPLIANCE WITH CONTRACT WORK HOURS AND SAFETY STANDARDS ACT:** For agreements in excess of \$2,000, and in excess of \$2500 for other agreements which involve the employment of mechanics or laborers, Contractor certifies that it complies with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR Part 5).
- 30. **CHILD SUPPORT COMPLIANCE ACT:** For any contract in excess of \$100,000, Contractor acknowledges in accordance with Public Contract Code Section 7110, that:
 - a. Contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable State of California and Federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with Section 5200) of Part 5 of Division 9 of the Family Code; and
 - b. Contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
- 31. **ELECTRONIC WASTE RECYCLING ACT OF 2003:** Contractor certifies that it complies with the requirements of the Electronic Waste Recycling Act of 2003, Chapter 8.5, Part 3 of Division 30, commencing with Section 42460 of the Public Resources Code, relating to hazardous and solid waste. Contractor shall maintain documentation and provide reasonable access to its records and documents that evidence compliance.
- 32. **ENVIRONMENTAL REGULATIONS:** For agreements in excess of \$100,000, Contractor certifies that it complies with the requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (3 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 C.F.R. part 15).
- 33. **USE TAX COLLECTION:** In accordance with PCC Section 10295.1, Contractor certifies that it complies with the requirements of Section 7101 of the Revenue and Taxation Code. Contractor further certifies that it will immediately advise HACSB of any change in its retailer's seller's permit or certification of registration or applicable affiliate's seller's permit or certificate of registration as described in subdivision (a) of PCC Section 10295.1.
- 34. **DOMESTIC PARTNERS:** For agreements over \$100,000 executed or amended after January 1, 2007, Contractor certifies that Contractor is in compliance with Public Contract Code Section 10295.3.

Exhibit D

Work Authorization

Schedule Dates:

Start Date: August 12, 2020

Completion Date: August 11, 2023

Total Contract Cost: **\$291,790.00 for the three base contract years per Fee Schedule Located in Exhibit A.**

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Schedule Requirements – Statement of Work (“Exhibit A”)

Engagement Letters - (“Exhibit A-1”)

General Conditions for Non-construction work - HUD Form 5370C (“Exhibit B”)

Additional General Provisions - (“Exhibit C”)

Work Authorization - (“Exhibit D”)

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

August 11, 2020

FROM

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

SUBJECT

Memorandum of Understanding with County of San Bernardino Department of Behavioral Health for the Mainstream Voucher Program

RECOMMENDATION(S)

1. Approve Memorandum of Understanding with County of San Bernardino Department of Behavioral Health for referral and supportive services for the Mainstream Voucher Program for three years effective September 1, 2020 through August 31, 2023.
2. Authorize and direct the Executive Director to execute and deliver Memorandum of Understanding to County of San Bernardino Department of Behavioral Health, 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 Memorandum of Understanding (MOU) with the County of San Bernardino Department of Behavioral Health (DBH) is non-financial and as such does not have financial impact on the Housing Authority of the County of San Bernardino (HACSB).

BACKGROUND INFORMATION

The Mainstream Voucher Program (Program), administered by HACSB, provides housing subsidies with supportive services to 117 individuals and families with a household member who is a non-elderly person with disabilities and who is a resident of San Bernardino County. HACSB received an award of 77 Mainstream Vouchers under the Fiscal Year 2019 Mainstream Voucher Program Notice of Funding Availability (NOFA) and received an additional 40 Mainstream Vouchers under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) from the United States Department of Housing and Urban Development. The Program also provides a limited waiting list preference for individuals and families who are transitioning out of institutional and other segregated settings, at serious risk of institutionalization, currently experiencing homelessness, previously experienced homelessness and currently a client in a permanent supportive housing or rapid rehousing project, and at risk of experiencing homelessness.

The NOFA required applicants to provide evidence of partnerships with service agencies to help ensure voucher utilization and the provision of voluntary supportive services to Program participants. Five organizations, including DBH, provided Letters of Intent in support of HACSB's Mainstream application. Approval of this MOU will formalize the partnership with DBH and define

their respective roles in both providing housing subsidies and community-based services to Program participants in order to achieve and maintain an enriched quality of life.

DBH has pledged to refer individuals and families when HACSB's Housing Choice Voucher waiting list is open. DBH will also provide case management services to Program participants with psychiatric or substance use disorders, and collect and report data concerning the provision of services. DBH and HACSB will review, monitor and evaluate program outcomes at least quarterly to ensure adherence to requirements of the MOU and Program.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by Legal Counsel (Julie J. Surber, Principal Assistant County Counsel, 387-5455) on July 8, 2020.

MEMORANDUM OF UNDERSTANDING
Between
HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO
and
COUNTY OF SAN BERNARDINO DEPARTMENT OF BEHAVIORAL HEALTH
for
MAINSTREAM VOUCHER PROGRAM

SEPTEMBER 1, 2020 – AUGUST 31, 2023

WHEREAS, the County of San Bernardino Department of Behavioral Health, hereafter referred to as DBH, provides mental health services to consumers and their families in San Bernardino County; and

WHEREAS, the Housing Authority of the County of San Bernardino, hereafter referred to as HACSB, provides housing subsidies to individuals and families with a household member who is a non-elderly person with disabilities through the Mainstream Voucher Program; and

WHEREAS, DBH supported HACSB's Mainstream Voucher Program grant application by providing a Letter of Intent submitted with HACSB's grant application to provide certain community-based services to support Mainstream Voucher Program participants; and

WHEREAS, HACSB and DBH desire an agreement for the purpose of defining their respective roles in both providing housing subsidies and community-based services to Mainstream Voucher Program participants in order to achieve and maintain an enriched quality of life;

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

TABLE OF CONTENTS

I.	PURPOSE	3
II.	DEFINITIONS	3
III.	HACSB SERVICE RESPONSIBILITIES	5
IV.	HACSB GENERAL RESPONSIBILITIES	6
V.	DBH SERVICE RESPONSIBILITIES	6
VI.	DBH GENERAL RESPONSIBILITIES	7
VII.	MUTUAL RESPONSIBILITIES	7
VIII.	FISCAL PROVISIONS	8
IX.	RIGHT TO MONITOR AND AUDIT	8
X.	TERM	9
XI.	EARLY TERMINATION	9
XII.	INDEMNIFICATION	9
XIII.	GENERAL PROVISIONS	9
XIV.	CONCLUSION	10

ATTACHMENT A – BUSINESS ASSOCIATE AGREEMENT

I. PURPOSE

The Mainstream Voucher Program (Program), administered by the HACSB, provides housing subsidies with supportive services to individuals and families with a household member who is a non-elderly person with disabilities and who is a resident of San Bernardino County. HACSB provides administration for housing assistance services. Housing subsidies for approximately one hundred and seventeen (117) Mainstream Vouchers are available. HACSB will work with DBH and other service providers to identify eligible individuals and families and provide needed services. DBH will refer eligible households to be assisted with housing subsidies and assist with the application process when the HACSB waiting list is open. HACSB will administer the housing subsidies and corresponding family obligation requirements. DBH will provide supportive services, such as mental health services and substance abuse treatment, to the Target Population that is a subset of the individuals and families eligible to participate in the Program.

The Program is a federal program funded by the Department of Housing and Urban Development (HUD) and HACSB is the grantee for Mainstream Vouchers. As such it is HACSB's responsibility to determine if the household meets the federal guidelines for Program eligibility.

II. DEFINITIONS

- A. Administrative Plan – Policy manual that details rules and policies that govern the subsidized programs under the HACSB.
- B. Authorization for Release of Protected Health Information – A Health Insurance Portability and Accountability Act 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.
- C. Department of Behavioral Health (DBH) – DBH is responsible for providing specialty mental health services and/or substance use disorder services to County residents who are experiencing mental illness and/or substance use disorders. DBH provides treatment services and education for communities and residents of the County of San Bernardino through contracts with community based organizations and County operated clinics with the goal of promoting prevention, intervention, recovery, and resiliency for individuals and families.
- D. Family – Is used interchangeably with "applicant", "participant" or "client."
- E. 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 DBH, or contained in the Landlord/tenant Lease.
- F. Health Insurance Portability and Accountability Act (HIPAA) – A federal law designed to improve portability and continuity of health insurance coverage in the group and individual markets, to combat waste, fraud, and abuse in health insurance and health care delivery, to promote the use of medical savings accounts, to improve access to long-term care services and coverage, to simplify the administration of health insurance, and for other purposes.

- G. 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 HACSB and is also conducted on annual basis to ensure ongoing compliance of the subsidized rental unit.
- H. 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.
- I. Lease - The private market rental lease that outlines the rights and responsibilities of both the tenant and the Landlord during the lease term.
- J. Mental Health Service Activities - Mental health services are interventions designed to provide the maximum reduction of mental disability and restoration or maintenance of functioning consistent with the requirements for learning, development, independent living and enhanced self-sufficiency. Services shall be directed toward achieving the consumer's goals/desired result/personal milestones.
1. Assessment is a clinical analysis of the history and current status of the consumer's mental, emotional, or behavioral disorder. Relevant cultural issues and history may be included where appropriate. Assessment may include diagnosis and the use of testing procedures.
 2. Case Management/Brokerage services are activities provided by program staff to access and monitor medical, educational, social, prevocational, rehabilitative, or other needed community services for eligible consumers.
 3. Crisis Intervention is a rapid emergency response service enabling the consumer to cope with a crisis, while maintaining his/her status as a functioning community member to the greatest extent possible. A crisis is an unplanned event that results in the consumer's need for immediate service intervention.
 4. Medication Support Services include staff persons practicing within the scope of their professions by prescribing, administering, dispensing and/or monitoring of psychiatric medications or biologicals necessary to alleviate the symptoms of mental illness.
 5. Therapy is a service activity that may be delivered to a consumer or group of consumers, and may include family therapy (when the consumer is present). Therapeutic interventions are consistent with the consumer's goals/desired results and may focus on symptom reduction as a means to improve functional impairments.
- K. 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, County's billing and transactional database system number /medical record number, etc.).
- L. 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.

- M. Target Population – Individuals or families with a psychiatric or substance use disorder disabled household member between the ages of 18 and 62, and as of result a significant impairment in one or more areas of functioning in the following categories: health, self-care, housing, occupation, education, legal, money management, and interpersonal/social

III. HACSB SERVICE RESPONSIBILITIES

- A. Provide housing services to qualified applicants from the Target Population and to other applicants qualified to participate in the Program. Services will be provided through the HACSB offices located in San Bernardino, Upland and Victorville or at other HACSB sites as needed.
- B. Maintain releases of information signed by each participant in the Program to ensure open communication between DBH and HACSB in order to support the household's access to community-based services.
- 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 Administrative Plan and HUD determined guidelines governing the Program. Ensure families understand the obligations of the voucher.
 2. Orientation Briefings, Issuance of Family Obligations Agreement/ Voucher: Notify the applicant of acceptance into the Program and conduct orientation meetings to provide instructions to applicants on policies, the Family Obligations Agreement/Voucher, and to outline applicant's rental responsibilities.
 3. Initial and Regular Housing Inspections: Inspect the rental property to assure that housing is decent, safe, and sanitary and in compliance with HUD's Housing Quality Standards
 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 HACSB and 30% of the participant's monthly income or other amount as provided in the HACSB's Administrative Plan. Generate monthly payments 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 case conference meetings with DBH to discuss identification of barriers to housing navigation and retention, mutual problem solving, and future planning.
- E. Share the Program results in a quarterly report that details the number of vouchers issued, units leased/families housed, type of service coordination provided and overall utilization rate.

IV. HACSB GENERAL RESPONSIBILITIES

- A. HACSB shall protect from unauthorized use or disclosure names and other identifying information concerning persons receiving services pursuant to this MOU, except for statistical information not identifying any participant. HACSB shall not use or disclose any identifying information for any other purpose other than carrying out HACSB obligations under this MOU, except as may be otherwise required by law. This provision will remain in force even after the termination of the MOU.
- B. HACSB shall comply with the terms and conditions as set forth in the attached Business Associate Agreement, hereby incorporated by this reference as Attachment A.

V. DBH SERVICE RESPONSIBILITIES

- A. Refer Target Population to HACSB when the Program waiting list is open.
- B. Assist persons with disabilities to apply to and obtain acceptance into the Mainstream Program.
- C. DBH and/or contracted vendor staff will provide voluntary intensive case management and mental health services for Medi-Cal or Medi-Cal eligible individuals with a chronic behavioral health condition who qualify for Mainstream Voucher programs.
- D. Based on the need, DBH will provide behavioral health and case management services to assist in identifying and removing barriers to consumers successfully becoming employed, housed or educated to the level needed to achieve self-sufficiency.
- E. Ensure consumers receive appropriate behavioral health services and other services as needed either by direct service from a County clinic/program, referral to a contracted community based organization or through linkages to other social services. Services shall include, but are not limited to:
 - 1. Mental Health Services and/or Treatment
 - 2. Substance Use Disorder Services and/or Treatment, including Services for Co-Occurring Disorders
 - 3. Crisis Stabilization
 - 4. Inpatient Psychiatric Hospitalization
 - 5. Crisis Residential Treatment
 - 6. Case Management, including linkage to all health care
 - 7. Peer Support Activities

- 8. Benefits Counseling and Advocacy
- 9. Linkages to Educational Services
- 10. Employment Services
- F. DBH will collect data in order to provide information about the services provided to Program voucher applicants and participants.
- G. Submit quarterly information to HACSB concerning services provided to applicants and participants by 10th of April, July, October and January in a form prescribed by HACSB.
- H. Cooperate with HACSB in the implementation, monitoring and evaluation of this MOU and comply with all reporting requirements established by this MOU.
- I. 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.

VI. DBH GENERAL RESPONSIBILITIES

Pursuant to HIPAA, DBH has implemented administrative, physical, and technical safeguards to protect the confidentiality, integrity, and availability of PHI transmitted or maintained in any form or medium.

VII. MUTUAL RESPONSIBILITIES

- A. DBH 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. DBH 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 DBH and HACSB's mutual chain of command, as deemed necessary.
- C. DBH and HACSB agree to develop and implement procedures, surveys and forms necessary to administer and document Program referral, participation, services, and effectiveness.
- D. DBH and HACSB agree they will collaborate in providing in-service training to staff.
- E. DBH and HACSB shall observe all federal, state, and county requirements, and applicable law concerning the confidentiality of behavioral health records. DBH and HACSB, as required by applicable law, shall strictly maintain confidentiality of behavioral health records of clients.
- F. 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 Contractor 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, Contractor agrees to report to DBH no later than one (1) business day upon the discovery of a potential breach. Contractor 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.
- G. DBH and HASCB shall not engage in any unlawful discriminatory practices on the basis of race, color, gender, gender identity, religion, marital status, national origin, age, sexual orientation, or mental or physical handicap, or disability. DBH and HASCB agree to and shall comply with the County's Equal Employment Opportunity Program, Employment Discrimination, and Civil Rights Compliance requirements.

VIII. FISCAL PROVISIONS

This is a non-financial MOU.

IX. RIGHT TO MONITOR AND AUDIT

- A. DBH and HASCB staff or any subdivision or appointee thereof, and the State of California or any subdivision or appointee thereof, including the Inspector 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 each other in the delivery of services provided under this MOU. Full cooperation shall be given to each other in any auditing or monitoring conducted.
- B. DBH and HASCB shall cooperate with each other in the implementation, monitoring, and evaluation of this MOU and comply with any and all reporting requirements as established by this MOU and HUD in administering the Program.
- C. All records pertaining to service delivery and all fiscal, statistical and management books and records shall be available for examination and audit by DBH Fiscal Services staff, HASCB Fiscal Services staff, Federal, and State representatives for a period of ten (10) years after termination of the MOU or until all pending County, State, and Federal audits are completed, whichever is later. Records which do not pertain to the services under this MOU shall not be subject to review or audit unless otherwise provided in this MOU. Technical program data shall be retained locally and made available upon DBH's reasonable advance written notice or turned over to DBH.
- D. Parties shall provide all reasonable facilities and assistance for the safety and convenience of DBH and HASCB's representative 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 DBH or HASCB.

X. TERM

This MOU is effective as of September 1, 2020 and expires August 31, 2023, but may be terminated earlier in accordance with provisions of Section IX of this MOU. This MOU may be extended for three-year periods upon written agreement of both parties, unless terminated earlier under the provisions of Section IX.

XI. 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 DBH 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.

XII. INDEMNIFICATION

- A. The HACSB agrees to indemnify, defend and hold harmless the DBH 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 DBH 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 DBH 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 DBH, including the acts, errors or omissions of the DBH and for any costs or expenses incurred by the HACSB on account of any claim resulting from the acts or negligence of the DBH or its authorized officers, employees, agents, and volunteers, except where such indemnification is prohibited by law.

XIII. 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.

XIV. CONCLUSION

- A. This MOU, consisting of ten (10) pages and attachment 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.

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.

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 Maria Razo
(Print or type name of person signing contract)

Title Executive Director
(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 _____

BUSINESS ASSOCIATE AGREEMENT

Except as otherwise provided in this Agreement, Housing Authority of the County of San Bernardino, hereinafter referred to as Business Associate, may use, access, maintain or disclose Protected Health Information to perform functions, activities or services for or on behalf of the County of San Bernardino hereinafter referred to as the Covered Entity, as specified in this Agreement and the attached **MOU**, provided such use, access, maintenance or disclosure does not violate the Health Insurance Portability and Accountability Act (HIPAA), 42 United States Code (USC) 1320d et seq., and its implementing regulations, including but not limited to, 45 Code of Federal Regulations (CFR) Parts 160, 162, and 164, hereinafter referred to as the "Privacy and Security Rules" and patient confidentiality regulations, including but not limited to, Welfare and Institutions Code (WIC) 5328, 42 CFR Part 2 and the requirements of the Health Information Technology for Economic and Clinical Health Act, as incorporated in Title XIII of the American Recovery and Reinvestment Act of 2009 (ARRA), Public Law 111-5 (HITECH) and any regulations adopted or to be adopted pursuant to HITECH that relate to the obligations of business associates. Business Associate recognizes and agrees it is obligated by law to meet the applicable provisions of HITECH.

I. Definitions

- A. "Breach" means the acquisition, access, use or disclosure of Protected Health Information (PHI) in a manner not permitted under HIPAA (45 CFR Part 164, Subpart E), WIC 5328 or 42 CFR Part 2, which compromises the security or privacy of the PHI. An impermissible use or disclosure of PHI is presumed to be a Breach unless the Covered Entity or Business Associate demonstrates that there is a low probability that the PHI has been compromised. A Breach shall not include:
1. Any unintentional acquisition, access or use of PHI by a workforce member or person acting under the authority of Covered Entity or the Business Associate, if such acquisition, access or use was made in good faith and within the scope of authority and does not result in further use or disclosure in a manner not permitted under the Privacy Rule; or
 2. Any inadvertent disclosure by a person who is authorized to access PHI at Covered Entity or Business Associate to another person authorized to access PHI at Covered Entity or Business Associate, respectively, and the information received as a result of such disclosure is not further used or disclosed in a manner not permitted under the Privacy Rule; or
 3. A disclosure of PHI where Covered Entity or Business Associate has a good faith belief that an unauthorized person to whom the disclosure was made would not reasonably have been able to retain such information.
- B. "Business Associate" means with respect to a Covered Entity, a person who:
1. On behalf of such Covered Entity, but other than in the capacity of a member of the workforce of such Covered Entity creates, receives, maintains or transmits PHI for a function or activity involving the use or disclosure of Personally Identifiable Health Information, including claims processing or administration, data analysis, data storage, utilization review, quality assurance, billing, benefit management, practice management, and repricing; or
 2. Provides, other than in the capacity of a member of the workforce of such Covered Entity, legal, actuarial, accounting, consulting, data aggregation, management, administrative, accreditation or financial services to or for Covered Entity where the provision of the service involves the disclosure of PHI from such Covered Entity to the person.
- A Covered Entity may be the Business Associate of another Covered Entity.
- C. "Covered Entity" means a health plan, a health care clearinghouse or a health care provider who transmits any health information in electronic form in connection with a transaction covered by the Privacy and Security Rules.
- D. "Data Aggregation" means, with respect to PHI created or received by a Business Associate in its capacity as the Business Associate of a Covered Entity, the combining of such PHI by the Business Associate with the PHI received by the Business Associate in its capacity as a Business

Associate of another Covered Entity, to permit data analyses that relate to the health care operations of the respective Covered Entities.

- E. "Designated Record Set" means:
1. A group of records maintained by or for a covered entity that is:
 - (a) The medical records and billing records about individuals maintained by or for a covered health care provider;
 - (b) The enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for a health plan; or
 - (c) Used, in whole or in part, by or for the covered entity to make decisions about individuals.
 2. For purposes of this paragraph, the term record means any item, collection, or grouping of information that includes protected health information and is maintained, collected, used, or disseminated by or for a covered entity.
- F. "Discovered" means a Breach shall be treated as discovered by Covered Entity or Business Associate as of the first day on which such Breach is known to such Covered Entity or Business Associate, respectively, (including any person, other than the individual committing the Breach, that is an employee, officer or other agent of such entity or associate, respectively) or should reasonably have been known to such Covered Entity or Business Associate (or person) to have occurred.
- G. "Electronic Protected Health Information" or "Electronic PHI" means PHI that is transmitted by or maintained in electronic media as defined in the Security Rule.
- H. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191.
- I. "HITECH" means the privacy and security Breach notification provisions applicable to Business Associate under Title XIII of ARRA.
- J. "Individual" means the person who is the subject of PHI, and shall include a person who qualifies as a personal representative in accordance with 45 CFR 164.502(g).
- K. "Individually Identifiable Health Information" means information that is a subset of health information, including demographic information collected from an individual, and;
1. is created or received by a health care provider, health plan, employer or health care clearinghouse; and
 2. relates to the past, present or future physical or mental health condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual; and
 - (a) that identifies the individual; or
 - (b) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.
- L. "Privacy Rule" means the regulations promulgated under HIPAA by the United States Department of Health and Human Services to protect the privacy of Protected Health Information, including, but not limited to, 45 CFR Part 160 and 45 CFR Part 164, Subpart A and Subpart E.
- M. "Protected Health Information" or "PHI" means Individually Identifiable Health Information transmitted or maintained in any form or medium that (i) is received by Business Associate from Covered Entity, (ii) Business Associate creates for its own purposes from Individually Identifiable Health Information that Business Associate received from Covered Entity, or (iii) is created, received, transmitted or maintained by Business Associate on behalf of Covered Entity. Protected Health Information excludes Individually Identifiable Health Information in education records covered by the Family Educational Rights and Privacy Act, as amended, 20 U.S.C. Section

1232(g), records described at 20 U.S.C. Section 1232g(a)(4)(B)(iv), and employment records held by the Covered Entity in its role as employer.

- N. "Security Rule" means the regulations promulgated under HIPAA by the United States Department of Health and Human Services to protect the security of the Electronic Protected Health Information, including, but not limited to, 45 CFR Part 160 and 45 CFR Part 164, Subpart A and Subpart C.
- O. "Unsecured PHI" means PHI that is not secured through the use of a technology or methodology specified by the Secretary of the U.S. Department of Health and Human Services.
- P. Any terms capitalized, but not otherwise defined, in this Agreement shall have the same meaning as those terms have under HIPAA, the Privacy Rule, the Security Rule and HITECH.

II. Obligations and Activities of Business Associate

A. Prohibited Uses and Disclosures

Business Associate shall not use, access or further disclose PHI other than as permitted or required by this Agreement and as specified in the attached **MOU** or as required by law. Further, Business Associate shall not use PHI in any manner that would constitute a violation of the Privacy Rule or HITECH, WIC 5328 or 42 CFR Part 2. Business Associate shall disclose to its employees, subcontractors, agents, or other third parties, and request from Covered Entity, only the minimum PHI necessary to perform or fulfill a specific function required or permitted hereunder.

Business Associate shall not use or disclose PHI for fundraising or marketing purposes. Business Associate shall not disclose PHI to a health plan for payment or health care operations purposes if the patient has requested this special restriction, and has paid out of pocket in full for the health care item or service to which the PHI solely relates; 42 U.S.C. Section 17935(a) and 45 C.F.R. Section 164.522(a)(1)(i)(A). Business Associate shall not directly or indirectly receive remuneration in exchange for PHI, except with the prior written consent of Covered Entity and as permitted by HITECH, 42 U.S.C. Section 17935(d)(2); and 45 C.F.R. Section 164.508 however, this prohibition shall not affect payment by Covered Entity to Business Associate for services provided pursuant to this Agreement.

B. Permitted Uses and Disclosures

1. Except as otherwise limited in this Agreement, Business Associate may use PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate. Business Associate must ensure disclosure of SUD Part 2 records/information is in alignment with 42 CFR Part 2 restrictions and requirements.
2. Except as otherwise limited in this Agreement, Business Associate may use PHI to provide Data Aggregation service to Covered Entity as permitted by 45 CFR Section 164.504(e)(2)(i)(B), WIC 5328 (25), or 42 Part 2.52 and/or 2.53.
3. Business Associate may use PHI to report violations of law to appropriate Federal and State authorities, consistent with 45 CFR Section 164.502(j)(1), WIC 5328 (7) or (18) or (20) or 42 CFR Part 2.12 (5) or (6).
4. If Business Associate discloses PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable written assurances from such third party that such PHI will be held confidential as provided pursuant to this Agreement and only disclosed as required by law or for the purposes for which it was disclosed to such third party, and (ii) a written agreement from such third party to immediately notify Business Associate of any breaches of confidentiality of the PHI, to the extent it has obtained knowledge of such breach. [42 U.S.C. section 17932; 45 C.F.R. sections 164.504(e)(2)(i), 164.504(e)(2)(i)(B), 164.504(e)(2)(ii)(A) and 164.504(e)(4)(ii)].

C. Appropriate Safeguards

Business Associate shall implement the following administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of PHI that Business Associate creates, receives, maintains or transmits on behalf of Covered Entity; and to ensure that any agent or subcontractor to whom Business Associate provides such information agrees to implement reasonable and appropriate safeguards to protect PHI in accordance with the Security Rule under 45 C.F.R., Sections 164.308, 164.310, 164.312, 164.314 and 164.316:

1. Implement policies and procedures to prevent, detect, contain and correct security violations; identify the security official who is responsible for the development and implementation of the policies and procedures required by this subpart for the Business Associate; implement a security awareness and training program for all members of its workforce; implement policies and procedures to prevent those workforce members who should not have access from obtaining access to Covered Entity's Electronic PHI; implement policy and procedures to address security incidents; establish policies and procedures for responding to an emergency or other occurrence that damages systems that contain Electronic PHI; and perform a periodic technical and nontechnical evaluation in response to environmental or operational changes affecting the security of Electronic PHI, including conducting accurate and thorough assessments of the potential risks and vulnerabilities to the confidentiality, integrity and availability of Electronic PHI, that establishes the extent to which an entity's security policies and procedures meet the requirements of this subpart. If SUD Part 2 records/information are part of Business Associate's operations, formal policies and procedures must address 1) paper records and 2) electronic records, as specified in 42 CFR Part 2.16.
2. Implement policies and procedures to limit physical access to Business Associate's electronic information systems and the facility or facilities in which they are housed, while ensuring that properly authorized access is allowed; implement policies and procedures that specify the proper functions to be performed, and the physical attributes of the surroundings of a specific workstation or class of workstations that can access Electronic PHI; implement physical safeguards for all workstations that access Electronic PHI; restrict access to authorized users; implement policies and procedures that govern the receipt and removal of hardware and electronic media that contain Electronic PHI into and out of a facility and the movement of these items within the facility.
3. Implement technical policies and procedures for electronic information systems that maintain Electronic PHI to allow access only to those persons or software programs that have been granted access rights as specified in 45 C.F.R., Section 164.308 implement hardware, software and/or procedural mechanisms that record and examine activity in information systems that contain or use Electronic PHI; implement policies and procedures to protect Electronic PHI from improper alteration, destruction, unauthorized access or loss of integrity or availability; including but not limited to, encryption of all workstations, laptops and flash drives that store PHI.
4. Enter into written agreements with agents and subcontractors to whom Business Associate provides Covered Entity's PHI that impose the same restrictions and conditions on such agents and subcontractors that apply to Business Associate with respect to such PHI, and that require compliance with all appropriate safeguards as found in this Agreement.

D. Mitigation

Business Associate shall have procedures in place to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use, access or disclosure of PHI by Business Associate, its agents or subcontractors in violation of the requirements of this Agreement.

E. Reporting of Improper Access, Use or Disclosure or Breach

Business Associate shall report to Covered Entity's Office of Compliance any unauthorized use, access or disclosure of Unsecured PHI or any other security incident with respect to PHI no

later than one (1) business day upon the discovery of a Breach or suspected Breach consistent with the regulations promulgated under HITECH by the United States Department of Health and Human Services, 45 CFR Part 164, Subpart D, as well as 42 CFR Part 2. Upon discovery of a Breach or suspected Breach, the Business Associate shall complete the following actions:

1. Provide Covered Entity's Office of Compliance with the following information to include but not limited to:
 - (a) Date the Breach or suspected Breach occurred;
 - (b) Date the Breach or suspected Breach was discovered;
 - (c) Number of staff, employees, subcontractors, agents or other third parties and the titles of each person allegedly involved;
 - (d) Number of potentially affected Patients/Clients; and
 - (e) Description of how the Breach or suspected Breach allegedly occurred.
2. Conduct and document a risk assessment by investigating without reasonable delay and in no case later than five (5) calendar days of discovery of the Breach or suspected Breach to determine the following:
 - (a) The nature and extent of the PHI involved, including the types of identifiers and likelihood of re-identification;
 - (b) The unauthorized person who used PHI or to whom it was made;
 - (c) Whether the PHI was actually acquired or viewed; and
 - (d) The extent to which the risk to PHI has been mitigated.
3. Provide a completed risk assessment and investigation documentation to Covered Entity's Office of Compliance within ten (10) calendar days of discovery of the Breach or suspected Breach with decision whether a Breach has occurred.
 - (a) If a Breach has not occurred, notification to Individual(s) is not required.
 - (b) If a Breach has occurred, notification to the Individual(s) is required and Business Associate must provide Covered Entity with affected Individual(s) name and contact information so that Covered Entity can provide notification.
4. Make available to Covered Entity and governing State and Federal agencies in a time and manner designated by Covered Entity or governing State and Federal agencies, any policies, procedures, internal practices and records relating to a Breach or suspected Breach for the purposes of audit or should the Covered Entity reserve the right to conduct its own investigation and analysis.

F. Access to Protected Health Information

Business Associate shall provide access to PHI in a Designated Record Set to Covered Entity or to an Individual, at the request or direction of Covered Entity and in the time and manner designated by the Covered Entity. If Business Associate maintains PHI in an electronic format, and an individual requests a copy of such information in electronic form, Business Associate shall provide such information in electronic form as required by 45 CFR Section 164.524 and 42 CFR Part 2.53, as applicable.

To the extent Business Associate maintains a Designated Record Set on behalf of Covered Entity, Business Associate shall make PHI maintained by Business Associate or its agents or subcontractors in Designated Record Sets available to Covered Entity for inspection and copying within ten (10) days of a request by Covered Entity to enable Covered Entity to fulfill its obligations under the Privacy Rule and 42 CFR Part 2.53. If Business Associate maintains ePHI, Business Associate shall provide such information in electronic format to enable Covered Entity to fulfill its obligations under the HITECH Act. If Business Associate receives a request from an Individual or Entity (e.g., Public Records Act request, litigation-related requests, etc.) for access to PHI, Business Associate shall immediately forward such request to Covered Entity.

G. Amendment of Protected Health Information

If Business Associate maintains a Designated Record Set on behalf of the Covered Entity, Business Associate shall make any amendment(s) to PHI in a Designated Record Set that the

Covered Entity directs or agrees to, pursuant to 45 CFR Section 164.526, in the time and manner designated by the Covered Entity.

H. Access to Records

Business Associate shall make internal practices, books, and records, including policies and procedures and PHI, relating to the use, access and disclosure of PHI received from, or created or received by Business Associate on behalf of, Covered Entity available to the Secretary of the U.S. Department of Health and Human Services, in a time and manner designated by the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy and Security Rules and patient confidentiality regulations. Anything provided to the Secretary shall also be provided to the Covered Entity upon Covered Entity's request.

I. Destruction of Protected Health Information

Upon termination of this Agreement, Business Associate shall return all PHI required to be retained by the Business Associate or its subcontractors, employees or agents on behalf of the Covered Entity. In the event the Business Associate determines that returning the PHI is not feasible, the Business Associate shall provide the Covered Entity with written notification of the conditions that make return not feasible. Additionally, the Business Associate must follow established policies and procedures to ensure PHI is safeguarded and disposed of adequately in accordance with 45 C.F.R. section 164.310, and must submit to the Covered Entity a certification of destruction of PHI. For destruction of ePHI, the National Institute of Standards and Technology (NIST) guidelines must be followed, as well as 42 CFR Part 2.16 (a)(2)(ii) if applicable. Business Associate further agrees to extend any and all protections, limitations, and restrictions contained in this Agreement, to any PHI retained by Business Associate or its subcontractors, employees or agents after the termination of this Agreement, and to limit any further use, access or disclosures.

J. Breach Pattern or Practice by Covered Entity

Pursuant to 42 U.S.C. Section 17934(b), if the Business Associate knows of a pattern of activity or practice of the Covered Entity that constitutes a material Breach or violation of the Covered Entity's obligations under this Agreement, the Business Associate must take reasonable steps to cure the Breach or end the violation. If the steps are unsuccessful, the Business Associate must terminate the Agreement if feasible, or if termination is not feasible, report the problem to the Secretary of DHHS.

K. Costs Associated to Breach

Business Associate shall be responsible for reasonable costs associated with a Breach. Costs shall be based upon the required notification type as deemed appropriate and necessary by the Covered Entity and shall not be reimbursable under the Agreement at any time. Covered Entity shall determine the method to invoice the Business Associate for said costs. Costs shall incur at the current rates and may include, but are not limited to the following:

1. Postage;
2. Alternative means of notice;
3. Media notification; and
4. Credit monitoring services.

L. Direct Liability

Business Associate may be held directly liable under HIPAA for impermissible uses and disclosures of PHI; failure to provide breach notification to Covered Entity; failure to provide access to a copy of Electronic PHI to covered entity or individual; failure to disclose PHI to the Secretary of the U.S. Department of Health and Human Services when investigating Business Associate's compliance with HIPAA; failure to provide an accounting of disclosures and failure to enter into a business associate agreement with subcontractors.

M. Termination for Cause

Covered Entity may, upon written notice to Business Associate, immediately terminate this agreement, and any related agreements, if Covered Entity determines that Business Associate has breached a material term of this agreement. Covered Entity may, upon written notice to Business Associate, allow Business Associate five (5) business days to cure such breach.

N. Judicial or Administrative Proceedings

Covered Entity may terminate the MOU, effective immediately, if (i) Business Associate is named as a defendant in a criminal proceeding for a violation of HIPAA, the HITECH Act, the Privacy Rule, Security Rule or other security or privacy laws or (ii) a finding or stipulation is made in any administrative or civil proceeding in which the Business Associate has been joined that the Business Associate has violated any standard or requirement of HIPAA, the HITECH Act, the Privacy Rule, Security Rule or other security or privacy laws.

O. Insurance

In addition to any general and/or professional liability insurance coverage required of Business Associate under the MOU for services, Business Associate shall provide appropriate liability insurance coverage during the term of this Agreement to cover any and all claims, causes of action, and demands whatsoever made for loss, damage, or injury to any person arising from the breach of the security, privacy, or confidentiality obligations of Business Associate, its agents or employees, under this Agreement and under HIPAA 45 C.F.R. Parts 160 and 164, Subparts A and E.

P. Assistance in Litigation or Administrative Proceedings

Business Associate shall make itself, and any subcontractors, employees, or agents assisting Business Associate in the performance of its obligations under the Agreement, available to Covered Entity, at no cost to Covered Entity, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against Covered Entity, its directors, officers, or employees based upon a claimed violation of HIPAA, the HITECH Act, the Privacy Rule, the Security Rule, or other laws relating to security and privacy, except where Business Associate or its subcontractor, employee or agent is a named adverse party

III. Obligations of Covered Entity

- A. Covered Entity shall notify Business Associate of any limitation(s) in its notice of privacy practices of Covered Entity in accordance with 45 CFR Section 164.520, to the extent that such limitation may affect Business Associate's use, access or disclosure of PHI.
- B. Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by an individual to use, access or disclose PHI, to the extent that such changes may affect Business Associate's use, access, maintenance or disclosure of PHI.
- C. Covered Entity shall notify Business Associate of any restriction to the use, access or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR Section 164.522, to the extent that such restriction may affect Business Associate's use, access, maintenance or disclosure of PHI.

IV. General Provisions

A. Remedies

Business Associate agrees that Covered Entity shall be entitled to seek immediate injunctive relief as well as to exercise all other rights and remedies which Covered Entity may have at law or in equity in the event of an unauthorized use, access or disclosure of PHI by Business Associate or any agent or subcontractor of Business Associate that received PHI from Business Associate.

B. Ownership

The PHI shall be and remain the property of the Covered Entity. Business Associate agrees that it acquires no title or rights to the PHI.

C. Regulatory References

A reference in this Agreement to a section in the Privacy and Security Rules and patient confidentiality regulations means the section as in effect or as amended.

D. No Third-Party Beneficiaries

Nothing express or implied in the MOU or this Agreement is intended to confer, nor shall anything herein confer, upon any person other than Covered Entity, Business Associate and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.

E. Amendment

The parties acknowledge that state and federal laws related to privacy and security of PHI are rapidly evolving and that amendment of the MOU or this Agreement may be required to ensure compliance with such developments. The parties shall negotiate in good faith to amend this Agreement when and as necessary to comply with applicable laws. If either party does not agree to so amend this Agreement within thirty (30) days after receiving a request for amendment from the other, either party may terminate the Agreement upon written notice. To the extent an amendment to this Agreement is required by law and this Agreement has not been so amended to comply with the applicable law in a timely manner, the amendment required by law shall be deemed to be incorporated into this Agreement automatically and without further action required by either of the parties. Subject to the foregoing, this Agreement may not be modified, nor shall any provision hereof be waived or amended, except in a writing duly signed and agreed to by Business Associate and Covered Entity.

F. Interpretation

Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with pertinent Privacy and Security Rules and patient confidentiality regulations.

G. Indemnification

Business Associate agrees to indemnify, defend and hold harmless Covered Entity and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, penalties, injuries, costs and expenses (including costs for reasonable attorney fees) that are caused by or result from the acts or omissions of Business Associate, its officers, employees, agents and subcontractors, with respect to the use, access, maintenance or disclosure of Covered Entity's PHI, including without limitation, any Breach of PHI or any expenses incurred by Covered Entity in providing required Breach notifications.

H. Compliance with State Law

In addition to HIPAA and all applicable HIPAA Regulations, Business Associate acknowledges that Business Associate and Covered Entity may have confidentiality and privacy obligations under State law, including, but not limited to, the California Confidentiality of Medical Information Act [Cal. Civil Code §56, et seq. ("CMIA")] and WIC 5328. If any provisions of this Agreement or HIPAA Regulations or the HITECH Act conflict with CMIA or WIC section 5328 or any other California State law regarding the degree of protection provided for PHI and patient medical records, then Business Associate shall comply with the more restrictive requirements.

I. Survival

The respective rights and obligations and rights of Covered Entity and Business Associate relating to protecting the confidentiality or a patient's PHI shall survive the termination of the MOU or this Agreement.

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

August 11, 2020

FROM

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

SUBJECT

Memorandum of Understanding with Rolling Start, Inc. for the Mainstream Voucher Program

RECOMMENDATION(S)

1. Approve Memorandum of Understanding with Rolling Start, Inc. for referral and supportive services for the Mainstream Voucher Program for three years effective September 1, 2020 through August 31, 2023.
2. Authorize and direct the Executive Director to execute and deliver Memorandum of Understanding to Rolling Start, 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 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 Memorandum of Understanding (MOU) with Rolling Start, Inc. (RSI) is non-financial and as such does not have financial impact on the Housing Authority of the County of San Bernardino (HACSB).

BACKGROUND INFORMATION

The Mainstream Voucher Program (Program), administered by HACSB, provides housing subsidies with supportive services to 117 individuals and families with a household member who is a non-elderly person with disabilities and who is a resident of San Bernardino County. HACSB received an award of 77 Mainstream Vouchers under the FY 2019 Mainstream Voucher Program Notice of Funding Availability (NOFA) and received an additional 40 Mainstream Vouchers under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) from the United States Department of Housing and Urban Development. The Program provides a limited waiting list preference for individuals and families who are transitioning out of institutional and other segregated settings, at serious risk of institutionalization, currently experiencing homelessness, previously experienced homelessness and currently a client in a permanent supportive housing or rapid rehousing project, and at risk of experiencing homelessness.

The NOFA required applicants to provide evidence of partnerships with service agencies to help ensure voucher utilization and the provision of voluntary supportive services to Program participants. Five organizations, including RSI, provided Letters of Intent in support of HACSB's Mainstream application. Approval of this MOU will formalize the partnership with RSI and define their respective roles in both providing housing subsidies and community-based services to Program participants in order to achieve and maintain an enriched quality of life.

RSI has pledged to refer individuals and families when the Housing Choice Voucher waiting list is open. RSI will also provide independent living services, and collect and report data concerning the provision of services. RSI and HACSB will review, monitor and evaluate program outcomes at least quarterly to ensure adherence to requirements of the MOU and Program.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by Legal Counsel (Julie J. Surber, Principal Assistant County Counsel, 387-5455) on July 8, 2020.

MEMORANDUM OF UNDERSTANDING
Between
HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO
and
ROLLING START, INC.
for
MAINSTREAM VOUCHER PROGRAM

SEPTEMBER 1, 2020 – AUGUST 31, 2023

WHEREAS, the Rolling Start, Inc., hereafter referred to as RSI, is the Center for Independent Living serving San Bernardino County and provides services to empower persons with disabilities to live independently; and

WHEREAS, the Housing Authority of the County of San Bernardino, hereafter referred to as HACSB, provides housing subsidies to individuals and families with a household member who is a non-elderly person with disabilities through the Mainstream Voucher Program; and

WHEREAS, RSI supported HACSB's Mainstream Voucher Program grant application by providing a Letter of Intent submitted with HACSB's grant application to provide certain community-based services to support Mainstream Voucher Program participants; and

WHEREAS, HACSB and RSI desire an agreement for the purpose of defining their respective roles in both providing housing subsidies and community-based services to Mainstream Voucher Program participants in order to achieve and maintain an enriched quality of life; and

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

TABLE OF CONTENTS

I.	PURPOSE	3
II.	DEFINITIONS	3
III.	HOUSING AUTHORITY RESPONSIBILITIES	3
IV.	ROLLING START, INC. RESPONSIBILITIES	4
V.	MUTUAL RESPONSIBILITIES	5
VI.	FISCAL PROVISIONS	5
VII.	RIGHT TO MONITOR AND AUDIT	5
VIII.	TERM	5
IX.	EARLY TERMINATION	5
X.	INDEMNIFICATION	6
XI.	GENERAL PROVISIONS.....	6
XII.	CONCLUSION	7

I. PURPOSE

The Mainstream Voucher Program (Program), administered by the HACSB, provides housing subsidies with supportive services to individuals and families with a household member who is a non-elderly person with disabilities and who is a resident of San Bernardino County. HACSB provides administration for housing assistance services. Housing subsidies for approximately one hundred and seventeen (117) Mainstream Vouchers are available. HACSB will work with RSI and other service providers to identify eligible individuals and families. RSI will refer eligible households to be assisted with housing subsidies when the HACSB waiting list is open. HACSB will administer the housing subsidies and corresponding family obligation requirements, while RSI will provide independent living programs and services.

The Program is a federal program funded by the Department of Housing and Urban Development and HACSB is the grantee for Mainstream Vouchers. As such it is HACSB's responsibility to determine if the household meets the federal guidelines for Program eligibility.

II DEFINITIONS

- A. Administrative Plan – Policy manual that details rules and policies that govern the subsidized programs under the HACSB.
- B. Family – Is used interchangeably with “applicant”, “participant” or “client.”
- C. 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 RSI, or contained in the Landlord/tenant Lease.
- D. 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 HACSB and is also conducted on annual basis to ensure ongoing compliance of the subsidized rental unit.
- E. 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.
- F. Lease - The private market rental lease that outlines the rights and responsibilities of both the tenant and the Landlord during the lease term.
- G. Target Population – Individuals or families with a disabled household member between the ages of 18 and 62.

III. HACSB SERVICE RESPONSIBILITIES

- A. Provide housing services to qualified applicants from the Target Population. Services will be provided through the HACSB offices located in San Bernardino, Upland and Victorville or at other HACSB sites as needed.
- B. Maintain releases of information signed by each participant in the Program to ensure open communication between RSI and HACSB in order to support the household's access to community-based services.
- 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 Administrative Plan and HUD determined guidelines governing the Program. Ensure families understand the obligations of the voucher.
 2. Orientation Briefings, Issuance of Family Obligations Agreement/ Voucher: Notify the applicant of acceptance into the Program and conduct orientation meetings to provide instructions to applicants on policies, the Family Obligations Agreement/Voucher, and to outline applicant's rental responsibilities.
 3. Initial and Regular Housing Inspections: Inspect the rental property to assure that housing is decent, safe, and sanitary and in compliance with HUD's Housing Quality Standards
 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 HACSB and 30% of the participant's monthly income or other amount as provided in the HACSB's Administrative Plan. Generate monthly payments 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 case conference meetings with RSI to discuss identification of barriers to housing navigation and retention, mutual problem solving, and future planning.
- E. Share the Program results in a quarterly report that details the number of vouchers issued, units leased/families housed, type of service coordination provided and overall utilization rate.

IV. RSI RESPONSIBILITIES

- A. Refer Target Population to HACSB when the Program waiting list is open.
- B. Provide independent living services including but not limited to, minor home modifications, assistive technology and communication devices, to eligible participants receiving Program assistance.
- C. Collect data in order to track, monitor and provide information about the services provided to Program voucher applicants and participants.
- D. Submit quarterly information to HACSB concerning services provided to applicants and participants by 10th of April, July, October and January in a form prescribed by HACSB.

- E. Cooperate with HACSB in the implementation, monitoring and evaluation of this MOU and comply with all reporting requirements established by this MOU.

V. MUTUAL RESPONSIBILITIES

- A. RSI 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. RSI 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 RSI and HACSB's mutual chain of command, as deemed necessary.
- C. RSI and HACSB agree to develop and implement procedures, surveys and forms necessary to administer and document Program referral, participation, services, and effectiveness.
- D. RSI and HACSB agree they will collaborate in providing in-service training to staff about the Program and services offered under this MOU.

VI. FISCAL PROVISIONS

This is a non-financial MOU.

VII. RIGHT TO MONITOR AND AUDIT

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

VIII. TERM

This MOU is effective as of September 1, 2020 and expires August 31, 2023, but may be terminated earlier in accordance with provisions of Section IX of this MOU. This MOU may be extended for three-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 RSI Director, or his/her appointed designee, has authority to terminate this MOU on behalf of RSI.
- 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 RSI 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 RSI 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 RSI 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 RSI, including the acts, errors or omissions of the RSI and for any costs or expenses incurred by the HACSB on account of any claim resulting from the acts or negligence of the RSI 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.

XII. CONCLUSION

- A. This MOU, consisting of seven (7) pages is the full and complete document describing services to be rendered by RSI 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.

ROLLING START, INC.

By: _____

Name: _____

Title: _____

Date: _____

HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

By: _____

Name: Maria Razo

Title: Executive Director

Date: _____

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

August 11, 2020

FROM

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

SUBJECT

Memorandum of Understanding with Inland Regional Center for the Mainstream Voucher Program

RECOMMENDATION(S)

1. Approve Memorandum of Understanding with Inland Regional Center for referral and supportive services for the Mainstream Voucher Program for three years effective September 1, 2020 through August 31, 2023.
 2. Authorize and direct the Executive Director to execute and deliver the Memorandum of Understanding to Inland Regional Center, 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 Memorandum of Understanding (MOU) with the Inland Regional Center (IRC) is non-financial and as such does not have financial impact on the Housing Authority of the County of San Bernardino (HACSB).

BACKGROUND INFORMATION

The Mainstream Voucher Program (Program), administered by HACSB, provides housing subsidies with supportive services to 117 individuals and families with a household member who is a non-elderly person with disabilities and who is a resident of San Bernardino County. HACSB received an award of 77 Mainstream Vouchers under the FY 2019 Mainstream Voucher Program Notice of Funding Availability (NOFA) and received an additional 40 Mainstream Vouchers under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) from the United States Department of Housing and Urban Development. The Program provides a limited waiting list preference for individuals and families who are transitioning out of institutional and other segregated settings, at serious risk of institutionalization, currently experiencing homelessness, previously experienced homelessness and currently a client in a permanent supportive housing or rapid rehousing project, and at risk of experiencing homelessness.

The NOFA required applicants to provide evidence of partnerships with service agencies to help ensure voucher utilization and the provision of voluntary supportive services to Program participants. Five organizations, including IRC, provided Letters of Intent in support of HACSB's Mainstream application. Approval of this MOU will formalize the partnership with IRC and define

their respective roles in both providing housing subsidies and community-based services to Program participants in order to achieve and maintain an enriched quality of life.

IRC has pledged to refer individuals and families when the Housing Choice Voucher waiting list is open. IRC will also provide service coordination of IRC clients receiving Program assistance, and collect and report data concerning the provision of services. IRC and HACSB will review, monitor and evaluate program outcomes at least quarterly to ensure adherence to requirements of the MOU and Program.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by Legal Counsel (Julie J. Surber, Principal Assistant County Counsel, 387-5455) on July 8, 2020.

MEMORANDUM OF UNDERSTANDING
Between
HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO
and
INLAND REGIONAL CENTER
for
MAINSTREAM VOUCHER PROGRAM

SEPTEMBER 1, 2020 – AUGUST 31, 2023

WHEREAS, the Inland Regional Center, hereafter referred to as IRC, provides services and supports to persons with intellectual and developmental disability living in San Bernardino County; and

WHEREAS, the Housing Authority of the County of San Bernardino, hereafter referred to as HACSB, provides housing subsidies to individuals and families with a household member who is a non-elderly person with disabilities through the Mainstream Voucher Program; and

WHEREAS, IRC supported HACSB's Mainstream Voucher Program grant application by providing a Letter of Intent submitted with HACSB's grant application to provide certain community-based services to support Mainstream Voucher Program participants; and

WHEREAS, HACSB and IRC desire an agreement for the purpose of defining their respective roles in both providing housing subsidies and community-based services to Mainstream Voucher Program participants in order to achieve and maintain an enriched quality of life; and

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

TABLE OF CONTENTS

I.	PURPOSE	3
II.	DEFINITIONS	3
III.	HOUSING AUTHORITY RESPONSIBILITIES	3
IV.	INLAND REGIONAL CENTER. RESPONSIBILITIES	4
V.	MUTUAL RESPONSIBILITIES	5
VI.	FISCAL PROVISIONS	5
VII.	RIGHT TO MONITOR AND AUDIT	5
VIII.	TERM	5
IX.	EARLY TERMINATION	5
X.	INDEMNIFICATION	6
XI.	GENERAL PROVISIONS	6
XII.	CONCLUSION	7

I. PURPOSE

The Mainstream Voucher Program (Program), administered by the HACSB, provides housing subsidies with supportive services to individuals and families with a household member who is a non-elderly person with disabilities and who is a resident of San Bernardino County. HACSB provides administration for housing assistance services. Housing subsidies for approximately one hundred and seventeen (117) Mainstream Vouchers are available. HACSB will work with IRC and other service providers to identify eligible individuals and families. IRC will refer eligible households to be assisted with housing subsidies when the HACSB waiting list is open. HACSB will administer the housing subsidies and corresponding family obligation requirements, while IRC will provide service coordination and referral for Mainstream voucher participants who are eligible for IRC services.

The Program is a federal program funded by the Department of Housing and Urban Development and HACSB is the grantee for Mainstream Vouchers. As such it is HACSB's responsibility to determine if the household meets the federal guidelines for Program eligibility.

II DEFINITIONS

- A. Administrative Plan – Policy manual that details rules and policies that govern the subsidized programs under the HACSB.
- B. Family – Is used interchangeably with “applicant”, “participant” or “client.”
- C. 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 IRC, or contained in the Landlord/tenant Lease.
- D. 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 HACSB and is also conducted on annual basis to ensure ongoing compliance of the subsidized rental unit.
- E. 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.
- F. Lease - The private market rental lease that outlines the rights and responsibilities of both the tenant and the Landlord during the lease term.
- G. Target Population – Individuals or families with a disabled household member between the ages of 18 and 62.

III. HACSB SERVICE RESPONSIBILITIES

- A. Provide housing services to qualified applicants from the Target Population. Services will be provided through the HACSB offices located in San Bernardino, Upland and Victorville or at other HACSB sites as needed.
- B. Maintain releases of information signed by each participant in the Program to ensure open communication between IRC and HACSB in order to support the household's access to community-based services.

- 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 Administrative Plan and HUD determined guidelines governing the Program. Ensure families understand the obligations of the voucher.
 2. Orientation Briefings, Issuance of Family Obligations Agreement/ Voucher: Notify the applicant of acceptance into the Program and conduct orientation meetings to provide instructions to applicants on policies, the Family Obligations Agreement/Voucher, and to outline applicant's rental responsibilities.
 3. Initial and Regular Housing Inspections: Inspect the rental property to assure that housing is decent, safe, and sanitary and in compliance with HUD's Housing Quality Standards
 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 HACSB and 30% of the participant's monthly income or other amount as provided in the HACSB's Administrative Plan. Generate monthly payments 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 case conference meetings with IRC to discuss identification of barriers to housing navigation and retention, mutual problem solving, and future planning.
- E. Share the Program results in a quarterly report that details the number of vouchers issued, units leased/families housed, type of service coordination provided and overall utilization rate.

IV. IRC RESPONSIBILITIES

- A. Refer Target Population to HACSB when the Program waiting list is open.
- B. Provide service coordination to IRC clients receiving Program assistance.
- C. Collect data in order to track, monitor and provide information about the services provided to Program voucher applicants and participants.
- D. Submit quarterly information to HACSB concerning services provided to applicants and participants by 10th of April, July, October and January in a form prescribed by HACSB.
- E. Cooperate with HACSB in the implementation, monitoring and evaluation of this MOU and comply with all reporting requirements established by this MOU.

V. MUTUAL RESPONSIBILITIES

- A. IRC 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. IRC 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 IRC and HACSB's mutual chain of command, as deemed necessary.
- C. IRC and HACSB agree to develop and implement procedures, surveys and forms necessary to administer and document Program referral, participation, services, and effectiveness.
- D. IRC and HACSB agree they will collaborate in providing in-service training to staff about the Program and services offered under this MOU.

VI. FISCAL PROVISIONS

This is a non-financial MOU.

VII. RIGHT TO MONITOR AND AUDIT

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

VIII. TERM

This MOU is effective as of September 1, 2020 and expires August 31, 2023, but may be terminated earlier in accordance with provisions of Section IX of this MOU. This MOU may be extended for three-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 IRC Director, or his/her appointed designee, has authority to terminate this MOU on behalf of IRC.
- 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 IRC 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 IRC 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 IRC 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 IRC, including the acts, errors or omissions of the IRC and for any costs or expenses incurred by the HACSB on account of any claim resulting from the acts or negligence of the IRC 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.

XII. CONCLUSION

- A. This MOU, consisting of seven (7) pages is the full and complete document describing services to be rendered by IRC 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.

INLAND REGIONAL CENTER

By: _____

Name: _____

Title: _____

Date: _____

HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

By: _____

Name: Maria Razo

Title: Executive Director

Date: _____

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

August 11, 2020

FROM

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

SUBJECT

Memorandum of Understanding with Inland Empire Health Plan for the Mainstream Voucher Program

RECOMMENDATION(S)

1. Approve Memorandum of Understanding with Inland Empire Health Plan for referral and supportive services for the Mainstream Voucher Program for three years effective September 1, 2020 through August 31, 2023.
 2. Authorize and direct the Executive Director to execute and deliver the Memorandum of Understanding to Inland Empire Health Plan, 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 Memorandum of Understanding (MOU) with the Inland Empire Health Plan (IEHP) is non-financial and as such does not have financial impact on the Housing Authority of the County of San Bernardino (HACSB).

BACKGROUND INFORMATION

The Mainstream Voucher Program (Program), administered by HACSB, provides housing subsidies with supportive services to 117 individuals and families with a household member who is a non-elderly person with disabilities and who is a resident of San Bernardino County. HACSB received an award of 77 Mainstream Vouchers under the FY 2019 Mainstream Voucher Program Notice of Funding Availability (NOFA) and received an additional 40 Mainstream Vouchers under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) from the United States Department of Housing and Urban Development. The Program provides a limited waiting list preference for individuals and families who are transitioning out of institutional and other segregated settings, at serious risk of institutionalization, currently experiencing homelessness, previously experienced homelessness and currently a client in a permanent supportive housing or rapid rehousing project, and at risk of experiencing homelessness.

The NOFA required applicants to provide evidence of partnerships with service agencies to help ensure voucher utilization and the provision of voluntary supportive services to Program participants. Five organizations, including IEHP, provided Letters of Intent in support of HACSB's Mainstream application. Approval of this MOU will formalize the partnership with IEHP and define

their respective roles in both providing housing subsidies and community-based services to Program participants in order to achieve and maintain an enriched quality of life.

IEHP has pledged to refer individuals and families when HACSB's Housing Choice Voucher waiting list is open. IEHP will also provide health and wellness programs to IEHP members receiving Program assistance, and collect and report data concerning the provision of services. IEHP and HACSB will review, monitor and evaluate program outcomes at least quarterly to ensure adherence to requirements of the MOU and Program.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by Legal Counsel (Julie J. Surber, Principal Assistant County Counsel, 387-5455) on July 8, 2020.

MEMORANDUM OF UNDERSTANDING
Between
HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO
and
INLAND EMPIRE HEALTH PLAN
for
MAINSTREAM VOUCHER PROGRAM

SEPTEMBER 1, 2020 – AUGUST 31, 2023

WHEREAS, the Inland Empire Health Plan, hereafter referred to as IEHP, provides health care coverage to low-income families in San Bernardino County; and

WHEREAS, the Housing Authority of the County of San Bernardino, hereafter referred to as HACSB, provides housing subsidies to individuals and families with a household member who is a non-elderly person with disabilities through the Mainstream Voucher Program; and

WHEREAS, IEHP supported HACSB's Mainstream Voucher Program grant application by providing a Letter of Intent submitted with HACSB's grant application to provide certain community-based services to support Mainstream Voucher Program participants; and

WHEREAS, HACSB and IEHP desire an agreement for the purpose of defining their respective roles in both providing housing subsidies and community-based services to Mainstream Voucher Program participants in order to achieve and maintain an enriched quality of life; and

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

TABLE OF CONTENTS

I.	PURPOSE	3
II.	DEFINITIONS	3
III.	HOUSING AUTHORITY RESPONSIBILITIES	3
IV.	INLAND EMPIRE HEALTH PLAN RESPONSIBILITIES	4
V.	MUTUAL RESPONSIBILITIES	5
VI.	FISCAL PROVISIONS	5
VII.	RIGHT TO MONITOR AND AUDIT	5
VIII.	TERM	5
IX.	EARLY TERMINATION	5
X.	INDEMNIFICATION	6
XI.	GENERAL PROVISIONS	6
XII.	CONCLUSION	7
	ATTACHMENT A	8

I. PURPOSE

The Mainstream Voucher Program (Program), administered by the HACSB, provides housing subsidies with supportive services to individuals and families with a household member who is a non-elderly person with disabilities and who is a resident of San Bernardino County. HACSB provides administration for housing assistance services. Housing subsidies for approximately one hundred and seventeen (117) Mainstream Vouchers are available. HACSB will work with IEHP and other service providers to identify eligible individuals and families. IEHP will refer eligible households to be assisted with housing subsidies when the HACSB waiting list is open. HACSB will administer the housing subsidies and corresponding family obligation requirements, while IEHP will provide health and wellness services to individuals and families enrolled in IEHP.

The Program is a federal program funded by the Department of Housing and Urban Development and HACSB is the grantee for Mainstream Vouchers. As such it is HACSB's responsibility to determine if the household meets the federal guidelines for Program eligibility.

II DEFINITIONS

- A. Administrative Plan – Policy manual that details rules and policies that govern the subsidized programs under the HACSB.
- B. Family – Is used interchangeably with “applicant”, “participant” or “client.”
- C. 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 IEHP, or contained in the Landlord/tenant Lease.
- D. 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 HACSB and is also conducted on annual basis to ensure ongoing compliance of the subsidized rental unit.
- E. 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.
- F. Lease - The private market rental lease that outlines the rights and responsibilities of both the tenant and the Landlord during the lease term.
- G. Target Population – Individuals or families with a disabled household member between the ages of 18 and 62.

III. HACSB SERVICE RESPONSIBILITIES

- A. Provide housing services to qualified applicants from the target population. Services will be provided through the HACSB offices located in San Bernardino, Upland and Victorville or at other HACSB sites as needed.
- B. Maintain releases of information signed by each participant in the Program to ensure open communication between IEHP and HACSB in order to support the household's access to community-based services.
- 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 Administrative Plan and HUD determined guidelines governing the Program. Ensure families understand the obligations of the voucher.
 2. Orientation Briefings, Issuance of Family Obligations Agreement/ Voucher: Notify the applicant of acceptance into the Program and conduct orientation meetings to provide instructions to applicants on policies, the Family Obligations Agreement/Voucher, and to outline applicant's rental responsibilities.
 3. Initial and Regular Housing Inspections: Inspect the rental property to assure that housing is decent, safe, and sanitary and in compliance with HUD's Housing Quality Standards
 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 HACSB and 30% of the participant's monthly income or other amount as provided in the HACSB's Administrative Plan. Generate monthly payments 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 case conference meetings with IEHP to discuss identification of barriers to housing navigation and retention, mutual problem solving, and future planning.
- E. Share the Program results in a quarterly report that details the number of vouchers issued, units leased/families housed, type of service coordination provided and overall utilization rate.

IV. IEHP RESPONSIBILITIES

- A. Refer target population to HACSB when the Program waiting list is open.
- B. Provide health and wellness programs and services to IEHP members receiving Program assistance.
- C. Collect data in order to track, monitor and provide information about the services provided to Program voucher applicants and participants.
- D. Submit quarterly information to HACSB concerning services provided to applicants and participants by 10th of April, July, October and January in a form prescribed by HACSB.
- E. Cooperate with HACSB in the implementation, monitoring and evaluation of this MOU and comply with all reporting requirements established by this MOU.

V. MUTUAL RESPONSIBILITIES

- A. IEHP 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, including, but not limited to, the Health Insurance Portability and Accountability Act of 1996 (HIPAA), codified at Title 45, C.F.R., Parts 160 and 164, the Health Information Technology for Economic and Clinical Health Act (HITECH) provisions of the American Recovery and Reinvestment Act of 2009, Public Law 111-5, enacted February 17, 2009, as well as related laws and regulations promulgated subsequent hereto and as amended. HACSB further agrees to the provisions of the HIPAA Business Associate Agreement, attached hereto in Attachment A, and incorporated herein by this reference.
- B. IEHP 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 IEHP and HACSB's mutual chain of command, as deemed necessary.
- C. IEHP and HACSB agree to develop and implement procedures, surveys and forms necessary to administer and document Program referral, participation, services, and effectiveness.
- D. IEHP and HACSB agree they will collaborate in providing in-service training to staff about the Program and services offered under this MOU.

VI. FISCAL PROVISIONS

This is a non-financial MOU.

VII. RIGHT TO MONITOR AND AUDIT

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

VIII. TERM

This MOU is effective as of September 1, 2020 and expires August 31, 2023, but may be terminated earlier in accordance with provisions of Section IX of this MOU. This MOU may be extended for three-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 Director is authorized to exercise HACSB rights with respect to any termination of this MOU. The IEHP Director, or his/her appointed designee, has authority to terminate this MOU on behalf of IEHP.

- 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 IEHP 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 IEHP 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 IEHP 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 IEHP, including the acts, errors or omissions of the IEHP and for any costs or expenses incurred by the HACSB on account of any claim resulting from the acts or negligence of the IEHP 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.

XII. CONCLUSION

- A. This MOU, consisting of seventeen (17) pages is the full and complete document describing services to be rendered by IEHP 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.

INLAND EMPIRE HEALTH PLAN

By: _____

Name: _____

Title: _____

Date: _____

HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

By: _____

Name: Maria Razo

Title: Executive Director

Date: _____

HIPAA BUSINESS ASSOCIATE AGREEMENT

This HIPAA Business Associate Agreement (the "Agreement") is an Attachment to the Memorandum of Understanding (the "Underlying Agreement") between the Inland Empire Health Plan ("IEHP") and Housing Authority of San Bernardino ("Business Associate") as of the "Effective Date", of the Underlying Agreement.

RECITALS

WHEREAS, IEHP and Business Associate entered into the Underlying Agreement pursuant to which Business Associate provides services to IEHP, and in conjunction with the provision of such services, certain Protected Health Information ("PHI") and/or certain electronic Protected Health Information ("ePHI") may be made available to Business Associate for the purposes of carrying out its obligations under the Underlying Agreement; and,

WHEREAS, the provisions of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA"), more specifically the regulations found in Title 45, C.F.R., Parts 160 and 164, Subparts A and E (the "Privacy Rule") and/or 45 C.F.R. Part 164, Subpart C (the "Security Rule"), as may be amended from time to time, which are applicable to the protection of any disclosure or use of PHI and/or ePHI pursuant to the Underlying Agreement; and,

WHEREAS, the provisions of Subtitle D entitled "Privacy" of the Health Information Technology for Economic and Clinical Health Act ("HITECH") of the American Recovery and Reinvestment Act of 2009, Public Law 111-5, and the implementing regulations adopted thereunder, as may be amended from time to time, impose certain requirements on business associates; and

WHEREAS, IEHP is a Covered Entity, as defined in the Privacy Rule; and,

WHEREAS, Business Associate, when on behalf of IEHP, creates, receives, maintains or transmits PHI and/or ePHI, is a business associate as defined in the Privacy Rule; and,

WHEREAS, the parties intend to enter into this Agreement to address the requirements of HIPAA, HITECH, Privacy Rule, and Security Rule as they apply to Business Associate as a business associate of IEHP, including the establishment of permitted and required uses and disclosures (and appropriate limitations and conditions on such uses and disclosures) of PHI and/or ePHI by Business Associate that is created or received in the course of performing services on behalf of IEHP, and to incorporate the business associate obligations set forth in HITECH; and,

WHEREAS, the parties agree that any disclosure or use of PHI and/or ePHI be in compliance with the Privacy Rule, Security Rule, HITECH, or other applicable law;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. DEFINITIONS

- A. Unless otherwise provided in this Agreement, or specifically defined in Paragraph B of this Section 1, the capitalized terms shall have the same meanings as set forth in the Privacy Rule, Security Rule, and/or HITECH, as may be amended from time to time.

B. Specific Definitions:

- 1) "Breach," when used in connection with Unsecured PHI, means, as defined in 45 C.F.R. § 164.402, the acquisition, access, use or disclosure of PHI in a manner not permitted under the Privacy Rule (45 C.F.R. Part 164, Subpart E), which compromises the security or privacy of the PHI. Except as otherwise excluded under 45 C.F.R. § 164.402, such acquisition, access, use or disclosure is presumed to be a Breach unless the Covered Entity or Business Associate, as applicable, demonstrates that there is a low probability that the PHI has been compromised based on a risk assessment of at least the following factors:
 - i. The nature and extent of the PHI involved, including the types of identifiers and the likelihood of re-identification;
 - ii. The unauthorized person who used the PHI or to whom the disclosure was made;
 - iii. Whether the PHI was actually acquired or viewed; and
 - iv. The extent to which the risk to PHI has been mitigated.
- 2) "Discovered" means the first day on which such Breach is known to such Covered Entity or Business Associate, respectively, (including any person, other than the individual committing the Breach, that is an employee, officer or other agent of such entity or associate, respectively) or should reasonably have been known to such Covered Entity or Business Associate (or person) to have occurred.
- 3) "Electronic Protected Health Information" ("ePHI") means, as defined in 45 C.F.R. § 160.103, PHI transmitted by or maintained in electronic media, and for purposes of this Agreement, is limited to the ePHI that Business Associate creates, receives, maintains or transmits on behalf of IEHP.
- 4) "Protected Health Information" ("PHI") shall generally have the meaning given such term in 45 C.F.R. § 160.103, which includes ePHI, and for purposes of this Agreement, is limited to PHI, including ePHI, that Business Associate creates, receives, maintains or transmits on behalf of IEHP.
- 5) "Secretary" means the Secretary of the U.S. Department of Health and Human Services or his/her designee.
- 6) "Subcontractor" means a person to whom a business associate delegates a function, activity, or service other than in the capacity of a member of the workforce of such business associate.
- 7) "Unsecured PHI" means PHI that is not rendered unusable, unreadable, or indecipherable to unauthorized persons through the use of a technology or methodology specified by the Secretary in the guidance issued under 42 U.S.C. § 17932(h)(2).

2. **SCOPE OF USE AND DISCLOSURE BY BUSINESS ASSOCIATE OF PHI AND/OR EPHI**

A. Business Associate shall be permitted to use PHI and/or ePHI disclosed to it by IEHP:

- 1) On behalf of IEHP, or to provide services to IEHP for the purposes contained herein, if such use or disclosure would not violate the Privacy Rule, Security Rule, and/or HITECH.
- 2) As necessary to perform any and all of its obligations under the Underlying Agreement.

- B. Unless otherwise limited herein, in addition to any other uses and/or disclosures permitted or required by this Agreement or required by law, Business Associate may:
- 1) Use the PHI and/or ePHI in its possession for its proper management and administration and to fulfill any legal obligations.
 - 2) Disclose the PHI and/or ePHI in its possession to a third party for the purpose of Business Associate's proper management and administration or to fulfill any legal responsibilities of Business Associate, only if:
 - i. The disclosure is required by law; or
 - ii. Business Associate obtains written assurances from any person or organization to which Business Associate will disclose such PHI and/or ePHI that the person or organization will:
 - a) Hold such PHI and/or ePHI in confidence and use or further disclose it only for the purpose of which Business Associate disclosed it to the third party, or as required by law; and
 - b) Notify Business Associate of any instances of which it becomes aware in which the confidentiality of the information has been breached.
 - 3) Use the PHI and/or ePHI to provide Data Aggregation services relating to the Health Care Operations of IEHP if authorized by the Underlying Agreement or pursuant to the written request of IEHP.
 - 4) De-identify any and all PHI and/or ePHI of IEHP received by Business Associate under this Agreement provided that the De-identification conforms to the requirements of the Privacy Rule and/or Security Rule and does not preclude timely payment and/or claims processing and receipt.
- C. Business Associate shall not:
- 1) Use or disclose PHI and/or ePHI it receives from IEHP, nor from another business associate of IEHP, except as permitted or required by this Agreement, or as required by law.
 - 2) Perform any services (including any and all subcontracted services), which involves creating, receiving, maintaining or transmitting PHI and/or ePHI outside the United States of America.
 - 3) Disclose PHI and/or ePHI not authorized by the Underlying Agreement or this Agreement without patient authorization or De-identification of the PHI and/or ePHI as authorized in writing by IEHP.
 - 4) Make any disclosure of PHI and/or ePHI that IEHP would be prohibited from making.
 - 5) Use or disclose PHI for fundraising or marketing purposes.
 - 6) Disclose PHI, except as otherwise required by law, to a health plan for payment or healthcare operations purposes if the individual has requested this restriction, and the PHI solely relates to a health care item or service that is paid in full by the individual or person (other than the health plan) on behalf of the individual (45 C.F.R. § 164.522(a)(1)(vi)).

- 7) Directly or indirectly receive remuneration in exchange for PHI nor engage in any acts that would constitute a Sale of PHI, as defined in 45 C.F.R. § 164.502(a)(5)(ii), except with the prior written consent of IEHP and as permitted by and in compliance with 45 C.F.R. § 164.508(a)(4); however, this prohibition shall not affect payment by IEHP to Business Associate for services provided pursuant to the Underlying Agreement.
 - 8) Use or disclose PHI that is Genetic Information for Underwriting Purposes, as those terms are defined in 45 C.F.R. §§ 160.103 and 164.502(a)(5)(i), respectively.
- D. Business Associate agrees that in any instance where applicable state and/or federal laws and/or regulations are more stringent in their requirements than the provisions of HIPAA and/or HITECH (including but not limited to prohibiting the disclosure of mental health, and/or substance abuse records), the more stringent laws and/or regulations shall control the disclosure of PHI.

3. **OBLIGATIONS OF IEHP**

- A. Notification of Restrictions to Use or Disclosure of PHI. IEHP agrees that it will make its best efforts to promptly notify Business Associate in writing of any restrictions, limitations, or changes on the use, access and disclosure of PHI and/or ePHI agreed to by IEHP in accordance with 42 U.S.C. § 17935(a), that may affect Business Associate's ability to perform its obligations under the Underlying Agreement, or this Agreement.
- B. Proper Use of PHI. IEHP shall not request Business Associate to use, access, or disclose PHI and/or ePHI in any manner that would not be permissible under the Privacy Rule, Security Rule, and/or HITECH.
- C. Authorizations. IEHP will obtain any authorizations necessary for the use, access, or disclosure of PHI and/or ePHI, so that Business Associate can perform its obligations under this Agreement and/or the Underlying Agreement.
- D. Actions in Response to Business Associate Breach. IEHP shall complete the following in the event that IEHP has determined that Business Associate has a Breach:
 - 1) Determine appropriate method of notification to the patient/client(s) regarding a Breach as outlined in 45 C.F.R. § 164.404(d).
 - 2) Send notification to the patient/client(s) without unreasonable delay but in no case later than sixty (60) days of Discovery of the Breach with at least the minimal required elements as follows:
 - i. Brief description of what happened, including the date of the Breach and the date of Discovery;
 - ii. Description of the types of Unsecured PHI involved in the Breach (such as name, date of birth, home address, Social Security number, medical insurance, etc.);
 - iii. Steps patient/client(s) should take to protect themselves from potential harm resulting from the Breach;
 - iv. Brief description of what is being done to investigate the Breach, to mitigate harm to patient/client(s) and to protect against any further Breaches; and

- v. Contact procedures for patient/client(s) to ask questions or learn additional information, which must include a toll-free telephone number, an E-Mail address, website or postal address.
- 3) Determine if notice is required to the Secretary.
- 4) If required, submit Breach information to the Secretary within the required timeframe, in accordance with 45 C.F.R. § 164.408(b).
- E. Contract Violations by Business Associate. Pursuant to 45 C.F.R. § 164.504(e)(1)(ii), if IEHP knows of a pattern of activity or practice of the Business Associate that constitutes a material breach or violation of the Business Associate's obligations under this Agreement, IEHP must take reasonable steps to cure the breach or end the violation. If the steps are unsuccessful, IEHP shall terminate the Agreement, if feasible.

4. **OBLIGATIONS OF BUSINESS ASSOCIATE**

- A. Minimum Necessary. Business Associate shall request, use, access or disclose only the minimum amount of PHI and/or ePHI as permitted or required by this Agreement and as necessary to accomplish the intended purpose of the request, use, access or disclosure in accordance with the Privacy Rule (45 C.F.R. § 164.502(b)(1)).
- B. Appropriate Safeguards. Business Associate shall use reasonable and appropriate safeguards and comply, where applicable, with the Security Rule with respect to ePHI, to prevent use or disclosure of PHI and/or ePHI other than as provided for by this Agreement. Business Associate shall implement administrative, physical and technical safeguards in accordance with the Security Rule under 45 C.F.R. §§ 164.308, 164.310, 164.312 and 164.316:
 - 1) Business Associate shall issue and change procedures from time to time to improve electronic data and file security as needed to comply with the measures that may be required by the Privacy Rule or the Security Rule, as applicable, and at all times use an NIST-Approved Technology for all PHI and/or ePHI that is in motion, stored or to be destroyed.
 - 2) Business Associate shall extend such policies and procedures, if applicable, for the protection of physical PHI to prevent, detect, contain and correct security violations, as well as to limit unauthorized physical access to the facility or facilities in which the PHI is housed.
- C. Mitigation. Business Associate shall have procedures in place to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use, access or disclosure of PHI and/or ePHI by Business Associate in violation of this Agreement.
- D. Access to Records. Business Associate shall make internal practices, books, and records including policies and procedures, relating to the use, access, disclosure, and privacy protection of PHI received from IEHP, or created or received by Business Associate on behalf of IEHP, available to the Secretary, for purposes of determining, investigating or auditing Business Associate's and/or IEHP's compliance with the Privacy and Security Rules and/or HITECH, subject to any applicable legal restrictions. Business Associate shall also cooperate with IEHP should IEHP elect to conduct its own such investigation and analysis.
- E. Carrying Out IEHP's Obligations. To the extent Business Associate is to carry out one or more of IEHP's obligations under the Privacy Rule, Business Associate shall comply with the requirements of the Privacy Rule that applies to IEHP in the performance of such obligations.

- F. Subcontractors. In accordance with 45 C.F.R. §§164.502(e)(1)(ii) and 164.308(b)(2), if applicable, Business Associate shall require Subcontractors that create, receive, maintain or transmit PHI and/or ePHI on behalf of Business Associate, to agree to the same restrictions, conditions and requirements that apply to Business Associate with respect to the PHI and/or ePHI, including the restrictions, conditions and requirements set forth in this Agreement.
- G. Contract Violations by Subcontractors. Pursuant to 45 C.F.R. § 164.504(e)(1)(iii), if Business Associate knows of a pattern of activity or practice of the Subcontractor that constitutes a material breach or violation of the Subcontractor's obligations under the business associate contract between Business Associate and Subcontractor, Business Associate must take reasonable steps to cure the breach or end the violation. If the steps are unsuccessful, Business Associate shall terminate the business associate contract with the Subcontractor if feasible.
- H. Workforce Training. Business Associate warrants that all employees who use, access or disclose PHI and/or ePHI shall be properly trained to comply with Privacy Rule, Security Rule, HITECH, or other such applicable law.
- I. Patient Confidentiality Laws and Regulations. Business Associate agrees to obtain and maintain knowledge of the applicable laws and regulations related to HIPAA and HITECH, as may be amended from time to time.
- J. Reporting of Improper Access, Use or Disclosure Breach. Business Associate shall report to IEHP any unauthorized use, access or disclosure of Unsecured PHI and/or ePHI or any other security incident with respect to PHI no later than fifteen (15) days after Discovery of the potential Breach ("Notice Date"). Business Associate shall notify IEHP through the IEHP Compliance Department via telephone to the Compliance Hotline (866) 355-9038, via email to the Compliance Mailbox compliance@iehp.org, or via facsimile to the Compliance Fax (909) 477-8536. Upon Discovery of the potential Breach, Business Associate shall complete the following actions:
- 1) Provide IEHP's Compliance Department with the information required by 45 C.F.R. §§164.410 and 164.404, which shall include, but not be limited to:
 - i. The identification of each individual (IEHP Members) whose Unsecured PHI has been, or is reasonably believed by Business Associate, to have been accessed, acquired, used or disclosed;
 - ii. Date(s) of Breach: MM/DD/YYYY;
 - iii. Date(s) of Discovery of Breach: MM/DD/YYYY;
 - iv. Approximate number of individuals (IEHP Members) affected by the Breach;
 - v. Type of Breach, i.e., theft, loss, improper disposal, unauthorized access, hacking/IT incident (for additional selections, see U.S. Department of Health & Human Services, Health Information Privacy);
 - vi. Location of breached information, i.e., laptop, desktop computer, network server, E-Mail, other portable electronic device (see U.S. Department of Health & Human Services, Health Information Privacy);
 - vii. Type of PHI involved in the Breach, i.e., demographic information, financial information, clinical information (see U.S. Department of Health & Human Services, Health Information Privacy);

- viii. Safeguards in place prior to Breach, i.e., firewalls, packet filtering (router-based), encrypted wireless (see U.S. Department of Health & Human Services, Health Information Privacy);
 - ix. Actions taken in response to Breach, i.e., mitigation, protection against any further Breaches, policies and procedures (see U.S. Department of Health & Human Services, Health Information Privacy); and
 - x. Any steps individuals should take to protect themselves from potential harm resulting from the Breach.
- 2) Conduct and document a risk assessment by investigating, without reasonable delay and in no case later than twenty (20) calendar days of Discovery, the potential Breach to determine the following:
- i. Whether there has been an impermissible use, acquisition, access or disclosure of PHI and/or ePHI under the Privacy Rule;
 - ii. Whether an impermissible use or disclosure compromises the security or privacy of the PHI and/or ePHI, including whether it can be demonstrated that there is a low probability that PHI and/or ePHI has been compromised based on a risk assessment of at least four (4) factors specified in Section 1.B(1) defining Breach; and
 - iii. Whether the incident falls under one of the Breach exceptions.
- 3) Provide the completed risk assessment and investigation documentation to IEHP's Compliance Department within twenty-five (25) calendar days of Discovery of the potential Breach, and collaborate with IEHP on making a decision on whether a Breach has occurred.
- i. If a Breach has not occurred, notification to patient/client(s) is not required;
 - ii. If a Breach has occurred, notification to the patient/client(s) is required and Business Associate must provide IEHP with affected patient/client(s) names and contact information so that IEHP can provide notification.
- 4) Make available to governing State and Federal agencies in a time and manner designated by such agencies, any policies, procedures, internal practices and records relating to a potential Breach for the purposes of audit; cooperate with IEHP should IEHP elect to conduct its own such investigation and analysis.
- 5) Should the Breach of Unsecured PHI be caused solely by Business Associate's failure to comply with one or more of its obligations under this BAA, Privacy Rule, Security Rule and/or HITECH Provisions, Business Associate shall pay for any and all costs associated with providing all legally required notifications to individuals, media outlets and the Secretary.
- 6) Should the Breach of Unsecured PHI involve more than 500 residents of a single State or jurisdiction, Business Associate shall provide to IEHP, no later than the Notice Date, the information necessary for IEHP to prepare the notice to media outlets as set forth in 45 C.F.R. § 164.406.

- 7) Should the Breach of Unsecured PHI involve 500 or more individuals, Business Associate shall provide to IEHP, no later than the Notice Date, the information necessary for IEHP to prepare the notice to the Secretary as set forth in 45 C.F.R. § 164.408.
- 8) Should the Breach of Unsecured PHI involve less than 500 individuals, Business Associate shall maintain a log of such Breaches and provide such log to IEHP, for submission to the Secretary, on an annual basis and not later than forty-five (45) days after the end of each calendar year.

5. **ACCESS TO PHI, AMENDMENT AND DISCLOSURE ACCOUNTING**

Business Associate agrees to:

- A. Provide access, at the request of IEHP, within five (5) days, to PHI, including ePHI if maintained electronically, in a Designated Record Set, to IEHP, or to an individual or individual's designee as directed by IEHP, as necessary for IEHP to satisfy its obligations under 45 C.F.R. § 164.524.
- B. Make any amendment(s) to PHI in a Designated Record Set that IEHP directs or agrees to, at the request of IEHP or an individual, pursuant to 45 C.F.R. § 164.526, within thirty (30) days of the request of IEHP.
- C. Assist IEHP in meeting its disclosure accounting under HIPAA:
 - 1) Business Associate agrees to document such disclosures of PHI and information related to such disclosures, as would be required for IEHP to respond to a request by an individual for an accounting of disclosures of PHI.
 - 2) Business Associate agrees to provide to IEHP, within thirty (30) days, information collected in accordance with this Section to permit IEHP to make an accounting of disclosures of PHI by Business Associate in accordance with 45 C.F.R. § 164.528 and HITECH.
 - 3) Business Associate shall have available for IEHP the information required by this Section for the six (6) years preceding IEHP's request for information.

6. **TERM AND TERMINATION**

- A. Term. This Agreement shall commence upon the Effective Date and terminate upon the termination of the Underlying Agreement.
- B. Termination for Cause. IEHP may terminate the Underlying Agreement, effective immediately, if IEHP, in its sole discretion, determines that Business Associate has breached a material provision of this Agreement relating to the privacy and/or security of the PHI. Alternatively, IEHP may choose to provide Business Associate with notice of the existence of an alleged material breach and afford Business Associate with an opportunity to cure the alleged material breach. In the event Business Associate fails to cure the breach to the satisfaction of IEHP in a timely manner, IEHP reserves the right to immediately terminate the Underlying Agreement.

- 1) Effect of Termination. Upon termination of the Underlying Agreement, for any reason, Business Associate shall return or destroy all PHI and/or ePHI received from IEHP, or created or received by Business Associate on behalf of IEHP, no later than sixty (60) days after the date of termination. Business Associate shall certify such destruction, in writing, to IEHP. This provision shall apply to all PHI and/or ePHI which is in possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI and/or ePHI.
- 2) Destruction not Feasible. In the event that Business Associate determines that returning or destroying the PHI and/or ePHI is not feasible, Business Associate shall provide written notification to IEHP of the conditions which make such return or destruction not feasible. Upon determination by Business Associate that return or destruction of PHI and/or ePHI is not feasible, Business Associate shall extend the protections, limitations, and restrictions of this Agreement to such PHI and/or ePHI retained by Business Associate, its subcontractors, employees or agents, and to limit further uses and disclosures of such PHI and/or ePHI to those purposes which make the return or destruction not feasible, for so long as such PHI and/or ePHI is maintained.

7. HOLD HARMLESS/INDEMNIFICATION

With respect to the subject matter in this Agreement, the following shall be applicable:

The Business Associate agrees to indemnify, defend and hold harmless IEHP and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, penalties, injuries costs and expenses (including cost for reasonable attorneys fees) that are caused by or result from the acts or omissions of Business Associate, its officers, agents, employees and subcontractors, with respect to the use, access, maintenance or disclosure of IEHP's PHI or ePHI, including without limitation, any Breach of PHI or ePHI of any expenses incurred by IEHP in providing required Breach notifications.

With respect to any action or claim subject to indemnification herein by Business Associate, Business Associate shall, at their sole cost, have the right to use counsel of their choice, subject to the approval of IEHP, which shall not be unreasonably withheld, and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of IEHP; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes Business Associate's indemnification to IEHP as set forth herein. Business Associate's obligation to defend, indemnify and hold harmless IEHP shall be subject to IEHP having given Business Associate written notice within a reasonable period of time of the claim or of the commencement of the related action, as the case may be, and information and reasonable assistance, at Business Associate's expense, for the defense or settlement thereof. Business Associate's obligation hereunder shall be satisfied when Business Associate has provided to IEHP the appropriate form of dismissal relieving IEHP from any liability for the action or claim involved.

The specified insurance limits required in the Underlying Agreement shall in no way limit or circumscribe Business Associate's obligations to indemnify and hold harmless IEHP herein from third party claims arising from the issues of this Agreement.

In the event there is a conflict between this indemnification clause and an indemnification clause contained in the Underlying Agreement, this indemnification shall only apply to the subject issues included within this Agreement.

8. GENERAL PROVISIONS

- A. Amendment. The parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for IEHP to comply with the Privacy Rule, Security Rule, HITECH, and HIPAA generally.
- B. Survival. Notwithstanding Section 6.A of this Agreement, the respective rights and obligations of this Agreement shall survive the termination or expiration of this Agreement.
- C. Regulatory References. A reference in this Agreement to a section in the Privacy Rule, Security Rule, and/or HITECH means the section(s) as in effect or as amended.
- D. Interpretation. This Attachment shall be construed to be a part of the Underlying Agreement as one document. The purpose is to supplement the Underlying Agreement to include the requirements of HIPAA and HITECH. Any ambiguity in this Agreement and the Underlying Agreement shall be resolved to permit IEHP to comply with the Privacy Rule, Security Rule, HITECH, and HIPAA generally.
- E. Remedies. Business Associate agrees that IEHP shall be entitled to seek immediate injunctive relief as well as to exercise all other rights and remedies which IEHP may have at law or in equity in the event of an unauthorized use, access, or disclosure of PHI by Business Associate or any agent or subcontractor of Business Associate that received PHI from Business Associate.
- F. Ownership. The PHI shall be and remain the property of IEHP. Business Associate agrees that it acquires no title or rights to the PHI.
- G. Headings. Paragraph headings contained in this Agreement are for convenience only and shall not be interpreted to limit or otherwise affect the provisions of this Agreement.

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

August 11, 2020

FROM

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

SUBJECT

Memorandum of Understanding Knowledge and Education for Your Success, Inc. for the Mainstream Voucher Program

RECOMMENDATION(S)

1. Approve Memorandum of Understanding with Knowledge and Education for Your Success, Inc. for referral and supportive services for the Mainstream Voucher Program for three years effective September 1, 2020 through August 31, 2023.
2. Authorize and direct the Executive Director to execute and deliver the Memorandum of Understanding 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 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 Memorandum of Understanding (MOU) with Knowledge and Education for Your Success, Inc. (KEYS) is non-financial and as such does not have financial impact on the Housing Authority of the County of San Bernardino (HACSB).

BACKGROUND INFORMATION

The Mainstream Voucher Program (Program), administered by HACSB, provides housing subsidies with supportive services to 117 individuals and families with a household member who is a non-elderly person with disabilities and who is a resident of San Bernardino County. HACSB received an award of 77 Mainstream Vouchers under the FY 2019 Mainstream Voucher Program Notice of Funding Availability (NOFA) and received an additional 40 Mainstream Vouchers under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) from the United States Department of Housing and Urban Development. The Program provides a limited waiting list preference for individuals and families who are transitioning out of institutional and other segregated settings, at serious risk of institutionalization, currently experiencing homelessness, previously experienced homelessness and currently a client in a permanent supportive housing or rapid rehousing project, and at risk of experiencing homelessness.

The NOFA required applicants to provide evidence of partnerships with service agencies to help ensure voucher utilization and the provision of voluntary supportive services to Program participants. Five organizations, including KEYS, provided Letters of Intent in support of HACSB's Mainstream application. Approval of this MOU will formalize the partnership with KEYS and define

their respective roles in both providing housing subsidies and community-based services to Program participants in order to achieve and maintain an enriched quality of life.

KEYS has pledged to refer individuals and families when the Housing Choice Voucher waiting list is open. KEYS will also provide housing navigation, landlord outreach and service coordination to Program participants, and collect and report data concerning the provision of services. KEYS and HACSB will review, monitor and evaluate program outcomes at least quarterly to ensure adherence to requirements of the MOU and Program.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by Legal Counsel (Julie J. Surber, Principal Assistant County Counsel, 387-5455) on July 8, 2020.

MEMORANDUM OF UNDERSTANDING
Between
HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO
and
KNOWLEDGE AND EDUCATION FOR YOUR SUCCESS, INC.
for
MAINSTREAM VOUCHER PROGRAM

SEPTEMBER 1, 2020 – AUGUST 31, 2023

WHEREAS, the Knowledge and Education for Your Success, Inc., hereafter referred to as KEYS, is dedicated to enhancing access to supportive services for low-income residents in San Bernardino County; and

WHEREAS, the Housing Authority of the County of San Bernardino, hereafter referred to as HACSB, provides housing subsidies to individuals and families with a household member who is a non-elderly person with disabilities through the Mainstream Voucher Program; and

WHEREAS, KEYS supported HACSB's Mainstream Voucher Program grant application by providing a Letter of Intent submitted with HACSB's grant application to provide certain community-based services to support Mainstream Voucher Program participants; and

WHEREAS, HACSB and KEYS desire an agreement for the purpose of defining their respective roles in both providing housing subsidies and community-based services to Mainstream Voucher Program participants in order to achieve and maintain an enriched quality of life; and

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

TABLE OF CONTENTS

I.	PURPOSE	3
II.	DEFINITIONS	3
III.	HOUSING AUTHORITY RESPONSIBILITIES	3
IV.	KNOWLEDGE & EDUCATION FOR YOUR SUCCESS RESPONSIBILITIES.....	4
V.	MUTUAL RESPONSIBILITIES	5
VI.	FISCAL PROVISIONS	5
VII.	RIGHT TO MONITOR AND AUDIT	5
VIII.	TERM	5
IX.	EARLY TERMINATION	5
X.	INDEMNIFICATION	6
XI.	GENERAL PROVISIONS.....	6
XII.	CONCLUSION	7

I. PURPOSE

The Mainstream Voucher Program (Program), administered by the HACSB, provides housing subsidies with supportive services to individuals and families with a household member who is a non-elderly person with disabilities and who is a resident of San Bernardino County. HACSB provides administration for housing assistance services. Housing subsidies for approximately one hundred and seventeen (117) Mainstream Vouchers are available. HACSB will work with KEYS and other service providers to identify eligible individuals and families. KEYS will refer eligible households to be assisted with housing subsidies and assist with the application process when the HACSB waiting list is open. HACSB will administer the housing subsidies and corresponding family obligation requirements, while KEYS will provide supportive services, such as housing navigation, referral and service coordination, and landlord outreach.

The Program is a federal program funded by the Department of Housing and Urban Development and HACSB is the grantee for Mainstream Vouchers. As such it is HACSB's responsibility to determine if the household meets the federal guidelines for Program eligibility.

II DEFINITIONS

- A. Administrative Plan – Policy manual that details rules and policies that govern the subsidized programs under the HACSB.
- B. Family – Is used interchangeably with “applicant”, “participant” or “client.”
- C. 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 KEYS, or contained in the Landlord/tenant Lease.
- D. 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 HACSB and is also conducted on annual basis to ensure ongoing compliance of the subsidized rental unit.
- E. 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.
- F. Lease - The private market rental lease that outlines the rights and responsibilities of both the tenant and the Landlord during the lease term.
- G. Target Population – Individuals or families with a disabled household member between the ages of 18 and 62.

III. HACSB SERVICE RESPONSIBILITIES

- A. Provide housing services to qualified applicants from the Target Population. Services will be provided through the HACSB offices located in San Bernardino, Upland and Victorville or at other HACSB sites as needed.
- B. Maintain releases of information signed by each participant in the Program to ensure open communication between KEYS and HACSB in order to support the household's access to community-based services.

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 Administrative Plan and HUD determined guidelines governing the Program. Ensure families understand the obligations of the voucher.
2. Orientation Briefings, Issuance of Family Obligations Agreement/ Voucher: Notify the applicant of acceptance into the Program and conduct orientation meetings to provide instructions to applicants on policies, the Family Obligations Agreement/Voucher, and to outline applicant's rental responsibilities.
3. Initial and Regular Housing Inspections: Inspect the rental property to assure that housing is decent, safe, and sanitary and in compliance with HUD's Housing Quality Standards
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 HACSB and 30% of the participant's monthly income or other amount as provided in the HACSB's Administrative Plan. Generate monthly payments 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 case conference meetings with KEYS to discuss identification of barriers to housing navigation and retention, mutual problem solving, and future planning.

E. Share the Program results in a quarterly report that details the number of vouchers issued, units leased/families housed, type of service coordination provided and overall utilization rate.

IV. KEYS RESPONSIBILITIES

A. Refer Target Population to HACSB when the Program waiting list is open.

B. Assist persons with disabilities to apply to and obtain acceptance into the Program.

C. Assist Program voucher holders with locating and moving into units, including physically accessible units where appropriate.

D. Referring, coordinating and providing home and community-based services.

E. Providing outreach to recruit landlords to participate in the Housing Choice Voucher Program.

- F. Collect data in order to track, monitor and provide information about the services provided to Program voucher applicants and participants.
- G. Submit quarterly information to HACSB concerning services provided to applicants and participants by 10th of April, July, October and January in a form prescribed by HACSB.
- H. Cooperate with HACSB in the implementation, monitoring and evaluation of this MOU and comply with all reporting requirements established by this MOU.

V. MUTUAL RESPONSIBILITIES

- A. KEYS 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. KEYS 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 KEYS and HACSB's mutual chain of command, as deemed necessary.
- C. KEYS and HACSB agree to develop and implement procedures, surveys and forms necessary to administer and document Program referral, participation, services, and effectiveness.
- D. KEYS and HACSB agree they will collaborate in providing in-service training to staff about the Program and services offered under this MOU.

VI. FISCAL PROVISIONS

This is a non-financial MOU.

VII. RIGHT TO MONITOR AND AUDIT

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

VIII. TERM

This MOU is effective as of September 1, 2020 and expires August 31, 2023, but may be terminated earlier in accordance with provisions of Section IX of this MOU. This MOU may be extended for three-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 KEYS Director, or his/her appointed designee, has authority to terminate this MOU on behalf of KEYS.
- 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 KEYS 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 KEYS 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 KEYS 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 KEYS, including the acts, errors or omissions of the KEYS and for any costs or expenses incurred by the HACSB on account of any claim resulting from the acts or negligence of the KEYS 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.

XII. CONCLUSION

- A. This MOU, consisting of seven (7) pages is the full and complete document describing services to be rendered by KEYS 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.

KNOWLEDGE & EDUCATION FOR YOUR SUCCESS, INC.

By: _____

Name: _____

Title: _____

Date: _____

HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

By: _____

Name: Maria Razo

Title: Executive Director

Date: _____

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

August 11, 2020

FROM

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

SUBJECT

Regular Meeting Minutes for Meeting Held on July 14, 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 July 14, 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 July 14, 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 July 17, 2020.

**MINUTES OF A REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF
THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO
July 14, 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 896 1456 2127, Password 264374) at 3:10 p.m. on July 14, 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; Kristin Maithonis, Assistant Director of Housing Services; Remy Gaither, Career Development Initiatives Manager; Renee Kangas, Management Analyst; Nicole Beydler, Sr. Management Analyst; Jere Thrasher, Knowledge and Education for Your Success, Executive Director and Claudia Hurtado, Executive Assistant.

Also present: Julie Surber, Legal Counsel to the Housing Authority.

The Chairman called for additions or deletions to the July 14, 2020 agenda. Secretary of the Board declared there were no additions or deletions to the July 14, 2020 agenda.

The Chairman provided an opportunity for members of the public to address the Board of Commissioners. Secretary of the Board, read the public comment submitted by Desert Sanctuary, Inc.

The Executive Director's Report was requested.

Maria Razo, Executive Director gave the Executive Director's Report.

Commissioner Muñoz entered the meeting at 3:15 p.m.

The Board Building Presentation for July 14, 2020 regarding an overview of the Housing Authority of the County of San Bernardino's Annual Moving to Work Plan and Agency Budget for Fiscal Year 2020-2021, was requested.

The Board Building Presentation regarding the overview of the Annual Moving to Work Plan was presented by Sr. Management Analyst, Nicole Beydler and the Board Building Presentation regarding the Agency Budget for Fiscal Year 2020-2021 was presented by Executive Director, Maria Razo.

Commissioner Muñoz left the meeting at 4:32 p.m.

Approval for discussion calendar item number 6, to 1) Adopt Resolution No. 87, a) approving the Housing Authority of the County of San Bernardino's Annual Moving to Work Plan for Fiscal Year 2020-2021, b) Approving the Annual Moving to Work Plan Certification of Compliance to the United States Department of Housing and Urban Development, was requested.

Executive Director explained the item.

Commissioner Miller moved to approve the discussion calendar item number 6 to 1) Adopt Resolution No. 87, a) approving the Housing Authority of the County of San Bernardino's Annual Moving to Work Plan for Fiscal Year 2020-2021, b) Approving the Annual Moving to Work Plan Certification of Compliance to the United States Department of Housing and Urban Development, which motion was duly seconded by Commissioner MacDuff, 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 Adopt Resolution No. 88 to approve and adopt: A) The Fiscal Year 2020-21 Consolidated Annual Budget including operating transfers in/out, B) The Fiscal Year 2020-21 Public Housing Annual Budget including operating transfers in/out, C) Any changes to the Consolidated Annual Budget or the Public Housing Annual Budget that the Board of Commissioners may direct, was requested.

Executive Director explained the item.

Commissioner Miller moved to approve the discussion calendar item number 7, to Adopt Resolution No. 88 to approve and adopt: A) The Fiscal Year 2020-21 Consolidated Annual Budget including operating transfers in/out, B) The Fiscal Year 2020-21 Public Housing Annual Budget including operating transfers in/out, C) Any changes to the Consolidated Annual Budget or the Public Housing Annual Budget that the Board of Commissioners may direct, which motion was duly seconded by Commissioner Tarango, and upon roll call, the Ayes and Nays were as follows:

Ayes

Commissioner Johnson
Commissioner Cooper

Nays

Commissioner MacDuff
Commissioner Pinedo
Commissioner Tarango
Commissioner Miller

Approval for the discussion calendar item number 8, to Adopt Resolution No. 89 approving revisions to the Administrative Plan governing the Housing Authority of the County of San Bernardino's rental assistance programs, was requested.

Executive Director explained the item.

Commissioner Miller moved to approve the discussion calendar item number 8, to Adopt Resolution No. 89 approving revisions to the Administrative Plan governing the Housing Authority of the County of San Bernardino's rental assistance programs, 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 discussion calendar item 9, to Adopt Resolution No. 90 approving revisions to the Admissions and Continued Occupancy Plan governing the Housing Authority of the County of San Bernardino's Public Housing program, was requested.

Executive Director explained the item.

Commissioner Miller moved to approve the discussion calendar item number 9, Adopt Resolution No. 90 approving revisions to the Admissions and Continued Occupancy Plan governing the Housing Authority of the County of San Bernardino's Public Housing program, which motion was duly seconded by Commissioner MacDuff, 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

Approval of discussion calendar item 10, to Adopt Resolution No. 91 approving revisions to the Housing Authority of the County of San Bernardino's Employee Personnel Handbook, was requested.

Executive Director explained the item.

Commissioner Miller moved to approve the discussion calendar item number 10, to Adopt Resolution No. 91 approving revisions to the Housing Authority of the County of San Bernardino's Employee Personnel Handbook, which motion was duly seconded by Commissioner MacDuff, 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

Approval of discussion calendar item number 11, to 1) Approve a data use agreement, effective August 1, 2020, between the Housing Authority of the County of San Bernardino, Inland Empire Health Plan, San Bernardino County Department of Behavioral Health, Valley Star Behavioral Health, Inc., Step Up on Second Street, Inc., and Brilliant Corners for permanent supportive housing development, Desert Haven Apartments, for a five-year term through July 31, 2025, 2) Authorize and direct the Executive Director to execute and deliver the agreement to Inland Empire Health Plan, San Bernardino County Department of Behavioral Health, Valley Star Behavioral Health, Inc., Step Up on Second Street, Inc., and Brilliant Corners 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 11, to 1) Approve a data use agreement, effective August 1, 2020, between the Housing Authority of the County of San Bernardino, Inland Empire Health Plan, San Bernardino County Department of Behavioral Health, Valley Star Behavioral Health, Inc., Step Up on Second Street, Inc., and Brilliant Corners for permanent supportive housing development, Desert Haven Apartments, for a five-year term through July 31, 2025, 2) Authorize and direct the Executive Director to execute and deliver the agreement to Inland Empire Health Plan, San Bernardino County Department of Behavioral Health, Valley Star Behavioral Health, Inc., Step Up on Second Street, Inc., and Brilliant Corners and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction, which motion was duly seconded by Commissioner MacDuff, and upon roll call, the Ayes and Nays were as follows:

Ayes

Commissioner Johnson
Commissioner Cooper

Nays

Commissioner Pinedo
Commissioner Tarango
Commissioner Miller
Commissioner MacDuff

Approval of discussion calendar item number 12, to 1) Approve a data use agreement, retroactive to June 1, 2020, between the Housing Authority of the County of San Bernardino, Inland Empire Health Plan, San Bernardino County Department of Behavioral Health, Mental Health Systems, Inc., Step Up on Second Street, Inc., and Brilliant Corners for permanent supportive housing development, Golden Apartments, for a five-year term through May 31, 2025, 2) Authorize and direct the Executive Director to execute and deliver the agreement to Inland Empire Health Plan, San Bernardino County Department of Behavioral Health, Mental Health Systems, Inc., Step Up on Second Street, Inc., and Brilliant Corners 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 discussion calendar item number 12, to 1) Approve a data use agreement, retroactive to June 1, 2020, between the Housing Authority of the County of San Bernardino, Inland Empire Health Plan, San Bernardino County Department of Behavioral Health, Mental Health Systems, Inc., Step Up on Second Street, Inc., and Brilliant Corners for permanent supportive housing development, Golden Apartments, for a five-year term through May 31, 2025, 2) Authorize and direct the Executive Director to execute and deliver the agreement to Inland Empire Health Plan, San Bernardino County Department of Behavioral Health, Mental Health Systems, Inc., Step Up on Second Street, Inc., and Brilliant Corners and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction, which motion was duly seconded by Commissioner MacDuff, 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

Approval of discussion calendar item number 13, to approve an increase in appropriations for heating, ventilation, and air conditioning services by \$300,000 for a total amount not to exceed \$764,740 through January 24, 2022, was requested.

Executive Director explained the item.

Commissioner Miller moved to approve discussion calendar item number 13, to approve an increase in appropriations for heating, ventilation, and air conditioning services by \$300,000 for a total amount not to exceed \$764,740 through January 24, 2022, which motion was duly seconded by Commissioner MacDuff, 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

Approval of discussion calendar item number 14, to 1) Approve contract addendums to Contract No. PC938, with Sillman Wright Architects, Onyx Architects, Inc., Pyatok Architects, and BASIS Architecture & Consulting, for on-call architect services, exercising the option to extend one additional two-year term from August 1, 2020 through July 31, 2022, 2) Approve an increase in appropriations for on-call architect services by \$500,000 for an overall amount not to exceed \$1,085,000 through July 31, 2022, 3) Authorize and direct the Executive Director to execute and deliver the contract addendums to Sillman Wright Architects, Onyx Architects, Inc., Pyatok Architects, and BASIS Architecture & Consulting 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 discussion calendar item number 14, to 1) Approve contract addendums to Contract No. PC938, with Sillman Wright Architects, Onyx Architects, Inc., Pyatok Architects, and BASIS Architecture & Consulting, for on-call architect services, exercising the option to extend one additional two-year term from August 1, 2020 through July 31, 2022, 2) Approve an increase in appropriations for on-call architect services by \$500,000 for an overall amount not to exceed \$1,085,000 through July 31, 2022, 3) Authorize and direct the Executive Director to execute and deliver the contract addendums to Sillman Wright Architects, Onyx Architects, Inc., Pyatok Architects, and BASIS Architecture & Consulting and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction, which motion was duly seconded by Commissioner MacDuff, 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

Approval of discussion calendar item number 15, to 1) Approve Amendment No. 1 to Contract No. PC947, with Vizion's West, Inc. and Unlimited Environmental, Inc. for environmental abatement services, exercising the option to extend one additional two-year term from July 24, 2020 through July 23, 2022, 2) Approve an increase in appropriations for environmental abatement services by \$250,000 for an overall amount not to exceed \$450,000 through July 23, 2022, 3) Authorize and direct the Executive Director to execute and deliver the contract

amendments to Vizion's West, Inc. and Unlimited Environmental, 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 discussion calendar item number 15, to 1) Approve Amendment No. 1 to Contract No. PC947, with Vizion's West, Inc. and Unlimited Environmental, Inc. for environmental abatement services, exercising the option to extend one additional two-year term from July 24, 2020 through July 23, 2022, 2) Approve an increase in appropriations for environmental abatement services by \$250,000 for an overall amount not to exceed \$450,000 through July 23, 2022, 3) Authorize and direct the Executive Director to execute and deliver the contract amendments to Vizion's West, Inc. and Unlimited Environmental, 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 Pinedo
Commissioner Tarango
Commissioner Miller
Commissioner MacDuff

Nays

Approval of discussion calendar item number 16, to 1) Approve Amendment No. 1 to Contract No. PC1111 with Noble E&C Inc. for interior plumbing re-pipe services at the Parkside Pines Affordable Housing community increasing the total contract amount by \$64,263, from \$472,600 to a not-to-exceed \$536,863 and extending the contract through August 31, 2020, 2) Authorize and direct the Executive Director to execute and deliver the contract amendment to Noble E&C 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 discussion calendar item number 16, to 1) Approve Amendment No. 1 to Contract No. PC1111 with Noble E&C Inc. for interior plumbing re-pipe services at the Parkside Pines Affordable Housing community increasing the total contract amount by \$64,263, from \$472,600 to a not-to-exceed \$536,863 and extending the contract through August 31, 2020, 2) Authorize and direct the Executive Director to execute and deliver the contract amendment to Noble E&C 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 MacDuff, and upon roll call, the Ayes and Nays were as follows:

Ayes

Nays

Commissioner Johnson
Commissioner Cooper
Commissioner Pinedo
Commissioner Tarango
Commissioner Miller
Commissioner MacDuff

Approval of consent calendar items number 18 through 20 to 18) Approve the meeting minutes for the Board of Commissioners of the Housing Authority of the County of San Bernardino Regular Meeting held on June 9, 2020, 19) Vacated Tenant Accounts for the Authority Owned Portfolio to be Written Off as Collection Loss for the Month Ending May 2020, 20) Approve and file Agency-wide Financial Statements through March 2020, was requested.

Commissioner Miller moved to approve consent calendar items 18 through 20 to 18) Approve the meeting minutes for the Board of Commissioners of the Housing Authority of the County of San Bernardino Regular Meeting held on June 9, 2020, 19) Vacated Tenant Accounts for the Authority Owned Portfolio to be Written Off as Collection Loss for the Month Ending May 2020, 20) Approve and file Agency-wide Financial Statements through March 2020, which motion was duly seconded by Commissioner MacDuff, 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, July 14, 2020 to be adjourned, which motion was duly seconded by Commissioner MacDuff, 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

Minutes of a Regular Meeting of the Board of Governors of the Housing Authority of the County
of San Bernardino for July 14, 2020

Page 9

The meeting adjourned at 5:31 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**

August 11, 2020

FROM

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

SUBJECT

Agency-wide Financial Statements through April 2020

RECOMMENDATION(S)

Approve and file Agency-wide Financial Statements through April 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 April 2020 for Federal Fiscal Year (FFY) 2019-20 is \$12,523,259. The net income is currently greater than the anticipated \$343,194 net income, with a variance of \$12.2 million, primarily due to:

- Housing Assistance Payment (HAP) expenses were significantly higher due to an increased cost per unit. A draw from HACSB's United States Department of Housing and Urban Development (HUD) held reserve was received in the amount of \$4.2 million for increased expenses in the last calendar year and does not offset the current year's increased cost per unit.
- The Capital Fund and the Housing Support Program grant has experienced an increase in activity through April 2020. We expect this activity to decrease and reflect the budgeted amount by the end of the fiscal year.
- Depreciation expense reflected monthly is not included in the annual budget which amounts to \$3.4 million.
- 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) and amounts to \$7.1 million.
- Administrative and maintenance expenses are lower due to vacant positions, which we expect to fill later in the year as well as other administrative savings which amounts to \$2.2 million.

Financial Summary	FY 2020 YTD
Revenues	\$101,266,348
Expenses	\$85,322,104
Operating Gain	\$15,944,244
Operating Transfers/Non-Operating Items	\$(3,420,985)
Net Income/(Loss)	\$12,523,259

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, 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 will be processed for any increases in HAP expenses from Jan – April 2020.
- 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 July 9, 2020.

HACSB Budget Comparison

Period = Oct 2019-Apr 2020

	YTD Actual	YTD Budget	Variance	% Var	Annual
INCOME					
TENANT INCOME					
Total Rental Income	15,519,621	15,030,077	489,544	3.26	25,890,742
Total Other Tenant Income	383,987	337,605	46,381	13.74	578,752
NET TENANT INCOME	15,903,607	15,367,682	535,925	3.49	26,469,494
GRANT INCOME					
TOTAL GRANT INCOME	81,791,134	72,110,497	9,680,638	13.42	123,414,095
OTHER INCOME					
TOTAL OTHER INCOME	3,571,606	3,755,211	-183,605	-4.89	5,639,874
TOTAL INCOME	101,266,348	91,233,390	10,032,958	11.00	155,523,464
EXPENSES					
GRANT EXPENSES					
TOTAL GRANT EXPENSES	3,989,033	3,559,630	-429,403	-12.06	6,102,222
ADMINISTRATIVE					
Total Administrative Salaries	7,319,996	7,865,414	545,418	6.93	13,511,215
Total Legal Expense	185,582	201,674	16,092	7.98	345,727
Total Other Admin Expenses	3,204,782	3,166,545	-38,237	-1.21	5,646,658
Total Miscellaneous Admin Expenses	1,354,294	1,933,943	579,649	29.97	2,938,056
TOTAL ADMINISTRATIVE EXPENSES	12,064,654	13,167,576	1,102,921	8.38	22,441,656
TENANT SERVICES					
TOTAL TENANT SERVICES EXPENSES	160,415	227,098	66,682	29.36	389,453
UTILITIES					
TOTAL UTILITY EXPENSES	1,909,638	2,123,615	213,977	10.08	3,640,484
MAINTENANCE AND OPERATIONS					
Total General Maint Expense	1,513,206	1,674,506	161,300	9.63	2,869,153
Total Materials	469,994	508,245	38,251	7.53	871,275
Total Contract Costs	1,698,385	2,618,576	920,191	35.14	4,485,145
TOTAL MAINTENANCE EXPENSES	3,681,585	4,801,326	1,119,741	23.32	8,225,573
GENERAL EXPENSES					
TOTAL GENERAL EXPENSES	724,001	726,046	2,044	0.28	1,241,332
EXTRAORDINARY MAINTENANCE EXPENSES					
TOTAL EXTRAORDINARY MAINTENANCE EXPENSES	1,284,017	8,369,169	7,085,152	84.66	14,767,546
HOUSING ASSISTANCE PAYMENTS					
TOTAL HOUSING ASSISTANCE PAYMENTS	60,595,302	56,680,355	-3,914,947	-6.91	97,841,355
FINANCING EXPENSE					
TOTAL FINANCING EXPENSES	913,458	949,599	36,141	3.81	1,627,884
TOTAL OPERATING EXPENSES	85,322,104	90,604,413	5,282,309	5.83	156,277,505
OPERATING NET INCOME	15,944,244	628,977	15,315,267	2,434.95	-754,041
NET OPERATING TRANSFER IN/OUT	0	285,783	285,783	100.00	285,783
NON-OPERATING ITEMS					
TOTAL NON-OPERATING ITEMS	3,420,985	0	-3,420,985	N/A	0
NET INCOME	12,523,259	343,194	12,180,064	3,549.03	-1,039,824