

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

TO BE HELD TELEPHONICALLY
October 13, 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: 857 5140 5078
Password: 346406

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 October 13, 2020. (Page 1)
- 5) Receive the board building presentation for October 13, 2020 regarding an overview of the Housing Authority of the County of San Bernardino's affiliate non-profit, Housing Partners I, Inc. (Page 2)
- 6)
 - 1 – Approve a lease agreement, effective November 1, 2020, with nonprofit affiliate Housing Partners I, Inc. for 6,495 square feet of premises, comprising the entire first floor of 5,395 square feet and one-half of the basement level of 1,100 square feet within an existing building located 424 N. Lemon Street in the city of Ontario in a fixed amount of \$5,500 per month for a two-year term through October 31, 2022.
 - 2 – Authorize and direct the Executive Director to execute and deliver the lease agreement to Housing Partners I, Inc., and upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction. (Pages 3-24)
- 7)
 - 1 – Approve a non-financial Memorandum of Understanding, effective November 1, 2020, with Inland Empire Health Plan to co-locate program services at the Community Resource Center in Victorville for an initial term of one year and that shall automatically renew on the anniversary date for subsequent one year periods not to exceed four years after the initial term.
 - 2 – Authorize and direct the Executive Director to execute and deliver the agreement to Inland Empire Health Plan, and upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction. (Pages 25-39)
- 8)
 - 1 - Approve the submission of an application to the United States Department of Housing and Urban Development for a designation of an EnVision Center.
 - 2 – Authorize and direct the Executive Director to execute and deliver a letter of commitment and Action Plan to the United States Department of Housing and Urban Development, and upon consultation with Legal Counsel, to accept and sign any ancillary documents necessary to finalize the submission of the application. (Pages 40-47)
- 9)
 - 1 – Authorize a Subrecipient Agreement, effective November 1, 2020, with the City of San Bernardino for an eviction prevention program in an amount not to exceed \$660,000 through June 30, 2022.
 - 2 – Authorize and direct the Executive Director to execute and deliver the agreement to the City of San Bernardino, and upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction. (Pages 48-82)
- 10) 1 – Approve a contract extension to the Project-Based Voucher Housing Assistance Payments Contract with National Community Renaissance of California at Northgate Village for the Veterans Housing Initiative Program, for an additional five-year period from March 15, 2021 through March 14, 2026.

2 – Authorize and direct the Executive Director to execute and deliver the contract extension to National Community Renaissance of California, and upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction. (Pages 83-117)

- 11) 1 - Approve a grant of easement and right of way to Southwest Gas Corporation, to use and maintain underground natural gas supply system on real property owned by the Housing Authority of the County of San Bernardino, at 755 East Virginia Way in the City of Barstow.

2 – Authorize and direct the Executive Director, upon consultation with Legal Counsel, to accept and sign ancillary documents or exhibits necessary to finalize and record the grants of easement with the County of San Bernardino Recorder. (Pages 118-123)

CONSENT CALENDAR

- 12) APPROVAL OF CONSENT ITEMS: # 13-15

- 13) Approve the meeting minutes for the Board of Commissioners of the Housing Authority of the County of San Bernardino Regular Meeting held on September 8, 2020. (Pages 124-132)

- 14) Approve vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month ending in July 2020. (Pages 133-136)

- 15) Approve and file Agency-wide Financial Statements through June 2020. (Pages 137-139)

- 16) Individual Board member Comments

- 17) 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**

October 13, 2020

FROM

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

SUBJECT

Executive Director's Report for October 13, 2020

RECOMMENDATION(S)

Receive the Executive Director's Report for October 13, 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.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by Legal Counsel (Julie J. Surber, Principal Assistant County Counsel, 387-5455) on September 25, 2020.

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

October 13, 2020

FROM

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

SUBJECT

Board Building Presentation for October 13, 2020

RECOMMENDATION(S)

Receive the board building presentation for October 13, 2020 regarding an overview of the Housing Authority of the County of San Bernardino's affiliate non-profit, Housing Partners I, Inc. (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 (HUD) Commissioner Lead the Way Training, board building is required to provide the Board of Commissioners 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 affiliate non-profit, Housing Partners I, Inc.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by Legal Counsel (Julie J. Surber, Principal Assistant County Counsel, 387-5455) on September 25, 2020.

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

October 13, 2020

FROM

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

SUBJECT

Lease Agreement with Housing Partners I, Inc. for Premises Located at 424 N. Lemon Street in the City of Ontario

RECOMMENDATION(S)

1. Approve a lease agreement, effective November 1, 2020, with nonprofit affiliate Housing Partners I, Inc. for 6,495 square feet of premises, comprising the entire first floor of 5,395 square feet and one-half of the basement level of 1,100 square feet within an existing building located 424 N. Lemon Street in the city of Ontario in a fixed amount of \$5,500 per month for a two-year term through October 31, 2022.
2. Authorize and direct the Executive Director to execute and deliver the lease agreement to Housing Partners I, 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 operates in a fiscally responsible manner.

FINANCIAL IMPACT

Approval of this item will generate revenue for the Housing Authority of the County of San Bernardino (HACSB) in the form of lease payments in the sum of \$5,500 per month from Housing Partners I, Inc. (HPI) from November 1, 2020 through October 31, 2022 for total revenue of \$132,000 during the 2-year term.

BACKGROUND INFORMATION

HACSB owns various properties throughout San Bernardino County, including its program offices. The subject property at 424 N. Lemon St. in Ontario, which is improved with an existing building, was formerly a Housing Choice Voucher (HCV) program office that assisted HACSB program participants and applicants from the west side of the county. However, with the acquisition of the Los Olivos property from the Housing Authority of the City of Upland, HACSB decided to consolidate offices and move its HCV program office to the Upland location last year. As such, the Lemon St. property remains vacant. HPI, who currently has office space at HACSB's Administrative office, is interested in leasing the entire first floor of 5,395 square feet and one-half of the basement level of 1,100 square feet within the existing building at the subject property from HACSB. The remaining one-half of the basement level will be retained by HACSB for storage of existing files and records. HACSB will, at its cost, partition the retained basement area from the leased basement area. HACSB will ensure processes are in place with HPI to protect any confidential documents. HPI may use the existing furniture within the premises at no cost or store the furniture at HPI cost to be returned at the end of the lease term. HPI will be responsible for all interior maintenance and janitorial services and pay for all utilities at the premises. Either party has the right to terminate the lease at any time during the term by providing not less than 90 days

Lease Agreement with Housing Partners I, Inc. for Premises Located at 424 N. Lemon Street in the City of Ontario
October 13, 2020

prior written notice to the other party. HACSB would benefit from gaining rental revenue on a currently vacant property, which thankfully HACSB has no debt on. In the current market with a reduced demand for commercial space, the lease amount is considered fair and reasonable.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by Legal Counsel (Julie J. Surber, Principal Assistant County Counsel, 387-5455) on October 1, 2020

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LEASE AGREEMENT

1. **PARTIES:** This Lease Agreement ("Lease") is made by and between the Housing Authority of the County of San Bernardino, a public agency ("LANDLORD"), as landlord, and Housing Partners I, Incorporated, a California non-profit public benefit corporation ("TENANT"), as tenant.

2. **PREMISES:** LANDLORD leases to TENANT and TENANT leases from LANDLORD certain premises totaling approximately 6,495 square feet of space, comprising the entire first floor of approximately 5,395 square feet and one-half of the basement level of approximately 1,100 square feet (collectively, the "Premises") located with a building ("Building") situated on real property ("Property") with an address of 424 N. Lemon Street, Ontario, California, as the Premises is more specifically depicted on Exhibit "A" attached hereto and incorporated herein by reference. TENANT shall have the option to use all existing LANDLORD furniture at the Premises in its AS-IS condition, or to store such furniture for the term of this Lease, at TENANT's sole cost, at a secure location approved by LANDLORD. TENANT shall be responsible for returning such furniture to the Premises at the end of the term of the Lease and repairing any damage caused to such furniture. For avoidance of doubt, the Premises leased by TENANT does not include the remaining one-half of the basement level of approximately 1,100 square feet ("Retained Area"), which LANDLORD shall retain for its own use and shall not be accessed by TENANT. Prior to the Commencement Date, LANDLORD shall, at its sole cost and expense, partition the Retained Area from the TENANT's leased portion of the basement level in a manner and method determined by LANDLORD in its sole discretion. LANDLORD shall have access to the Retained Area pursuant to Paragraph 16.

3. **TERM:** The Lease shall be for a term ("Term") of two (2) years, commencing on November 1, 2020 ("Commencement Date") and expiring on October 31, 2022 ("Expiration Date"), unless otherwise earlier terminated.

4. **RENT:**

A. TENANT shall pay to LANDLORD rent for the Premises in the amount of Five Thousand Five Hundred (\$5,500.00) per month for the duration of the Term of the Lease, which shall be due and payable in advance on the first day of each month during the Term, commencing on the Commencement Date.

B. Rent shall be paid to LANDLORD at the address set forth in Paragraph 24. Rent for any partial month shall be prorated based on the actual number of days in the subject month. If any rent or other sums due are not paid when due and payable, TENANT shall pay to LANDLORD an additional One Hundred and 00/100 Dollars (\$100.00) for each rent payment or other sums overdue as an administrative processing charge. The parties agree that this administrative processing charge represents a fair and reasonable estimate of the costs that LANDLORD will incur by reason of late payment by TENANT. Acceptance of any administrative processing charge shall not constitute a waiver of TENANT's default with respect to the overdue amount or prevent LANDLORD from exercising any of the other rights and remedies available to LANDLORD at law or in

equity. Rent and other sums not paid when due shall further bear simple interest at the rate of one and one-half percent (1½%) per month from the date due until such time that the rent or other amounts have been paid in full.

5. **RETURN OF PREMISES:** Upon any termination of this Lease, TENANT shall return the Premises in as good condition and repair as the Premises now are or shall hereafter be put; reasonable wear and tear excepted.

6. **TAXES:** TENANT shall pay before delinquency any and all property taxes, assessments, fees, or charges, including possessory interest taxes, which may be levied or assessed upon any personal property, improvements, or fixtures installed or belonging to TENANT and located at the Premises. TENANT shall also pay all license and/or permit fees necessary or required by law for the conduct of its operation. TENANT recognizes and understands that this Lease may create a possessory interest subject to property taxation and that TENANT may be subject to the payment of property taxes levied on such interest.

7. **USE:** TENANT may use the Premises for the sole purpose of office uses and for no other purposes.

8. **HEALTH, SAFETY AND FIRE CODE REQUIREMENTS:** The Premises is leased in its AS-IS condition without any representations or warranties by LANDLORD as to its condition, compliance with applicable laws, or fitness for any particular purpose. TENANT acknowledges and agrees that TENANT has inspected or had the opportunity to inspect the Premises and by its execution of the Lease and occupancy of the Premises, TENANT accepts the Premises. It shall be TENANT's sole responsibility, at its sole cost, to ensure that the Premises meets the applicable requirements of the Health, Safety, Fire and Building Codes, including any requirements for a notice of completion, certificate of occupancy, and the Americans with Disabilities Act ("ADA"). Should occupancy of the Premises be in any way prejudiced or prevented due to changes in the ADA or the Health, Safety or Fire Codes, TENANT shall correct, update, and comply with said changes at TENANT's sole cost and expense.

9. **SIGNS:** TENANT shall, at its sole cost and expense, remove all signs bearing the LANDLORD's name from all exterior parts of the Premises and repair any damage to the Premises caused by such removal. Any signs to be installed by TENANT on the exterior of the Premises or any signs to be installed in the interior of the Premises but visible from the exterior of the Premises shall require LANDLORD's prior written consent. Any such signs installed with LANDLORD's consent shall comply with all applicable laws. TENANT shall store all removed signage at TENANT's sole cost at a secure location approved by LANDLORD. TENANT shall be responsible at its sole cost and expense for returning and re-installing such removed signage to its original locations at the Premises at the end of the term of the Lease.

10. **MAINTENANCE:** TENANT shall maintain the interior of the Premises, and all component thereof, in as good an order, condition, and repair as received on the Commencement Date of the initial Term of this Lease, reasonable wear and tear excluded. TENANT shall be responsible at its sole cost for its own janitorial services for the Premises and shall keep the Premises in a clean and tidy condition.

11. **IMPROVEMENTS & FIXTURES:** TENANT shall not make any improvements or alterations to the Premises nor install any fixtures, including but not limited to the development of work space/common area workstations for use by LANDLORD from time to time, without LANDLORD's prior written consent. In the event LANDLORD grants such consent, LANDLORD may, at its option, require that any permitted improvements, alterations, or fixtures be removed by TENANT on or prior to the expiration or earlier termination of the Lease or that such permitted improvements, alterations, or fixtures be surrendered with the Premises without compensation to TENANT, provided that TENANT shall retain the right to remove any of its trade fixtures. All permitted tenant improvement, alteration, and fixture work shall be at TENANT's sole cost and expense.

12. **UTILITIES:** TENANT shall pay for the costs for all utilities used at the Premises, including, but not limited to, electric, gas, water, trash, and sewer.

13. **INDEMNIFICATION:** TENANT agrees to indemnify, defend (with counsel reasonably approved by LANDLORD) and hold harmless LANDLORD and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, and/or liability arising out of this Lease from any cause whatsoever, including the acts, errors or omissions of any person and for any costs or expenses incurred by LANDLORD on account of any claim except where such indemnification is prohibited by law. This indemnification provision shall apply regardless of the existence or degree of fault of indemnitees. TENANT's indemnification obligation applies to LANDLORD's "active" as well as "passive" negligence but does not apply to LANDLORD's "sole negligence" or "willful misconduct" within the meaning of Civil Code Section 2782.

14. **INSURANCE REQUIREMENTS AND SPECIFICATIONS:**

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

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

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

If TENANT has no employees, it may certify or warrant to LANDLORD that it does not currently have any employees or individuals who are defined as "employees" under the

Labor Code and the requirement for Workers' Compensation coverage will be waived by LANDLORD's Director of Risk Management.

If, TEANT is a non-profit corporation, organized under California or Federal law, volunteers for TENANT are required to be covered by Workers' Compensation insurance.

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

- (a) Premises operations and mobile equipment.
- (b) Products and completed operations.
- (c) Broad form property damage (including completed operations)
- (d) Explosion, collapse, and underground hazards
- (e) Personal injury
- (f) Contractual liability.
- (g) \$2,000,000 general aggregate limit.

(3) Commercial Property Insurance providing all risk coverage for the Premises, building, fixtures, equipment and all property constituting a part of the premises. Coverage shall be sufficient to insure One Hundred percent (100%) of the replacement cost.

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

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

B. If TENANT performs any construction of the Premises on behalf of LANDLORD, TENANT shall also procure and maintain coverages as follows:

(1) For construction contracts for projects over One Million Dollars (\$1,000,000) and less than Three Million Dollars (\$3,000,000) require limits of not less than Three Million Dollars in General Liability and Auto Liability coverage.

(2) For construction contracts for projects over Three Million Dollars (\$3,000,000) and less than Five Million Dollars (\$5,000,000) require limits of not less than Five Million Dollars (\$5,000,000) in General Liability and Auto Liability coverage.

(3) For construction contracts for projects over Five Million Dollars (\$5,000,000) and less than Ten Million Dollars (\$10,000,000) require limits of not less than Ten Million Dollars (\$10,000,000) in General Liability and Auto Liability coverage.

(4) Subcontractor Insurance Requirements. TENANT agrees to require all parties or subcontractors, including architects or others it hires or contracts with related any work performed at the Premises to provide insurance covering the contracted operation with the requirements in this Paragraph 14, (including waiver of subrogation rights) and naming LANDLORD as an additional insured. TENANT agrees to monitor and review all such coverage and assumes all responsibility ensuring that such coverage is provided as required here.

(5) Course of Construction/Installation (Builder's Risk) property insurance providing all risk, including theft coverage for all property and materials to be used on the project. The insurance policy shall not have any coinsurance penalty.

C. Additional Insured – All policies, except for the Workers' Compensation, shall contain endorsements naming LANDLORD and their officers, employees, agents and volunteers as additional insureds with respect to liabilities arising out of the use under this Lease. The additional insured endorsements shall not limit the scope of coverage for LANDLORD to vicarious liability but shall allow coverage for LANDLORD to the full extent provided by the policy. Such additional insured coverage shall be at least as broad as Additional Insured (Form B) endorsement form ISO, CG 2010.11 85.

D. Waiver of Subrogation Rights – TENANT shall require the carriers of required coverages to waive all rights of subrogation against LANDLORD, their officers, employees, agents, volunteers, contractors and subcontractors. All general or auto liability insurance coverage provided shall not prohibit TENANT and TENANT's employees or agents from waiving the right of subrogation prior to a loss or claim. TENANT hereby waives all rights of subrogation against LANDLORD.

E. Policies Primary and Non-Contributory – All policies required herein are to be primary and non-contributory with any insurance or self-insurance programs carried or administered by LANDLORD.

F. Severability of Interests –TENANT agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and there will be no cross liability exclusions that preclude coverage for suits between TENANT and LANDLORD or between LANDLORD and any other insured or additional insured under the policy.

G. Proof of Coverage –TENANT shall furnish Certificates of Insurance to LANDLORD evidencing the insurance coverage, including endorsements, as required, prior to the commencement of the Lease, which certificates shall provide that such

insurance shall not be terminated or expire without thirty (30) days written notice to LANDLORD, and TENANT shall maintain such insurance for the duration of the Term. Within fifteen (15) days of the commencement of the Term of this Lease, TENANT shall furnish a copy of the Declaration page for all applicable policies and will provide complete certified copies of the policies and endorsements immediately upon request.

H. Acceptability of Insurance Carrier – Unless otherwise approved by LANDLORD Department of Risk Management, insurance shall be written by insurers authorized to do business in the State of California and with a minimum “Best” Insurance Guide rating of “A- VII”.

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

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

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

J. Failure to Procure Insurance. All insurance required must be maintained in force at all times by TENANT. Failure to maintain said insurance, due to expiration, cancellation, etc., shall be cause for LANDLORD to give notice to immediately suspend all TENANT’s business activities on the Premises. Failure to reinstate said insurance within the (10) days of notice to do so shall be cause for termination and for forfeiture of this agreement, and/or LANDLORD, at its discretion, may procure or renew such insurance and pay any and all premiums in connection therewith, and all monies so paid by LANDLORD shall be repaid by TENANT to LANDLORD upon demand but only for the pro rata period of non-compliance.

K. LANDLORD shall have no liability for any premiums charged for such coverage(s). The inclusion of LANDLORD as additional named insured is not intended to and shall not make a partner or joint venturer with TENANT in TENANT’s operations.

L. TENANT agrees to require all parties or subcontractors, or others it hires or contracts with related to the use of this Lease to provide insurance covering such use with the basic requirements and naming LANDLORD as additional insured. TENANT

agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided as required herein.

M. Deductibles and Self-Insured Retention: Any and all deductibles or self-insured retention in excess of \$10,000.00 shall be declared to and approved by LANDLORD's Director of Risk Management.

15. **DESTRUCTION OF PREMISES:**

A. If during the Term of this Lease, any casualty renders twenty-five percent (25%) or less of the floor space of the Premises unusable for the purpose intended, LANDLORD may, in its sole discretion, opt to commence restoration of the Premises within sixty (60) days of notice of the casualty and shall thereafter complete restoration of the Premises within a reasonable time or terminate the Lease by written notice to TENANT without further liability.

B. If during the Term of this Lease, any casualty renders more than twenty-five percent (25%) but less than fifty percent (50%) of the floor space of the Premises unusable for the purpose intended, LANDLORD, in its sole discretion, may opt to commence restoration of the Premises within ninety (90) days of notice of the casualty and shall thereafter complete restoration of the Premises within a reasonable time, or terminate the Lease by written notice to TENANT without further liability.

C. If during the Term of the Lease, any casualty renders fifty percent (50%) or more of the floor space of the Premises unusable for the purpose intended, this Lease shall be terminated effective as of the date of the casualty.

D. In the event there is a destruction of a portion of the Premises as set out in subparagraphs "a" or "b" above, there shall be an abatement or reduction of the rent between the date of destruction and the date of completion of restoration or the date of termination of this Lease, whichever comes first. The abatement or reduction of the rent shall be in the percentage as the percentage of unusable floor space. Unusable floor space for the purpose of calculating the percentage of rent abatement or reduction shall include not only that floor space which is rendered unusable for the purpose intended by the casualty itself, but any additional floor space which is not usable for the purpose intended because of restoration or similar activities.

E. In the event there is a destruction of a portion of the Premises as set out in subparagraphs "a" or "b" above, and the Lease is not terminated because of such destruction, TENANT agrees to pay to LANDLORD any and all insurance proceeds received for said destruction for LANDLORD use in the restoration of the Premises.

F. In the event LANDLORD opts to restore the Premises, LANDLORD shall restore the damaged portions of the Premises to substantially the same condition as existing immediately prior to the damage, subject to any applicable law and receipt of insurance proceeds to cover the full amount of the restoration costs, provided that LANDLORD shall have no obligation to restore any improvements or fixtures installed by TENANT.

16. **LANDLORD'S ACCESS TO PREMISES:** LANDLORD and its authorized representatives shall have the right to enter the Premises at all reasonable times for any of the following purposes:

A. To determine whether the Premises are in the condition required by this Lease;

B. To do any necessary maintenance and to make any restoration to the Premises that LANDLORD has the right or obligation to perform.

C. To serve, post, or keep posted any notices required by law;

D. To post "for sale" signs at any time during the Term, to post "for rent" or "for lease" signs during the last three (3) months of the Term, and;

E. To show the Premises to prospective brokers, agents, buyers, tenants, lenders or persons interested in an exchange at any time during the Term.

F. To access the Retained Area.

17. **NOTICES:** Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by United States mail, postage prepaid, certified or registered, return receipt requested. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party shall be addressed to the other party at the address set forth below. Either party may change its address by notifying the other party of the change of address. Notices shall be deemed delivered and effective upon the earlier of (i) actual receipt or (ii) the date of delivery or refusal of the addressee to accept delivery if such notice is sent by or United States mail, postage prepaid, certified or registered, return receipt requested.

LANDLORD's address: ___Rishad Mitha___
 ___715 E. Brier Drive___
 ___San Bernardino, CA 92408___

TENANT's address: ___Anthony Perez___
 ___424 Lemon Street___
 ___Ontario, CA 91764___

18. **INCORPORATION OF PRIOR AGREEMENT:** This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this

Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose.

19. **WAIVERS:** No waiver by either party of any provisions of this Lease shall be deemed to be a waiver of any other provision hereof or of any subsequent breach by either party of the same or any other provisions.

20. **AMENDMENTS:** No provision of this Lease may be amended or modified except by an agreement in writing signed by the parties hereto.

21. **SUCCESSORS:** This Lease shall inure to the benefit of and be binding upon the heirs, executors, administrators, successors, and assigns of the parties hereto.

22. **SEVERABILITY:** If any word, phrase, clause, sentence, paragraph, section, article, part or portion of this Lease is or shall be invalid for any reason, the same shall be deemed severable from the remainder hereof and shall in no way affect or impair the validity of this Lease or any other portion thereof.

23. **TIME OF ESSENCE:** Time is of the essence of each provision of this Lease which specifies a time within which performance is to occur. In the absence of any specific time for performance, performance may be made within a reasonable time.

24. **QUIET ENJOYMENT:** Subject to the provisions of this Lease and conditioned upon performance of all the provisions to be performed by TENANT hereunder, TENANT shall to have quiet and peaceful possession of the Premises.

25. **PROVISIONS ARE COVENANTS AND CONDITIONS:** All provisions, whether covenants or conditions, on the part of either party shall be deemed to be both covenants and conditions.

26. **CONSENT:** Unless otherwise expressly set forth in the Lease, whenever consent or approval of either party is required that party shall not unreasonably withhold or delay such consent or approval.

27. **EXHIBITS:** All exhibits referred to are attached to this Lease and incorporated by reference.

28. **LAW:** This Lease shall be construed and interpreted in accordance with the laws of the State of California.

29. **ATTORNEYS' FEES AND COSTS:** If any legal action is instituted to enforce or declare any party's rights hereunder, each party, including the prevailing party, must bear its own costs and attorneys' fees. This paragraph shall not apply to those costs and attorneys' fees directly arising from any third party legal action against LANDLORD and payable under **Paragraph 13, INDEMNIFICATION, PARAGRAPH 39, PUBLIC RECORDS DISCLOSURE, and PARAGRAPH 41, HOLDOVER.**

30. **VENUE:** The parties acknowledge and agree that this Lease was entered into and intended to be performed in the County of San Bernardino. The parties agree that the venue for any action or claim brought by any party to this Lease will be the Superior Court of the State of California, County of San Bernardino. Each party hereby waives any law, statute (including but not limited to Code of Civil Procedure section 394), or rule of court which would allow them to request or demand a change of venue. If any action or claim concerning this Lease is brought by any third party, the parties hereto agree to use their best efforts to obtain a change of venue to the Superior Court of the State of California, County of San Bernardino.

31. **CAPTIONS, TABLE OF CONTENTS AND COVER PAGE:** The paragraph captions, table of contents and the cover page of this Lease shall have no effect on its interpretations.

32. **SURVIVAL:** The obligations of the parties which, by their nature, continue beyond the Term of this Lease will survive the termination of this Lease.

33. **BROKER'S COMMISSIONS:** TENANT is solely responsible for the payment of any commissions to any broker who has negotiated or otherwise provided services in connection with this Lease.

34. **ESTOPPEL CERTIFICATES:** TENANT shall, within ten (10) days after notice from LANDLORD, execute and deliver to LANDLORD, in recordable form, a certificate stating that this Lease is unmodified and in full force and effect, or in full force and effect as modified, and stating the modifications. The certificate also shall state the amount of monthly rent, the dates to which the rent has been paid in advance, the amount of any security deposit or prepaid rent, and that there are no uncured defaults or specifying in reasonable detail the nature of any uncured default claimed. Failure to deliver the certificate within ten (10) days shall be conclusive upon TENANT that this Lease is in full force and effect and has not been modified except as may be represented by LANDLORD, and that there are no uncured defaults on the part of LANDLORD. The estoppel certificate shall be in the form provided by LANDLORD.

35. **SECURITY DEPOSIT:**

A. TENANT shall deposit with LANDLORD the amount of Five Thousand Five Hundred and 00/100 Dollars (\$5,500.00), which equals one (1) month's monthly rent.

B. If TENANT defaults in payment of rent or any of the terms, provisions, covenants and conditions of this Lease, LANDLORD may use, apply, or retain the whole or any part of this security for the payment of any rent in default or for any other sum which LANDLORD may spend or be required to spend by reason of TENANT's default.

C. Should TENANT fully and faithfully comply with all the terms, provisions, covenants and conditions of this Lease, the security or any balance of the security shall be returned to TENANT promptly after the expiration of the Term of the Lease.

D. LANDLORD may require, at any time, that the security deposit be increased in proportion to the amount that monthly rent has increased.

E. In the event LANDLORD uses part or all of the security deposit, TENANT shall replenish the security deposit in the amount used within ten (10) days after notice from LANDLORD.

36. **ASSIGNMENT AND SUBLETTING:**

A. TENANT shall not voluntarily assign, encumber, or transfer its interest in this Lease or sublease the Premises, in whole or in part, or permit any other third-party person or entity to occupy, use, or share use of all or any part of the Premises, in each instance without first obtaining LANDLORD's prior written consent, which shall not be unreasonably withheld. Any assignment, encumbrance, sublease, or third-party use without LANDLORD's prior written consent shall be voidable and, at LANDLORD's election, shall constitute a default. No consent to any assignment, encumbrance, sublease, or third-party use shall constitute a further waiver of the provisions of this paragraph. For avoidance of doubt, any change in the ownership of TENANT shall constitute a transfer requiring LANDLORD's prior written consent.

B. In the event of an approved sublease, TENANT immediately and irrevocably assign to LANDLORD, as security for TENANT's obligations under this Lease, all rent from any sublease, and LANDLORD, as assignee and as attorney-in-fact for TENANT, may collect such rent and apply it toward TENANT's obligations under this Lease; except that, until the occurrence of an act of default by TENANT, TENANT shall have the right to collect such rent.

C. In the event of an approved sublease, fifty percent (50%) of all rents received by TENANT from its subtenants in excess of the rent payable by TENANT to LANDLORD under this Lease shall be paid to LANDLORD. In the event of an approved assignment, fifty percent (50%) of any sums to be paid by an assignee to TENANT in consideration of the assignment of this Lease shall be paid to LANDLORD.

D. TENANT shall pay to LANDLORD, whether or not consent is ultimately given, an administrative fee for LANDLORD's reasonable costs, including reasonable attorneys' fee, incurred in connection with processing a consent request.

E. No interest of TENANT in this Lease shall be assignable by operation of law (including, without limitation, the transfer of this Lease by testacy or intestacy). Each of the following acts shall be considered an involuntary assignment:

(1) If TENANT is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under the Bankruptcy Act in which TENANT is the bankrupt; or, if TENANT is a partnership or consists of more than one person or entity, if any partner of the partnership or other person or entity is or becomes bankrupt or insolvent, or makes an assignment for the benefit of creditors;

(2) If a writ of attachment or execution is levied on this Lease;

(3) If, in any proceeding or action to which TENANT is a party, a receiver is appointed with authority to take possession of the Premises.

F. An involuntary assignment shall constitute a default by TENANT and LANDLORD shall have the right to elect to terminate this Lease, in which case this Lease shall not be treated as an asset of TENANT, unless the involuntary assignment is cured as follows:

(1) If a writ of attachment or execution is levied on this Lease, TENANT shall have ten (10) days in which to cause the attachment or execution to be removed.

(2) If any involuntary proceeding in bankruptcy is brought against TENANT, or if a receiver is appointed, TENANT shall have sixty (60) days in which to have the involuntary proceeding dismissed or the received removed.

(3) Except as provided in (1) and (2) above, TENANT shall have no right to cure any involuntary assignment.

37. **EARLY TERMINATION OPTION:** Notwithstanding anything to the contrary in this Lease, LANDLORD shall have option, in its sole discretion, to terminate this Lease for any reason or for no reason at any time during the Term by providing TENANT with written notice no less than ninety (90) days prior to the effective termination date.

38. **MISREPRESENTATIONS:** If during the course of the administration of this Lease, LANDLORD determines that TENANT has made a material misstatement or misrepresentation or that materially inaccurate information has been provided to LANDLORD, LANDLORD shall have the right, at its sole discretion, to immediately terminate the Lease and pursue any available remedies at law or in equity. .

39. **PUBLIC RECORDS DISCLOSURE:** TENANT acknowledges and agrees that all information received by LANDLORD from TENANT or any source concerning the Lease or the Property, including the Lease itself, may be treated by LANDLORD as public information, subject to disclosure under the provisions of the California Public Records Act (Government Code Section 6250 et seq.), the Ralph M Brown Act, or any other open records laws ("Public Records Laws"). TENANT further acknowledges and agrees that, although all information received by LANDLORD in connection with the Lease or the Property are intended for the exclusive use of LANDLORD, such information is potentially subject to disclosure under Public Records Laws. In the event TENANT, at the time any information is provided to LANDLORD, has reasonably requested in writing that certain information as to the Lease or the Property be held in confidence and a request for disclosure of such information is thereafter received by LANDLORD, LANDLORD shall endeavor to notify TENANT of said request and shall thereafter disclose the requested information unless TENANT within five (5) days of LANDLORD's notice of such disclosure request: (i) requests that the information not be disclosed; (ii) provides a legally sound basis for nondisclosure (as determined in LANDLORD's sole discretion); and (iii) agrees in writing to indemnify, defend (with counsel reasonably approved by LANDLORD), and hold harmless LANDLORD and its officers, employees, agents, and volunteers from any and all claims, actions, losses, damages,

and/or liability arising out of or related the required disclosure. Notwithstanding anything to the contrary in the Lease, if LANDLORD does not notify TENANT of such disclosure request or if LANDLORD does not deem TENANT's basis for nondisclosure to be legally sufficient, as determined by LANDLORD in its sole discretion, LANDLORD shall not be liable for any claims for damages, lost profits, or other injuries of any and all kinds and TENANT waives any and all such claims against LANDLORD. TENANT's indemnity obligation shall survive the expiration or earlier termination of the Lease.

40. **DEFAULT AND RIGHT TO TERMINATE:**

A. Definitions. A "Default" by TENANT shall refer to any failure by TENANT to observe, comply with or perform any of the terms, covenants, conditions or rules applicable to TENANT under this Lease. The term "Breach" shall refer to the occurrence of any one or more of the following Defaults, and, where a grace period for cure after notice is specified herein, the failure of TENANT to cure such Default prior to the expiration of the applicable grace period:

(1) TENANT's unexcused failure to conduct TENANT's business at the Premises in accordance with the terms of this Lease including but not limited to the failure to comply with the limitations of use of the Premises.

(2) Vacating the Premises without the evident intention to reoccupy same, an abandonment of the Premises, or notice of intent to abandon Premises expressed in written notice.

(3) TENANT's failure to make any payment of monthly rent, or any other monetary payment required to be made by TENANT hereunder as and when due, the failure of TENANT to provide LANDLORD with reasonable evidence of insurance or surety bond required under this Lease, or TENANT's failure to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of three (3) days, or such reasonable time as agreed by LANDLORD, following written notice thereof by or on behalf of LANDLORD to TENANT.

(4) The failure by TENANT to provide LANDLORD with reasonable written evidence (in duly executed original form, if applicable) of any documentation or information which LANDLORD may reasonably require of TENANT under the terms of this Lease, where any such failure continues for a period of ten (10) days following written notice by or on behalf of LANDLORD to TENANT.

(5) A Default by TENANT as to any of the other terms, covenants, conditions or provisions of this Lease that are to be observed, complied with or performed by TENANT where such Default continues for a period of thirty (30) days after written notice thereof by or on behalf of LANDLORD to TENANT; provided, however, that if the nature of TENANT's Default is such that more than thirty (30) days are reasonably required for its cure, then it shall not be deemed to be a Breach of this Lease by TENANT if TENANT commences such cure within said thirty (30) day period and thereafter continuously and diligently prosecutes such cure to completion.

(6) The occurrence of any of the following events: (a) the making by TENANT of an assignment for the benefit of creditors; (b) TENANT's becoming a "debtor" as defined in 11 U.S. Code Section 101 or any successor statute thereto (unless, in the case of a petition filed against TENANT, the same is dismissed within sixty (60) days); (c) the appointment of a trustee or receiver to take possession of substantially all of TENANT's assets located at the Premises or of TENANT's interest in this Lease, where possession is not restored to TENANT within thirty (30) days; or (d) the attachment, execution or other judicial seizure of substantially all of TENANT'S assets located at the Premises or of TENANT's interest in this Lease, where such seizure is not discharged within thirty (30) days.

(7) The discovery by LANDLORD that any financial statement of TENANT or of any guarantor, given to LANDLORD by TENANT or any guarantor, was materially false.

(8) If the performance of TENANT's obligations under this Lease is guaranteed: (a) the death of a Guarantor, (b) the termination of a Guarantor's liability with respect to this Lease other than in accordance with the terms of such guaranty, (c) a Guarantor's becoming insolvent or the subject of a bankruptcy filing, or (d) a Guarantor's refusal to honor the guaranty, and TENANT'S failure, within sixty (60) days following written notice by or on behalf of LANDLORD to TENANT of any such event, to provide LANDLORD with written alternative assurances of security, which, when coupled with the then existing resources of TENANT, equals or exceeds the combined financial resources of TENANT and the Guarantors that existed at the time of execution of this Lease.

B. Remedies.

(1) Other than when a different time or remedy is specifically provided, such as for the payment of rent, if TENANT fails to perform any affirmative duty or obligation of TENANT under this Lease within ten (10) days after written notice to TENANT (or in case of an emergency, without notice), LANDLORD may at its option (but without obligation to do so), perform such duty or obligation on TENANT's behalf, including, but not limited to, the obtaining of reasonably required, insurance policies, or governmental licenses, permits or approvals. The costs and expenses of any such performance by LANDLORD shall be due and payable by TENANT to LANDLORD within ten (10) days of LANDLORD's demand.

(2) In the event of a Breach of this Lease by TENANT (as defined above), with or without further notice or demand, and without limiting LANDLORD in the exercise of any right or remedy which LANDLORD may have by reason of such Breach, LANDLORD may:

(a) Terminate TENANT's right to possession of the Premises by any lawful means, in which case this Lease and the term hereof shall terminate and TENANT shall immediately surrender possession of the Premises to LANDLORD. In such event LANDLORD shall be entitled to recover from TENANT: (i) the worth at the time of the award of the unpaid rent which had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rent which would have been

earned after termination until the time of award exceeds the amount of such rental loss that TENANT proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the Term after the time of award exceeds the amount of such rental loss that TENANT proves could be reasonably avoided; and (iv) any other amount necessary to compensate LANDLORD for all the detriment proximately caused by TENANT's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including, but not limited to, the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, and that portion of any leasing commission paid by LANDLORD in connection with this Lease and applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco or the Federal Reserve Bank District in which the Premises are located at the time of award plus one percent (1%). LANDLORD's attempt to mitigate damages caused by TENANT's Default or Breach of this Lease shall not waive LANDLORD's right to recover damages under this Paragraph. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, LANDLORD shall have the right to recover in such proceeding the unpaid rent and damages as are recoverable therein, or LANDLORD may reserve the right to recover all or any part thereof in a separate suit for such rent and/or damages.

(b) Continue the Lease and TENANT's right to possession in effect under California Civil Code Section 1951.4 after TENANT's Breach and recover the rent as it becomes due, provided TENANT has the right to sublet or assign, subject only to reasonable limitations. LANDLORD and TENANT agree that the limitations on assignment and subletting in this Lease are reasonable. LANDLORD's maintenance of the Premises or efforts to relet the Premises, or the appointment of a receiver to protect LANDLORD's interest under this Lease, shall not constitute a termination of TENANT'S right to possession.

(c) Pursue any other remedy now or hereafter available to LANDLORD under the laws or judicial decisions of the State of California.

(3) If, at any time TENANT is in default in monthly rent or fees or any other provision for forty-five (45) days, or if TENANT defaults on any provision(s) three (3) times within any twelve (12) consecutive months, LANDLORD may terminate this Lease on ten (10) days notice.

C. Survival of Indemnity Provisions. The expiration or termination of this Lease and/or the termination of TENANT's right to possession shall not relieve TENANT from liability under any indemnity provisions of this Lease as to matters occurring or accruing during the Term or by reason of TENANT's occupancy of the Premises.

D. Tenant's Personal Property. Immediately upon termination of this Lease, TENANT covenants and agrees to remove all of TENANT's personal property, machinery or fixtures from the Premises. If TENANT fails to remove any such personal property, LANDLORD may remove such personal property and place the same in storage at the

expense of TENANT and without liability to LANDLORD for losses. TENANT agrees to pay LANDLORD for all expenses incurred by LANDLORD in connection with the removal, and storage charges of TENANT's personal property, including attorney's fees and court costs. Alternatively, LANDLORD may at its option and on not less than ten (10) days written notice to TENANT sell all or any part of said personal property at public or private sale for such prices as LANDLORD may obtain. LANDLORD shall apply the proceeds of any such sale to the amounts due from TENANT under this Lease and to any expense incidental to such sale. Any surplus arising from such sale shall be refunded to TENANT.

E. **No Waiver by LANDLORD.** LANDLORD's receipt of any rent or of any other sum of money paid by TENANT after the termination and forfeiture of this Lease, or after the giving by LANDLORD of any notice to effect such termination, shall not waive the Default, reinstate, continue or extend the Term of this Lease, or destroy or impair the efficacy of LANDLORD's notice of termination, unless otherwise agreed in writing by LANDLORD. LANDLORD's acceptance of the keys to the Premises or any other act of LANDLORD or its agents or employees during the Term of this Lease shall not be deemed to be an acceptance or a surrender of the Premises, unless otherwise agreed in writing by LANDLORD.

41. **HOLDOVER:** TENANT shall not have the right to holdover in the Premises after the expiration or earlier termination of this Lease without the express written consent of LANDLORD. If TENANT holds over with such LANDLORD consent: (i) the holdover shall be on a month to month basis, (ii) the monthly rent and other recurring amounts payable shall be increased to 150% of the rent and other recurring amounts paid during the month immediately preceding such expiration or earlier termination; (iii) either party may terminate the Lease and Tenant's right to possession of the Premises during any holding over by providing the other party with not less than thirty (30) days prior written notice; and (c) all other terms and conditions of this Lease shall continue to apply. Nothing contained herein shall be construed as a consent by LANDLORD to any holding over by TENANT. TENANT shall indemnify, defend (with counsel reasonably acceptable to LANDLORD), and hold LANDLORD harmless from and against any and all claims, demands, actions, losses, damages, obligations, costs, and expenses, including, without limitation, attorneys' fees incurred or suffered by LANDLORD by reason of TENANT's failure to surrender the Premises on the expiration or earlier termination of this Lease in accordance with its provisions. If TENANT continues in possession of the Premises after the expiration or any earlier expiration of the Term without LANDLORD's express written consent, TENANT shall be deemed to be a tenant in sufferance with the monthly rent and other recurring amounts payable shall be increased to 200% of the rent and other recurring amounts paid during the month immediately preceding such expiration or earlier termination and LANDLORD shall have the right to pursue all remedies available at law or in equity.

42. **INTERPRETATIONS:** As this Lease was jointly prepared by the parties, the language in all parts of this Lease shall be construed, in all cases, according to its fair meaning and not for or against either party hereto.

43. **ENTIRE AGREEMENT:** This Lease contains the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous

agreements and understandings, express or implied, oral or written, of any nature whatsoever with respect to the subject matter hereof.

44. **AUTHORIZED SIGNATORIES:** The parties to this Lease represent for itself that its respective signatory executing this Lease on behalf its behalf is fully authorized to enter into this agreement.

END OF LEASE TERMS.

LANDLORD:

TENANT:

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Approved as to Legal Form:

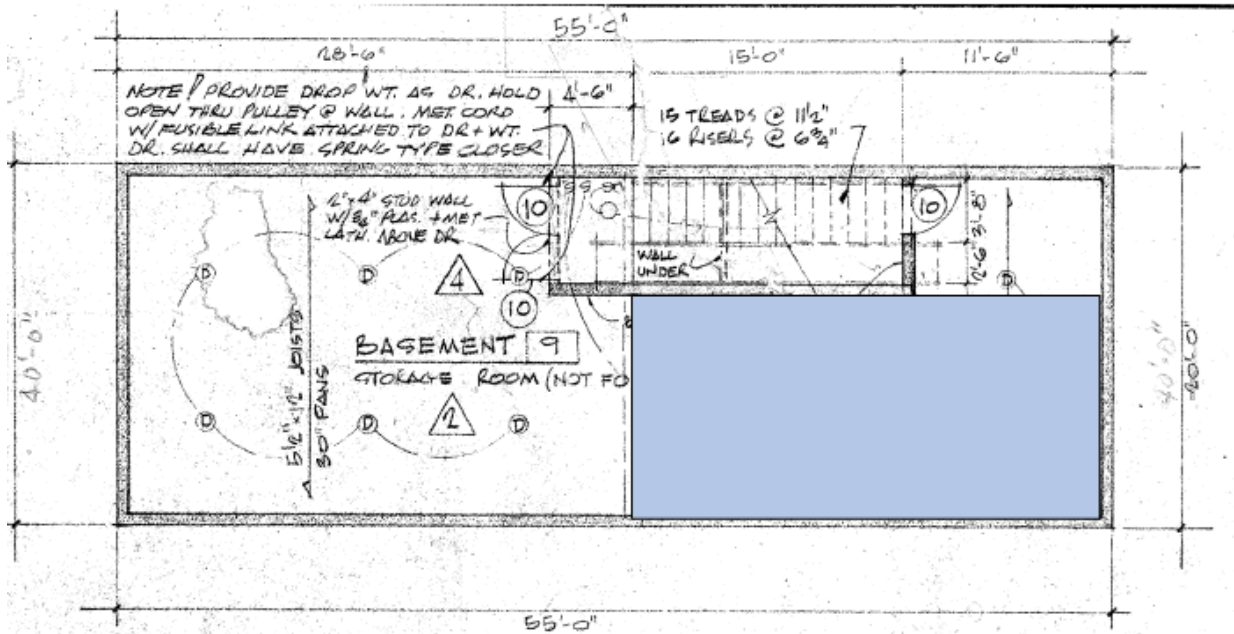
By: _____

Date: _____

PREMISES
First Floor



EXHIBIT A
PREMISES
Basement Level
(Landlord to retain shaded area)



NOTE: This exhibit is provided solely to depict the TENANT's leased area and the LANDLORD's retained area on the basement level. Any construction or other notes on the exhibit are not applicable to this Lease.

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

October 13, 2020

FROM

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

SUBJECT

Memorandum of Understanding with Inland Empire Health Plan to Co-locate Program Services at the Community Resource Center in Victorville

RECOMMENDATION(S)

1. Approve a non-financial Memorandum of Understanding, effective November 1, 2020, with Inland Empire Health Plan to co-locate program services at the Community Resource Center in Victorville for an initial term of one year and that shall automatically renew on the anniversary date for subsequent one year periods not to exceed four years after the initial term.
2. Authorize and direct the Executive Director to execute and deliver the agreement 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 clients have the resources they need to achieve self-sufficiency.

HACSB has secured the resources needed for accomplishing its mission.

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 Inland Empire Health Plan (IEHP) is one of the largest health plans in the country with 1.2 million members and over 6,000 providers. In order to promote a wellness-based lifestyle for its members, IEHP has opened various Community Resource Centers (CRC) across Riverside and San Bernardino Counties. The CRC facilities provide health, nutrition and wellness classes including case management for its members. Furthermore, in order to address needs related to social determinants of health, the CRC in Victorville also offers office space for various community partners to co-locate their respective program services at the center. Office space, furniture and supplies are offered at no charge for community partners who agree to provide staff to work at the location. HACSB has been invited to be one of these partners. IEHP recognizes that its members and the community have needs that may lie outside of traditional healthcare, but directly impact their health. Lack of housing, food/nutrition, education, transportation, are just a few social determinants of health that the community resource center strives to address. Addressing these social determinants of health will positively impact a family's overall health and wellness. We know that addressing one need is not enough.

This is a great opportunity for HACSB to provide resources to its housing program participants in real time rather than soft referrals. The intent is to have two HACSB staff members work at the Victorville CRC and be available on a limited basis to IEHP clients who are inquiring about

Memorandum of Understanding with Inland Empire Health Plan to Co-locate Program Services
at the Community Resource Center in Victorville
October 13, 2020

affordable housing programs and services. HACSB staff will work their normal duties with some reduction in tasks to compensate for limited engagement with IEHP members. An added incentive for HACSB to partner with IEHP is the CRC can be leveraged for an United States Department of Housing and Urban Development EnVision Center application. The Envision Center designation for HACSB will increase the opportunities for grant and philanthropic funding for HACSB to serve its clients in the area of promoting self-sufficiency.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by Legal Counsel (Julie J. Surber, Principal Assistant County Counsel, 387-5455) on September 25, 2020.

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("Agreement") is made and entered into by and between Inland Empire Health Plan ("IEHP"), a local public entity of the State of California, and Housing Authority of the County of San Bernardino ("Licensee"), a public entity, with references to the following facts:

RECITALS

WHEREAS, Licensee and IEHP have complementary objectives to protect and promote the health of the general population and seek to become working partners in preventing disease, prolonging life, and promoting mental and physical health through organized community efforts;

WHEREAS, IEHP maintains a venue through which Licensee can outreach to the public about the programs and/or education offered by Licensee;

WHEREAS, Licensee has been chosen as one of several non-profit participants to partner with IEHP in providing services to the community;

WHEREAS, IEHP is a party to that certain SHOPPING CENTER LEASE AGREEMENT, dated January 3, 2018, as may be amended from time to time or at any time, (collectively referred to as the "**Lease**"), pursuant to which IEHP leases a portion of the property located at 12353 Mariposa Road, Victorville, CA, 92395 (the "**Building**") consisting of 23,574 square feet in the Building as more particularly described in the Lease (the "**Leased Premises**"); and

WHEREAS, the Parties desire by this Agreement to provide for the licensing by IEHP to Licensee of the right to use and occupy a portion of the Leased Premises, as more particularly described in Attachment A attached hereto and made a part hereof (the "**Licensed Area**").

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties hereto mutually agree as follows, and in any exhibits or attachments attached hereto and incorporated herein by reference.

1. LICENSE; FURNITURE, FIXTURES AND PERSONAL PROPERTY; AS-IS

- A. License. IEHP hereby grants to Licensee, and Licensee hereby accepts, a license (the "License") to use and occupy the Licensed Area for the purposes permitted under the Lease subject to the terms and conditions set forth in this Agreement. The Parties do not intend to create a lease or any other interest in real property for Licensee through this Agreement, and the Parties only intend to create a license that is revocable at will by either IEHP or Licensee. Licensee and its employees, agents, and invitees are, except as otherwise specifically provided in this Agreement, authorized to use the common areas in the Building for their intended purposes.
- B. Furniture, Fixtures, and Personal Property. Licensee shall also have the right to use IEHP's furniture, fixtures, and personal property ("IEHP's Personal Property"), as may be located in the Licensed Area upon the effective date of this Agreement (November

1, 2020) which shall be returned to IEHP upon the termination of this Agreement. Licensee has inspected IEHP Personal Property and agrees to accept the Licensed Area "AS-IS," "WHERE-AS," and "WITH ALL FAULTS" on the date hereof. Throughout the License Period, Licensee shall take good care of the Licensed Area and the IEHP's Personal Property. Licensee agrees to acknowledge receipt of IEHP Personal Property in the manner prescribed by IEHP.

- C. As-is. Licensee has inspected the Licensed Area and agrees to accept the Licensed Area "AS-IS," "WHERE-AS," and "WITH ALL FAULTS" on the date hereof. THE PARTIES DO NOT MAKE ANY WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THIS AGREEMENT, THE LICENSED AREA, THE LICENSOR'S PERSONAL PROPERTY, THE BUILDING, OR THE REAL PROPERTY OR PROPERTY INTERESTS, INCLUDING THE WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

2. SERVICES

- A. Description Of Services. Licensee shall provide workshops, classes and case management services, as set forth in Attachment A, attached hereto, and incorporated herein by reference.

3. PERIOD OF PERFORMANCE

The term of this Agreement shall become effective as of **November 1, 2020** and shall continue in effect for an initial term of one year and shall automatically renew on the anniversary date for subsequent one year periods not to exceed four (4) years after the initial term, unless terminated as specified in Section 12 (TERMINATION PROVISION).

4. COMPENSATION

No compensation will be exchanged between the parties. Licensee shall offer the services indicated in Attachment A, to educate the public on specified issues, as well as to promote its own available programs. IEHP shall provide the venue in which Licensee will be providing services and may engage in marketing such services with IEHP's prior written approval. Such activities are in furtherance of the parties' shared goals to promote the health of the general population through organized community efforts.

5. JOINT OPERATING MEETINGS

Meetings including the Licensee and IEHP staff will be held monthly or as needed. Licensee is required to attend all meetings.

6. TRAINING

Prior to providing services under this Agreement, Licensee shall participate in IEHP required training.

7. DATA CONTRIBUTIONS

Licensee shall contribute de-identified aggregate data to IEHP monthly. In addition, upon written authorization by the IEHP member, obtained by Licensee, Licensee shall provide IEHP with aggregate member specific data (see Attachment A, Section 3(iii) for deliverables that identify the data to be provided to IEHP) on a monthly and quarterly basis for the purpose of case conferencing in compliance with all state and federal laws.

8. INDEPENDENT CONTRACTOR

It is understood and agreed that Licensee is an independent contractor and that no relationship of employer-employee exists between the parties hereto. Neither party's officers, agents, employees or subcontractors, shall be entitled to any benefits payable to employees of the other party, including Workers' Compensation Benefits.

9. BACKGROUND CHECKS

Licensee acknowledges that IEHP has guidelines relating to criminal and other background checks of its employees, and that IEHP expects Licensee to follow similar guidelines for all employees and contractors of Licensee who are now, or in the future will be, performing services on IEHP Premises pursuant to this Agreement. Accordingly, Licensee agrees that it will conduct, at its own expense, criminal and other background checks on all employees and/or contractors providing services on IEHP Premises.

10. INDEMNIFICATION

Licensee shall indemnify, and hold harmless IEHP, its officers, employees and agents from any liability whatsoever, including wrongful death, based or asserted upon any act or omission of the Licensee, its employees, subcontractors and agents relating to or in any way connected with the accomplishment of the work or performance of service under this Agreement. As part of the foregoing indemnity, Licensee agrees to protect and defend at its own expense, including attorneys' fees, IEHP, its officers, agents and employees in any legal action based upon any such alleged acts or omissions.

IEHP shall indemnify, and hold harmless Licensee, its officers, employees and agents from any liability whatsoever, including wrongful death, based or asserted upon any act or omission of the IEHP, its employees, subcontractors and agents relating to or in any way connected with the accomplishment of the work or performance of service under this Agreement. As part of the foregoing indemnity, IEHP agrees to protect and defend at its own expense, including attorneys' fees, Licensee, its officers, agents and employees in any legal action based upon any such alleged acts or omissions.

The terms of this Section shall survive the termination of this Agreement.

11. INSURANCE

Throughout the term of this Agreement, Licensee shall maintain, at its sole cost and expense, insurance coverage Licensee deems prudent and customary in the exercise of Licensee's business operations, in amounts as may be necessary to protect Licensee and its officers, agents, and employees, as applicable, in the discharge of its responsibilities and obligations under this Agreement.

12. TERMINATION PROVISION

- A. Either party may terminate this Agreement, without cause, upon fifteen (15) days written notice served upon the other party.
- B. Should IEHP determine that there is a basis for termination for cause, such termination shall be effected upon five (5) days written notice to Licensee.
- C. Effect of Termination.
 - 1) If, for any reason, this Agreement is terminated prior to full completion of services, Licensee agrees to immediately furnish to IEHP all documents related to services rendered under this Agreement, including without limitation, copies of work papers, schedules or other work products related to this Agreement.
 - 2) Unless otherwise provided herein, the rights and obligations of any party which by their nature extend beyond the expiration or termination of this Agreement, shall continue in full force and effect, notwithstanding the expiration or termination of this Agreement. This includes, without limitation, the following provisions: INDEMNIFICATION, LIMITATION OF LIABILITY, GOVERNING LAW, and VENUE.

13. COMMON AREAS

- A. **Definition.** The term "Common Areas" is defined as all areas and facilities outside the Licensed Area and within the Premises, that are provided and designated by IEHP from time to time for the general nonexclusive use of the IEHP, Licensee and other occupants or users of the Premises and their respective employees, customers, contractors and invitees, including, but not limited to, common entrances, conference rooms, lobbies, public restrooms, parking areas, loading and unloading areas, trash areas, roadways, walkways, driveways and landscaped areas.
- B. **Roles and Responsibilities.** IEHP or such other person(s) as the IEHP may appoint shall have the exclusive control and management of the Common Areas and shall have the right, from time to time, to adopt, modify, amend and enforce reasonable roles and responsibilities ("Roles and Responsibilities") for the management, safety, care, and cleanliness of the Premises grounds, use of common area, the parking and unloading of vehicles and the preservation of good order, as well as for the

convenience of other occupants or users of the Premises and their invitees. The Licensee agrees to abide by and conform to all such Roles and Responsibilities and shall use its best efforts to cause its employees, customers, contractors and invitees to so abide and conform. IEHP shall not be responsible to Licensee for the noncompliance with said Roles and Responsibilities by other occupants or users of the Premises or Building.

C. Changes to Common Areas. IEHP shall have the right, in its sole discretion, from time to time:

- i. To make changes to the Common Areas, including, without limitation, changes in the location, size, shape and number of the lobbies, windows, air shafts, restrooms, driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas, walkways and utility raceways;
- ii. To close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises and Licensed Area remains available;
- iii. To designate other property outside the boundaries of the Premises to be a part of the Common Areas;
- iv. To add additional improvements to the Common Areas and to use the Common Areas while engaged in making additional improvements, repairs or alterations to the Premises, or any portion thereof; and
- v. To do and perform such other acts and make such other changes in, to or with respect to the Common Areas as IEHP may, in the exercise of sound business judgment, deem to be appropriate.

14. OPERATING RESPONSIBILITIES

- A. Hours of Operation.** Licensee may provide services during IEHP's hours of operation. Licensee is not entitled to use the Premises outside the posted hours of operation without prior written authorization from IEHP. Licensee acknowledges that it is expected to be available to provide services Monday through Friday during IEHP's hours of operation for no less than thirty-five (35) hours per week, excluding holidays, office closures and Licensee's 9/80 closure Fridays. On weeks that contain Licensee's 9/80 closure Friday, Licensee shall only provide services Monday through Thursday for 35 hours per week.
- B. Compliance with Law.** Licensee's operations in and use of the Licensed Area shall conform to and abide by all County ordinances and all State and Federal laws and regulations insofar as the same or any of them are applicable; and where permits and/or licenses are required for Licensee's specific use of the Licensed Area, the same must be first obtained from the regulatory agency having jurisdiction herein.

- C. **Signs.** Licensee shall not post signs or advertising matter upon the Licensed Area unless prior approval therefor is obtained from IEHP, whose approval shall not be unreasonably withheld.
- D. **Sanitation.** No offensive matter or refuse or substance constituting an unnecessary, unreasonable, or unlawful fire hazard, or material detrimental to the public health, shall be permitted or remain on the Licensed Area, and Licensee shall prevent any accumulation thereof from occurring. Licensee shall pay all charges which may be made for the removal thereof.
- E. **Utilities.** IEHP shall be responsible for providing all utilities necessary for operation of the Licensed Area, excluding, internet, or other communications costs. IEHP will provide initial telephone unit hardware and installations to Licensee, which shall remain the property of IEHP.
- F. **Additional Costs.** Licensee shall be responsible for any additional costs caused by Licensee that Licensee or IEHP may incur with respect to custodial, security, or utility services that exceed those provided by IEHP pursuant to this Section as of the Commencement Date hereof. Licensee shall also be responsible for payment of any additional telephone, internet, or communications costs and installations that Licensee requires.
- G. **Examination of Licensed Area.** Licensee shall permit authorized representatives of IEHP to enter the Licensed Area for the purpose of determining whether the authorized activities are being conducted in compliance with the terms of this License, for any other purpose incidental to the performance of the duties required by law or its management of the Licensed Area. IEHP reserves the right to relocate or reassign Licensee's Licensed Area in its sole discretion for any reason and at any time to another space located on the Premises.
- H. **Equipment, Furniture, and Personal Property.** Any IEHP Personal Property existing on the Premises or the Licensed Area at the time this Agreement is signed shall remain property of IEHP, as applicable. Any Licensee personal property shall be removed upon termination of this License. Licensee is responsible for the security of all personal property brought on the Premises and/or stored in the Licensed Area. IEHP shall have no obligation to ensure the security of Licensee's personal property and Licensee acknowledges that it is solely responsible for the security of any personal property brought on the Premises.
- I. **Repair or Damage to Licensed Area.** Licensee shall, at Licensee's sole expense, be responsible for the cost of repairing any area of the Premises in which the Licensed Area is located, including the Licensed Area, which is damaged by Licensee or Licensee's agents, employees, invitees or visitors, including the repair of low voltage electronic, telecommunications, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Licensee. All repairs and replacements shall: (a) be made and performed by contractors or mechanics approved by the Foundation, which approval shall not be unreasonably withheld or delayed; (b) be at

least equal in quality, value and utility to the original work or installation; and (c) be in accordance with all laws.

J. **Compliance with Lease and Roles and Responsibilities.** Licensee acknowledges and agrees that this Agreement is subject and subordinate to the Lease and that in the event of any conflict or inconsistency between this Agreement and the Lease, the terms of the Lease shall control. Licensee further agrees to comply with any Roles and Responsibilities governing the Licensee's use of the Licensed Area and the Premises that may be adopted by IEHP. Licensee agrees that such Roles and Responsibilities governing use of the Licensed Area and the Premises are subject to reasonable modification at any time by IEHP.

K. **Review of Lease.** Licensee, by signing this Agreement, acknowledges that on or before the Commencement Date, Licensee has been provided a copy of the Lease and has had the opportunity to review the Lease with the legal counsel of its own choosing and understands the terms and conditions of the Lease that will affect the Agreement.

15. ASSIGNMENT AND DELEGATION

Licensee acknowledges that the rights contained herein are personal to Licensee and do not operate to confer or vest in Licensee any title, interest, or estate in the Licensed Area, or any part thereof, and, therefore, Licensee shall not assign, contract, agree or mortgage the Licensed area or for the furnishing of any of the work or services described herein, either in whole or in part.

16. ALTERATION AND/OR AMENDMENT

No alteration, amendment, or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties hereto, and authorized by the parties' respective governing boards, as applicable. No oral understanding or agreement not incorporated herein, shall be binding on any of the parties hereto.

17. NONDISCRIMINATION

Licensee shall not discriminate on the basis of race, color, national origin, ancestry, religion, sex, marital status, sexual orientation, income, health status or age in the performance of this Agreement, and, to the extent they shall be found to be applicable hereto, shall comply with the provisions of the Fair Employment and Housing Act (commencing with Section 12900 *et seq.* of the Government Code), and Federal Civil Rights Act of 1964 (P.L. 88-352).

18. CONFLICT OF INTEREST

Licensee shall have no interest, and shall not acquire any interest, direct or indirect, which will unlawfully conflict in any manner or degree with the performance of services required under this Agreement.

19. NOTICES

All correspondence and notices required or contemplated by this Agreement shall be delivered to the respective parties at the addresses set forth below and are deemed submitted one day after their deposit in the United States mail, postage prepaid:

IEHP:

Jarrold McNaughton, MBA, FACHE
Chief Executive Officer
IEHP
10801 Sixth Street, Suite 120
Rancho Cucamonga, CA 91730
(909) 890-2000

Licensee:

Maria Razo
Executive Director
Housing Authority of San Bernardino
715 E. Brier Drive
San Bernardino, CA 92408
(909) 332-6305

or to such other address(es) as the parties may hereafter designate, in writing.

20. SEVERABILITY

In the event any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

21. WAIVER

Waiver by either party of any breach of any one (1) or more of the terms of this Agreement shall not be construed to be a waiver of any subsequent or other breach of the same term or of any other term herein.

22. GOVERNING LAW; VENUE

- A. The provisions of this Agreement shall be construed in accordance with the laws of the State of California excluding its conflicts of law provisions.
- B. The provisions of the Government Claims Act (Government Code Section 900, *et seq.*) must be followed first for any disputes under this Agreement.
- C. All actions and proceedings arising in connection with this Agreement shall be tried and litigated exclusively in the state or federal (if permitted by law and a party elects to file an action in federal court) courts located in the counties of San Bernardino or Riverside, State of California.

23. LIMITATION OF LIABILITY

Without affecting the indemnification obligations set forth in this Agreement, in no event shall either party be liable for consequential, indirect, or incidental damages, including, without limitation, lost profits, arising out of the services provided under this Agreement.

24. COUNTERPARTS; SIGNATURE

This Agreement may be executed in separate counterparts, each of which shall be deemed an original, and all of which shall be deemed one and the same instrument. The parties' faxed signatures, and/or signatures scanned into PDF format, shall be effective to bind them to this Agreement.

25. ENTIRE AGREEMENT

This Agreement, including all attachments and manuals, which are hereby incorporated in this Agreement, supersedes any and all other agreements, promises, negotiations or representations, either oral or written, between the parties with respect to the subject matter and period governed by this Agreement and no other agreement, statement or promise relating to this Agreement shall be binding or valid.

26. COMPLIANCE WITH LAW

The parties shall observe and comply with all applicable local, state and federal laws, ordinances, rules and regulations now in effect or hereafter enacted, each of which is hereby made a part hereof and incorporated herein by reference.

27. CERTIFICATION OF AUTHORITY TO EXECUTE THIS AGREEMENT

Licensee certifies that the individual signing below has authority to execute this Agreement on behalf of Licensee and may legally bind Licensee to the terms and conditions of this Agreement, and any attachments hereto.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Understanding in as set forth below.

**HOUSING AUTHORITY OF SAN
BERNARDINO COUNTY:**

By: _____

Maria Razo
Executive Director

Date: _____

INLAND EMPIRE HEALTH PLAN:

By: _____

Jarrod McNaughton, MBA, FACHE
Chief Executive Officer

Date: _____

By: _____

Chair, IEHP Governing Board

Date: _____

Attest: _____

Secretary, IEHP Governing Board

Date: _____

Approved as to Form:

By:

Anna W. Wang
General Counsel
Inland Empire Health Plan

Date:

ATTACHMENT A
SCOPE OF SERVICES

HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

1. Licensee (also referred to as HACSB) shall perform the services as described below:

Educational programing in English that consists of, but is not limited to:

- A. Program Description:** The Housing Authority of the County of San Bernardino (HACSB) is the largest affordable housing provider in the County of San Bernardino. Its Housing Choice Voucher (HCV) program assists more than 10,000 families.

HACSB will provide program services to existing HCV clients such as general customer service, program recertifications, landlord management and program eligibility and onboarding. Furthermore, HACSB will provide self-sufficiency services for its term limited assisted families.

HACSB staff will be available for limited hours to provide information to the public regarding its housing programs and how to apply.

- B. Workshop/Classes:** Based on capacity HACSB will schedule monthly workshops on its programs that include topics such as:

- a. Eligibility
- b. How to apply

HACSB will also hold workshops for landlords on its programs and landlords looking to rent to HCV participants. Workshops will focus on:

- c. program regulations
- d. contract rent amounts
- e. how to become an HCV landlord and the benefits of doing so

- C. Case Management:** HACSB staff will continue to provide case management services for existing HACSB clients at the site. HACSB will not be able to provide case management services to non-program participants.

- 2. Program Evaluation**

IEHP, in its sole discretion, will evaluate the program yearly based on monthly metrics and decide whether to continue the program.

- a. Adherence to Program Guidelines outlined in Scope of Services
- b. Metrics outlined in Scope of Services met

- c. Any pictures or additional media to support program success

3. Reporting

In efforts to align with IEHP/Community Resource Center goals and objectives “Increase access to community resources and social services” partner shall submit on a monthly basis:

- i. Monthly testimony (success story)
- ii. Metrics: In order to achieve onsite partner goal of “Community Economic Stability” by the end of the term of this Agreement (including initial term and renewal terms) 5% of case managed clients shall gain economic independence, partner shall adhere to the following:
 - a. Partner shall provide, between 2-6 housing focused classes onsite monthly (potential participant and/or landlord)
 - b. Partner shall continue to case manage their clients while onsite.
 - c. Partner shall collaborate by providing referrals and/or warm hand-offs to onsite partners and/or Community Resource Center staff and/or programming.
 - d. Partner shall provide aggregate data (not client specific) to reflect client achievement of economic independence.

iii.

| Deliverables (ongoing) | Service type | Description |
|---|--|---|
| 1. # housing-focused classes provided | Educational workshops for IEHP Members and potential HSS clients | Housing Authority will provide between 2-6 classes per month to inform potential clients of Housing Authority programs available. Housing Authority will provide workshops for potential landlords interested in participation. |
| 2. # of client’s case managed | HSS client | Housing Authority teams are assigned about 475 clients per case worker. Clients are case managed while on the program. |
| 3. # of referrals provided to onsite partners and CRC | Community resources | Housing Authority will remind clients of multifaceted services offered at CRC and cross-refer approximately 25 clients to onsite partners and CRC teams, per month. |
| 4. High level recertification data displaying income improvements reported in recertification | HSS recertifications and interims | To determine income eligibility, 20-25 Housing Authority clients will go through recertification process (over the phone or in person) and approximately 10 interims, per month. This allows IEHP CRC to track, high level, income improvements in achieving economic stability within the High Desert community. Only high level, aggregate data to be provided to IEHP. |

4. Except as otherwise indicated in this Agreement, Licensee shall provide (at Licensee's expense) all equipment, tools, and other materials necessary to provide the services indicated herein.
5. Licensee shall render services at the following IEHP Community Resource Center locations, as agreed to between the parties, based on IEHP needs:

Victorville Community Resource Center
12353 Mariposa Road
Victorville, CA 92395

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

October 13, 2020

FROM

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

SUBJECT

EnVision Center Designation Application

RECOMMENDATION(S)

1. Approve the submission of an application to the United States Department of Housing and Urban Development for a designation of an EnVision Center.
2. Authorize and direct the Executive Director to execute and deliver a letter of commitment and Action Plan to the United States Department of Housing and Urban Development, and upon consultation with Legal Counsel, to accept and sign any ancillary documents necessary to finalize the submission of the application.

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

GOALS & OBJECTIVES

HACSB has secured the resources needed for accomplishing its mission.

HACSB operates in a fiscally responsible 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 anticipated material financial impact associated with this application.

BACKGROUND INFORMATION

The EnVision Center concept launched by the United States Department of Housing and Urban Development (HUD) is designed to be a one-stop resource hub for the customers of a Housing Authority and the community. The EnVision Center is meant to enhance an individual's position in the following four critical areas: economic empowerment, educational advancement, health and wellness, and character and leadership. It is also meant to be a center that attracts and fosters partnerships with a variety of local entities and philanthropic organizations. The Los Angeles field office of HUD has reached out to HACSB due to its history of innovation and favorable performance to become one of the few designated EnVision Centers in the western United States. HUD provides no financial resources to seed the creation of an EnVision Center, as a result, the other proposed item for the Board of Commissioner's regarding the EnVision Center is recommending approval of a Memorandum of Understanding (MOU) for HACSB to co-locate at the Inland Empire Health Plan's (IEHP) Community Resource Center (CRC) in Victorville, which is necessary for the application submission process.

IEHP has agreed to provide office space, supplies and concierge services at no charge to HACSB. On-site HACSB staff will provide information to IEHP clients on HACSB's various affordable housing programs and services. HACSB will also refer its housing program participants to the CRC which offers a variety of services which include but are not limited to: youth mentorship, immigration services, legal services, health and wellness classes, children's programming, and healthcare coverage education provided by friendly bilingual staff. HACSB plans to leverage this

EnVision Center Designation Application
October 13, 2020

partnership for a successful EnVision Center application with the hopes that the designation will attract more resources for its housing program participants.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by Legal Counsel (Julie J. Surber, Principal Assistant County Counsel, 387-5455) on September 34, 2020.



October 14, 2020

Laurie Cannady Udis
Field Office Director
U. S. Department of Housing and Urban Development
300 N. Los Angeles Street #4054
Los Angeles CA 90012

Dear Ms. Udis:

This letter affirms the commitment of the Housing Authority for the County of San Bernardino (HACSB) to the self-sufficiency of the residents that we serve. One of our strategies for achieving this objective is through the provision of services that support the HUD four pillars of self-sufficiency: economic empowerment, educational advancement, health and wellness, and character and leadership.

HACSB is committed to: developing and implementing a plan to promote and expand economic mobility, formalizing participation of community stakeholders, describing gaps in current service delivery models, identifying a physical location which can house an EnVision Center; and outlining specific goals for the EnVision Center.

We commit to working with federal agencies, state and local governments, non-profits, faith-based organizations, private corporations, our housing finance agency and other community-based organizations to leverage resources for the benefit of individuals and families living in our community. Our community is currently participating in one or more Federal place-based initiatives. These include: Community Development Block Grant, the HOME Program, Opportunity Zones, Promise Zone and the Byrne Justice Assistance Grant Program.

We have already initiated the EnVision Center designation process. On August 8th, HUD Region IX Regional Administrator Christopher Patterson performed a site visit of the Community Resources Center of our partner, Inland Empire Health Plan (IEHP) in Victorville CA, for which we are seeking official designation as an EnVision Center.

Attached you will find the Action Plan for our EnVision Center. Also attached is the Memorandum of Understanding between HACSB and IEHP formalizing our partnership arrangement.

Laurie Cannady Udis
October 14, 2020
Page 2

Thank you in advance for your assistance in this matter. Should you have any questions regarding our EnVision Center proposal, please feel free to contact Rishad Mitha of the HACSB staff at (909) 890-0644, or via email at rmitha@hacsb.com.

Sincerely,

Maria Razo
Executive Director

Attachments (2)

Cc:
Angela Huang, HUD
Rishad Mitha, HACSB
Cristal Enriquez, IEHP
Delia Orosco, IEHP

IEHP Community Resource Center in Victorville
Sponsor: Housing Authority of the County of San Bernardino
and Inland Empire Health Plan
12353 Mariposa Road, Unit C2 and C3
Victorville, CA. 92395

Section 1 Site Information

EnVision Center

| | |
|---------------------|---|
| Name of Executive: | Maria Razo |
| Title of Executive: | Executive Director |
| Name of Site: | IEHP Community Resource Center in Victorville |
| Address: | 12353 Mariposa Road, Unit C2 and C3 Victorville, CA. 92395 |

Staff Point of Contact

| | |
|------------------|--|
| Name: | Rishad Mitha |
| Mailing Address: | 715 East Brier Drive San Bernardino, CA. 92408 |
| Phone: | (909) 890-0644 |
| Email: | rmitha@hacsb.com |

Section 2 Operations Plan

| | |
|-----------------------|--|
| Date of site opening: | April 1, 2019 |
| Property insurance: | The site is insured by Inland Empire Health Plan (IEHP) |
| ADA compliant: | The site is compliant with the Americans with Disabilities Act |
| Building Description: | The IEHP Community Resource Center in Victorville consists of 23,500 square feet, all on one level. It is located within a shopping center and contains: a computer lab, meeting and training rooms, office space for service partners, a kitchen demonstration room, a yoga room complete with yoga mats and a break room for partners' staff, also a children's daycare center. It is located within four miles of three (3) HACSB developments. |

| | |
|-------------------------------|--|
| Days and Hours of Operations: | Monday – 9:00 am to 6:00 pm Tuesday through Friday – 9:00 am to 5:00 pm Saturday – 10:00 am. to 2:00 pm A full schedule of virtual Health and Fitness classes is continuing through the COVID-19 pandemic (see attached schedule). |
| Funding Sources & Strategy: | Currently the IEHP Community Resource Center in Victorville is supported by IEHP, with funds from San Bernardino County, provided by Medi-Cal, the Medicaid program for the State of California. Use of these funds will continue after the EnVision Center designation. |
| Outreach/Marketing Plan: | IEHP aggressively markets the services of its Community Resources Centers through a variety of methods, including: social media, mailers, text campaigns, word of mouth, flyers, billboards and promotions by its many partners. |
| Goals of the EnVision Center: | The goal of the IEHP Community Resource Center in Victorville is to create a healthier member as well as a healthier community, not only in terms of physical health, but also all aspects of family life. |

Section 3 Service Areas and Organizations

| | |
|---|--|
| Target Service Area | High Desert Region of California, with particular emphasis on Adelanto, Apple Valley, Barstow, Hesperia and Victorville. |
| Service Area's Participation in Federal Place Based Initiatives | San Bernardino County CDBG HOME Opportunity Zone (with City) Promise Zone (with City) Byrne JAG Program City of San Bernardino CDBG HOME Byrne JAG Program City of Adelanto Byrne JAG Program |

City of Apple Valley
Byrne JAG Program
City of Barstow
Byrne JAG Program
City of Hesperia
CDBG
Byrne JAG Program
City of Victorville
CDBG
Byrne JAG Program

| Service | Target Population | Service Provider | Type of Service Provider | Pillar Alignment |
|------------------------------------|--------------------------|--|---------------------------------|-------------------------|
| Youth Services | Youth | Goodwill Southern California | Non-profit Organization | Character & leadership |
| Employment Services | Adults | Goodwill Southern California | Non-profit Organization | Economic Empowerment |
| Case Management | All groups | Goodwill Southern California | Non-profit Organization | Character & leadership |
| Adult Services | Adults | Community Action Partnership of San Bernardino | Non-profit Organization | Character & leadership |
| Utility bill and rental assistance | Families | Community Action Partnership of San Bernardino | Non-profit Organization | Economic Empowerment |
| Weatherization | Families | Community Action Partnership of San Bernardino | Non-profit Organization | Economic Empowerment |
| Legal Services | Families | TODEC Legal Services | Non-profit Organization | Economic Empowerment |
| English as a Second Language | Families | TODEC Legal Services | Non-profit Organization | Economic Empowerment |
| Youth Mentorship | Youth | Young Visionaries – Youth Leadership Academy | Non-profit Organization | Character & Leadership |
| Music Skills Classes | Youth | Young Visionaries – Youth Leadership Academy | Non-profit Organization | Character & Leadership |
| Improv and Acting Classes | Youth | Young Visionaries – Youth Leadership Academy | Non-profit Organization | Character & Leadership |
| Health and Fitness Classes | All groups | Inland Empire Health Partnership (IEHP) | Non-profit Organization | Health and Wellness |

Identified Service Gaps

HACSB and IEHP are not currently aware of any service gaps that currently exist in this service delivery system, but welcome the opportunity to reassess after EnVision Center designation.

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

October 13, 2020

FROM

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

SUBJECT

Subrecipient Agreement with the City of San Bernardino for an Eviction Prevention Program

RECOMMENDATION(S)

1. Authorize a Subrecipient Agreement, effective November 1, 2020, with the City of San Bernardino for an eviction prevention program in an amount not to exceed \$660,000 through June 30, 2022.
2. Authorize and direct the Executive Director to execute and deliver the agreement to the City of San Bernardino, and upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.

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

GOALS & OBJECTIVES

HACSB has secured the resources needed for accomplishing its mission.

FINANCIAL IMPACT

Per the Subrecipient Agreement, the City of San Bernardino (City) will reimburse the Housing Authority of the County of San Bernardino (HACSB) in an amount not to exceed \$660,000, of which \$528,000 will be for eviction prevention assistance payments and \$132,000 will be for administrative expenses incurred by HACSB.

BACKGROUND INFORMATION

On April 2, 2020, the United States Department of Housing and Urban Development notified the City it was allocated \$2,003,529 in Community Development Block Grant – Coronavirus (CDBG-CV) funding in response to the pandemic's impact on local communities. The City will be utilizing a portion of these funds to setup an eviction prevention program as other recipients of such funds have implemented. The City approached HACSB because of its current lack of capacity to fully administer the grant and due to HACSB's experience in eligibility and processing of rental assistance programs. HACSB feels this is a great opportunity to assist renters in its jurisdiction and wants to make sure these funds are utilized. Approval of this agreement will authorize HACSB to assist in administering the eviction prevention program.

The targeted population for this assistance is to be limited to City of San Bernardino residents due to the jurisdiction of the recipient of the federal award. Furthermore, to avoid HACSB staff being inundated with calls, the City has agreed to market the program and refer households interested in the assistance to HACSB. HACSB will determine eligibility and process payments for households that are deemed qualified and are in arrears on rent payments.

Currently, Congress has not come to an agreement on long term supplemental unemployment payments and as such renters may experience financial hardship in the coming months, including the inability to comply with rent payment obligations. As such HACSB believes that this eviction prevention assistance is very important and can be vital in keeping families housed.

Subrecipient Agreement with City of San Bernardino for an Eviction Prevention Program
October 13, 2020

Procurement

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by Legal Counsel (Julie J. Surber, Principal Assistant County Counsel, 387-5455) on September 28, 2020.

**COMMUNITY DEVELOPMENT BLOCK GRANT--CORONAVIRUS
SUBRECIPIENT AGREEMENT**

By and Between the

CITY OF SAN BERNARDINO

and

HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

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**COMMUNITY DEVELOPMENT BLOCK GRANT—CORONAVIRUS
SUBRECIPIENT AGREEMENT**

THIS COMMUNITY DEVELOPMENT BLOCK GRANT--CORONAVIRUS SUBRECIPIENT AGREEMENT (this “Agreement”), dated for purposes of identification as of November 1, 2020 (the “Date of Agreement”), is made and entered into by and between **CITY OF SAN BERNARDINO**, a municipal corporation and charter city (the “City”), and **HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO**, a California Public Entity (the “Subrecipient”).

RECITALS

A. The City is typically the recipient of certain funds (the “CDBG Funds”) provided from the United States Department of Housing and Urban Development (“HUD”) under the Community Development Block Grant (“CDBG”) Program, pursuant to the Housing and Community Development Act of 1974, as amended (42 U.S.C. Section 5301 *et seq.*) (the “Act”). For purposes of this Agreement, a reference to CDBG Funds shall include CDBG-CV Funds, as hereinafter defined.

B. On March 13, 2020, the President of the United States declared a national emergency due to the ongoing pandemic for the novel coronavirus, SARS-CoV-2 known as “COVID-19,” and thereafter on March 27, 2020, the President of the United States signed H.R. 748 (PL 116-136), known as the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act. The CARES Act provides an additional \$5 billion of Community Development Block Grant – Coronavirus (“CDBG-CV”) supplemental funding to rapidly prepare, prevent, and respond to the coronavirus pandemic.

C. On April 2, 2020, HUD notified the City that it had allocated \$2,003,529 in CDBG-CV funds to the City. According to HUD, the City “may use the funds for a range of eligible activities that prevent and respond to the spread of infectious disease such as the coronavirus.” These funds are referred to herein as the “CDBG-CV Funds,” which are to be used exclusively for the purposes of rapidly preparing for, preventing, and responding to the coronavirus pandemic.

D. Subrecipient is eligible to receive, and has submitted an application to receive, a subgrant of CDBG-CV Funds to defray certain operational costs for providing certain services to the community relating to the preparation, prevention, and/or response to the ongoing COVID-19 pandemic (hereinafter defined as “Subrecipient’s CV Services”), as authorized by the Act (including, but not limited to, 42 U.S.C. §§ 5305(a)(2), (4), (8), (17), (22); 5306(d)(5)), and CDBG Regulations (including, but not limited to, 24 CFR §§ 570.201(c), (e), (f), and (o); 570.202(b); 570.203(b); and 570.205).

E. Subrecipient’s application for a subgrant of CDBG-CV Funds for COVID-19 response and prevention activities of \$660,000 for Subrecipient’s CV Services was approved by the City Council of the City on August 4, 2020, subject to execution by the City and Subrecipient of an agreement containing substantially the terms and conditions set forth in this Agreement and pursuant to all applicable provisions of the Act, CDBG Regulations, and the CARES Act, in accordance with federal regulations (*see* 24 CFR 570.503).

F. The City and the Subrecipient (each, a “Party” and jointly, the “Parties”) desire to enter into this Agreement so that Subrecipient may receive a grant of a portion of the CDBG-CV Funds in consideration for the provision of Subrecipient’s CV Services to the City and the community.

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL PROMISES, COVENANTS AND CONDITIONS CONTAINED HEREIN, THE CITY AND THE SUBRECIPIENT AGREE AS FOLLOWS:

CONTACT INFORMATION

City of San Bernardino:

Teri Ledoux

Awarding Official

Title: City Manager

Address: 290 North D Street

City: San Bernardino

State, CA **Zip:** 92401

Telephone: 909-384-5057

Subrecipient Organization:

Housing Authority of the County of San

Bernardino

Maria Razo

Name of Primary Contact

Title: Executive Director

Address: 715 E. Brier Drive

City: San Bernardino **Zip:** 92408

Telephone: 909-332-6305

CFDA Number and Name: **14.218 Community Development Block Grant-Coronavirus (CDBG-CV)**

Federal Award Date: TBD

(the date when the federal award is signed by the authorized official of the federal awarding agency.)

CDBG-CV Funds Obligated

Program Year: **2020**

Amount: 660,000

IDIS Activity # TBD

Total Amount of CDBG-CV Funds Obligated: 660,000

Section 1. Definitions.

Definitions.

The following capitalized terms used in this Agreement shall have the following meanings:

“Agreement” means this Community Development Block Grant--Coronavirus Subrecipient Agreement by and between the City and the Subrecipient.

“Budget” means the budget supplied by Subrecipient which (i) specifies how Subrecipient proposes that the Subgrant Proceeds be allocated among the following permitted uses: Rental Assistance Payments and Administrative Costs, and (ii) is attached hereto as Exhibit B and incorporated herein by this reference.

“CARES Act” is defined in Recital B hereof.

“CDBG” is defined in Recital A hereof.

“CDBG-CV” is defined in Recital B hereof.

“CDBG Funds” is defined in Recital A hereof.

“CDBG-CV Funds” is defined in Recital C hereof.

“C.F.R.” means the Code of Federal Regulations.

“City” is defined in the initial paragraph of this Agreement and includes any assignee or successor to the rights, powers and responsibilities of the City. The Director of the Department of Community and Economic Development of the City of San Bernardino, or such person’s designee (hereinafter defined as the “City’s Representative”) shall represent the City in all matters pertaining to this Agreement. Whenever a reference is made herein to an action or approval to be undertaken by the City, the City’s Representative is authorized to act on behalf of the City unless this Agreement specifically provides otherwise or the context should otherwise require.

“City’s Representative” means the Executive Director of the City’s Community Development Department, or such person’s designee.

“Costs” means the salaries, supplies and materials necessary to provide Subrecipient’s CV Services, including, without limitation, mileage and telephone costs.

“Covenants Re: Use of Federal Funds” means those additional covenants of Subrecipient required due to the federal source of the Subgrant Proceeds which are attached hereto as Exhibit D and incorporated herein by this reference.

“COVID-19” is defined in Recital B hereof.

“Date of Agreement” is defined in the initial paragraph of this Agreement.

“Default” is defined in Section 7.1 hereof.

“Eligible Household” refers to low income households, whose gross annual income may not exceed the low-income limits defined as up to 80 percent of the San Bernardino County area median income (AMI) adjusted for household size and determined annually by HUD.

“HUD” is defined in Recital A hereof.

“Maximum Amount of Subgrant” means \$660,000

“Parties” is defined in Recital F hereof.

“Program Income” means gross income received by Subrecipient directly generated from the use of CDBG-CV Funds. When such income is generated by an activity that is only partially assisted with CDBG-C Funds, the income shall be prorated to reflect the percentage of CDBG-CV Funds used. See Exhibit D attached hereto and 24 C.F.R. § 570.500(a) for a fuller description of Program Income.

“Salary and Benefits” means the reasonable salary and benefits to be paid by Subrecipient to Staff.

“Scope of Services” means the description of the Subrecipient’s CV Services, which is attached hereto as Exhibit A and incorporated herein by this reference.

“Staff” means each of the persons, individually, and all of the persons, collectively, hired by the Subrecipient to provide Subrecipient’s CV Services under this Agreement.

“Subgrant” is defined in Section 2.1 hereof.

“Subgrant Proceeds” means the proceeds of the Subgrant.

“Subrecipient” is defined in the initial paragraph of this Agreement. The Subrecipient’s Representative shall represent Subrecipient in all matters pertaining to this Agreement. Whenever a reference is made herein to an action or approval to be undertaken by Subrecipient, the Subrecipient’s Representative is authorized to act on behalf of Subrecipient unless this Agreement specifically provides otherwise or the context should otherwise require.

“Subrecipient’s Representative” means Rishad Mitha, Director of Operations for Subrecipient.

“Subrecipient’s CV Services” means the services provided by Subrecipient pursuant to this Agreement to defray certain operational costs for providing certain services to the community relating to the preparation, prevention, and/or response to the ongoing COVID-19 pandemic and includes, but is not limited to, the provision of the services set forth in the Scope of Services and as referenced in Recital D hereof.

“Rental Assistance Costs” means Costs associated with the completion of City-approved activity as outlined in Exhibit A.

“Term” is defined in Section 4 hereof.

“Term Expiration Date” means June 30, 2022.

Section 2. Subgrant.

2.1 Maximum Amount of Subgrant. It is expressly agreed and understood that the total amount to be paid by the City under this Agreement shall not exceed \$660,000. The dollar amount stated in the preceding sentence may be increased by written amendment of the Agreement, signed by an authorized representative of Subrecipient and the Director.

2.2 Budget. Subrecipient has submitted a Budget (based upon estimated costs and administrative costs per Section 2.3 hereof) to the City for approval which sets forth the estimated use of the CDBG-CV Funds contributed by the City pursuant to this Agreement. The Budget is attached hereto as Exhibit B and incorporated herein by this reference. Any amendments to an approved Budget for the Subrecipient's CV Services must be approved by the City's Director or his/her authorized designee. The City may require a more detailed line item breakdown of the Budget than the one contain herein, and the Subrecipient shall provide all such supplementary information requested about the Budget in a timely fashion in the form and content prescribed by the City. The Subrecipient does not commit to or make any guarantee to expend the maximum amount of the subgrant stated in section 2.1

2.3 Reimbursement of Rental Assistance and Administrative Costs. City shall reimburse Subrecipient for Rental Assistance Costs actually disbursed on behalf of Eligible Households pursuant to this Agreement, if any, and in accordance with the approved Scope of Services. City has agreed to reimburse Subrecipient for administrative costs or expenses incurred by Subrecipient to manage or implement the Program (as that term is defined and identified in the Scope of Services, attached hereto as Exhibit A and incorporated herein by this reference). Reimbursement of administrative costs shall be limited to 20% of the actual amount of rental payments. City's payment obligations shall be limited to the actual amount of rental payments disbursed by the Subrecipient in accordance with the terms of this Agreement, Subrecipient's Program Guidelines (as adopted by Subrecipient and approved by City), Subrecipient's Program Policy and Procedures (as adopted by Subrecipient and approved by City), and the approved Budget.

2.4 Requests for Payment. To receive each payment under this Agreement, Subrecipient shall submit to the City a written reimbursement request or invoice in a form approved by the City, along with such supporting documentation as may be requested by the City to verify Subrecipient's performance of Subrecipient's CV Services for which payment is requested. Payments will be adjusted by the City in accordance with fund advances, if any, and Program Income balances available in Subrecipient accounts.

2.5 Fiscal Limitations. The United States of America, through HUD, may in the future place programmatic or fiscal limitations on CDBG or CDBG-CV Funds, as may be the case, not presently anticipated. Accordingly, the City reserves the right to revise this Agreement in order to take account of such actions, if applicable to the funding sources used for this Agreement. In the event of funding reduction, the City may reduce the Budget for this Agreement as a whole or may limit the rate by which Subrecipient receives the Subgrant for providing Subrecipient's CV Services. If HUD directs the City to implement a reduction in funding, the City's Representative may act for the City in implementing and effecting such a reduction and in revising the Agreement for such purpose. Where the City's Representative has reasonable grounds to question the fiscal accountability, financial soundness, or compliance with this Agreement of Subrecipient, the City's Representative may act for the City in suspending the operation of this Agreement for up to sixty (60) days upon three (3) days' notice to Subrecipient of the City's intention to so act, pending an audit or other resolution of such questions.

2.6 Programs Utilizing Multiple Funding Sources. For programs in which there are sources of funds in addition to CDBG-CV Funds, Subrecipient shall provide proof of such funding. The City shall not pay for any services provided by Subrecipient which are funded by other sources. All restrictions and/or requirements provided for in this Agreement relative to accounting, budgeting and reporting apply to the total program regardless of funding sources.

2.7 Use of Subgrant Proceeds. Subrecipient shall use the Subgrant Proceeds to pay for (i) Salary and Benefits, and (ii) Costs, only and for no other purpose.

2.8 Use of Federal Funds. Subrecipient acknowledges and agrees that the Subgrant is funded from CDBG-CV Funds allocated to the City by the United States of America through HUD and the CARES Act. Accordingly, Subrecipient hereby provides to the City those covenants set forth in the Covenants Re: Use of Federal Funds, attached hereto as Exhibit C and incorporated herein by this reference.

Section 3. Subrecipient's CV Services.

3.1 Scope of Services. In compliance with all of the terms and conditions of this Agreement, Subrecipient shall provide the Subrecipient's CV Services, as more fully set forth in the Scope of Services. Subrecipient represents and warrants that all Subrecipient's CV Services to be provided hereunder shall be performed in a competent, professional and satisfactory manner in accordance with the standards prevalent in the industry for such services and shall be relating to the preparation, prevention, and/or response to the ongoing COVID-19 pandemic.

3.2 Agreement and Provision of Services Nonexclusive. Subrecipient acknowledges and agrees that this Agreement and the provision of services hereunder are nonexclusive and that the City may enter into similar agreements with other entities for the provision of similar services.

3.3 Time for Performance. Time is of the essence in the performance of this Agreement. Subrecipient shall perform and complete all of Subrecipient's CV Services in a timely and expeditious manner. Subrecipient shall not be responsible for delays caused by circumstances beyond its reasonable control, provided that Subrecipient has delivered to the City written notice of the cause of any such delay within ten (10) days of the occurrence of such cause.

3.4 Subrecipient's Proposal. The Scope of Services shall include the Subrecipient's proposal or bid, if any, which shall be incorporated herein by this reference as though fully set forth herein. In the event of any inconsistency between the terms of such proposal and this Agreement, the terms of this Agreement shall govern.

3.5 Compliance with Law. Subrecipient's CV Services shall be provided in accordance with all ordinances, resolutions, statutes, rules, regulations and laws of the City and any Federal, State or local governmental agency of competent jurisdiction, including without limitation the CARES Act and its requirements that such CV Services shall be for the purposes of preparing, preventing, and/or responding to the ongoing COVID-19 pandemic.

3.6 Licenses, Permits, Fees and Assessments. Subrecipient shall obtain, at Subrecipient's sole cost and expense, such licenses, permits and approvals as may be required by law for the performance of Subrecipient's CV Services. Subrecipient shall have the sole obligation to pay for any

fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and which arise from or are necessary for the performance of the services required by this Agreement.

3.7 Nondiscrimination. Subrecipient agrees not to discriminate against any person or class of persons by reason of sex, color, race, creed, religion, marital status, handicap, ancestry or national origin in its provision of Subrecipient's CV Services. To the extent this Agreement provides that Subrecipient offer accommodations or services to the public, such accommodations or services shall be offered by Subrecipient to the public on fair and reasonable terms.

3.8 Familiarity with Work. By executing this Agreement, Subrecipient represents and warrants that Subrecipient (i) has thoroughly investigated and considered Subrecipient's CV Services to be performed, (ii) has carefully considered how Subrecipient's CV Services should be provided and (iii) fully understands the facilities, difficulties and restrictions attending the provision of Subrecipient's CV Services under this Agreement. Should the Subrecipient discover any latent or unknown conditions materially differing from those inherent in the provision of Subrecipient's CV Services or as represented by the City, Subrecipient shall immediately inform the City of such fact and shall not proceed except at Subrecipient's risk until written instructions are received from the City.

3.9 Inspection. The City and HUD and their agents and representatives shall have the right at any reasonable time to observe the provision of Subrecipient's CV Services. Notwithstanding the foregoing, the City is under no duty to supervise the provision of Subrecipient's CV Services. Any inspection or examination by the City is for the sole purpose of protecting and preserving the City's rights under this Agreement. No default of Subrecipient shall be waived by any inspection by the City. In no event shall any inspection by the City be a representation that there has been or will be compliance with this Agreement or that Subrecipient is in compliance with any federal, state and local laws, ordinances, regulations and directives applicable to the performance of this Agreement or the provision of Subrecipient's CV Services. Subrecipient shall make or cause to be made such other independent inspections as Subrecipient may desire for Subrecipient's own protection.

Section 4. Term. This Agreement shall be for a term (the "Term") commencing on November 1, 2020 and terminating on the Term Expiration Date, subject to earlier termination as provided in Subsection 6.1.4 or Section 7 hereof. Upon such expiration at the Term Expiration Date, those provisions intended to survive the termination or expiration of this Agreement, including but not limited to for remittance of Program Income, indemnity obligations, and reporting requirements, shall continue to survive.

Section 5. Coordination of Services.

5.1 City's Representative. The City's Representative shall represent the City in all matters pertaining to this Agreement. Whenever a reference is made herein to an action or approval to be undertaken by the City, the City's Representative is authorized to act unless this Agreement specifically provides otherwise or the context should otherwise require.

5.2 Subrecipient's Representative. Subrecipient's Representative shall represent the Subrecipient in all matters pertaining to this Agreement. Subrecipient's Representative is the principal authorized to act on Subrecipient's behalf with respect to the services and work to be provided hereunder and make all decisions in connection therewith.

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing principal are a substantial inducement for the City to enter into this Agreement. Therefore, the foregoing principal shall be responsible during the Term of this Agreement for directing all activities of Subrecipient and devoting sufficient time to personally supervise the provision of Subrecipient's CV Services hereunder. The foregoing principal may not be changed by Subrecipient and no other personnel may be assigned to supervise the Subrecipient's CV Services to be provided hereunder without the express written consent of the City.

5.3 Prohibition Against Subcontracting and Assignments. Neither the whole nor any interest in, nor any of the rights or privileges granted under this Agreement shall be assignable or transferable or encumbered in any way without the prior written consent of City. Any such purported assignment, transfer, encumbrance, pledge, subuse, or permission given without such consent shall be void as to City. This is a personal services contract and the Subrecipient was chosen on the basis of characteristics unique to the Subrecipient. City shall have the right to unreasonably or arbitrarily withhold its consent to any such assignment, transfer, encumbrance, pledge, subuse, or permission.

5.4 Independent Contractor. Subrecipient and any agent or employee of Subrecipient shall act in an independent capacity and not as officers or employees of City. City assumes no liability for Subrecipient's actions and performance, nor assumes responsibility for taxes, bonds, payments, or other commitments, implied, or explicit, by or for Subrecipient. Subrecipient shall not have authority to act as an agent on behalf of City unless specifically authorized to do so in writing. Subrecipient acknowledges that it is aware that because it is an independent contractor, City is making no deduction from any amount paid to Subrecipient and is not contributing to any fund on its behalf. Subrecipient disclaims the right to any fee or benefits except as expressly provided for in this Agreement.

As respects all acts or omissions of Subrecipient relating to Subrecipient's responsibility for taxes, bonds, payments, or other commitments, implied, or explicit, by or for Subrecipient, the Subrecipient agrees to indemnify, defend (at the City's option), and hold harmless the City, its officers, agents, employees, representatives, and volunteers from and against any and all claims, demands, defense costs, liability, or consequential damages of any kind or nature arising out of or in connection with the Subrecipient's performance or failure to perform under this Section.

Section 6. Insurance and Indemnification.

6.1 Insurance. Without limiting City's right to indemnification, it is agreed that Subrecipient shall secure prior to commencing any activities under this Agreement, and maintain during the Term of this Agreement, insurance coverage as set forth in this Section 6.1.

6.1.1 Required Insurance Coverage. Subrecipient shall secure and maintain the following insurance coverage:

- (a) Workers' Compensation Insurance as required by California statutes;
- (b) Comprehensive General Liability Insurance, or Commercial General Liability Insurance, including coverage for Premises and Operations, Contractual Liability, Personal Injury Liability, Products/Completed Operations Liability, Broad-Form Property Damage, Independent Contractor's Liability and Fire Damage Legal Liability, in an amount of not less than One Million Dollars (\$1,000,000.00) per occurrence, combined single limit, written on an occurrence form; and

(c) Comprehensive Automobile Liability coverage, including - as applicable - owned, non-owned and hired autos, in an amount of not less than One Million Dollars (\$1,000,000.00) per occurrence, combined single limit, written on an occurrence form.

The City's Representative, with the consent of the City's Risk Manager, is hereby authorized to reduce the requirements set forth above in the event they determine that such reduction is in City's best interest.

6.1.2 Required Clauses in Policies. Each policy of general liability and automobile insurance required by this Agreement shall contain the following clauses:

“Written notice of cancellation shall be delivered to the Economic and Housing Development Department of the City of San Bernardino, 290 North D Street, San Bernardino, CA 92401-1734 in accordance with the policy provisions.”

“It is agreed that any insurance maintained by the City of San Bernardino shall apply in excess of and not contribute with insurance provided by this policy.”

“The City of San Bernardino, its officials, agents and employees are added as additional insureds as respects operations and activities of, or on behalf of the named insured, performed under contract with the City of San Bernardino.”

Subrecipient hereby agrees to waive subrogation which any insurer of the Subrecipient may acquire from the Subrecipient by virtue of the payment of any loss. If requested by City, Subrecipient agrees to obtain and deliver to City an endorsement from Subrecipient's general liability and automobile insurance insurer(s) to effect this waiver of subrogation.

The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the subrecipient, its employees and subcontractors.

6.1.3 Required Certificates and Endorsements. Prior to commencement of any work under this Agreement, the Subrecipient shall deliver to City (i) insurance certificates confirming the existence of the insurance required by this Agreement, and including the applicable clauses referenced above and (ii) endorsements to the above-required policies, which add to these policies the applicable clauses referenced above. Such endorsements shall be signed by an authorized representative of the insurance company and shall include the signator's company affiliation and title. Should it be deemed necessary by City, it shall be the Subrecipient's responsibility to see that City receives documentation, acceptable to City, which sustains that the individual signing such endorsements is indeed authorized to do so by the insurance company. Also, City reserves the right at any time to demand, and to receive within a reasonable time period, certified copies of any insurance policies required under this Agreement, including endorsements effecting the coverage required by these specifications.

6.1.4 Remedies for Defaults Re: Insurance. In addition to any other remedies City may have if the Subrecipient fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, City may, at its sole option:

(a) Obtain such insurance and deduct and retain the amount of the premium for such insurance from any sums due under this Agreement;

(b) Order the Subrecipient to stop work under this Agreement and/or withhold any payment(s) which become due to the Subrecipient hereunder until the Subrecipient demonstrates compliance with the requirements hereof;

(c) Terminate this Agreement.

Exercise of any of the above remedies, however, is an alternative to other remedies City may have and is not the exclusive remedy for the Subrecipient's failure to maintain insurance or secure appropriate endorsements.

Nothing herein contained shall be construed as limiting in any way the extent to which the Subrecipient may be held responsible for payment of damages to persons or property resulting from the Subrecipient's or its subcontractor's performance of Subrecipient's CV Services under this Agreement.

6.2 Indemnification. As respects acts, errors or omissions in the performance of Subrecipient's CV Services under this Agreement, the Subrecipient agrees to indemnify and hold harmless the City, its officers, agents, employees, representatives and volunteers from and against any and all claims, demands, defense costs, liability or consequential damages of any kind or nature arising directly out of the Subrecipient's acts, errors or omissions in the performance of Subrecipient's CV Services under the terms of this Agreement.

Section 7. Enforcement of Agreement.

7.1 Events of Default. For purposes of this Section 7, the word "Default" shall mean the failure of Subrecipient to perform any of Subrecipient's duties or obligations or the breach by Subrecipient of any of the terms and conditions set forth in this Agreement. In addition, Subrecipient shall be deemed to be in Default upon Subrecipient's (i) application for, consent to, or suffering of, the appointment of a receiver, trustee or liquidator for all or a substantial portion of its assets, (ii) making a general assignment for the benefit of creditors, (iii) being adjudged bankrupt, (iv) filing a voluntary petition or suffering an involuntary petition under any bankruptcy, arrangement, reorganization or insolvency law (unless in the case of an involuntary petition, the same is dismissed within thirty (30) days of such filing) or (v) suffering or permitting to continue unstayed and in effect for fifteen (15) consecutive days any attachment, levy, execution or seizure of all or a substantial portion of Subrecipient's assets or of Subrecipient's interests hereunder.

City shall not be deemed to be in Default in the performance of any obligation required to be performed by City hereunder unless and until City has failed to perform such obligation for a period of thirty (30) days after receipt of written notice from Subrecipient specifying in reasonable detail the nature and extent of any such failure; provided, however, that if the nature of City's obligation is such that more than thirty (30) days are required for its performance, then City shall not be deemed to be in Default if City shall commence to cure such performance within such thirty (30) day period and thereafter diligently prosecute the same to completion.

7.2 Immediate Termination for Subrecipient's Default. In the event of any Default by Subrecipient, City may immediately terminate this Agreement. Such termination shall be effective

immediately upon receipt by Subrecipient of written notice from City. In such event, Subrecipient shall have no further rights hereunder; City shall have all other rights and remedies as provided by law and under this Agreement, including from any provisions intended to survive the termination or expiration of this Agreement, including but not limited to for remittance of Program Income, indemnity obligations, and reporting requirements.

7.3 Termination Without Cause. Either City or Subrecipient may terminate this Agreement at any time without the necessity of cause or Default by the other Party by giving thirty (30) days' notice in writing to the other Party. In such event, the Parties shall have no further rights hereunder, except that Subrecipient shall be paid for Subrecipient's CV Services rendered and completed prior to such termination, and any provisions intended to survive under this Agreement, including but not limited to for remittance of Program Income, indemnity obligations, and reporting requirements, shall survive.

7.4 Attorneys' Fees. City and Subrecipient agree that in the event of litigation to enforce this Agreement or terms, provisions and conditions contained herein, to terminate this Agreement, or to collect damages for a Default hereunder, the prevailing party shall be entitled to all costs and expenses, including reasonable attorneys' fees, incurred in connection with such litigation.

Section 8. Use and Ownership of Documents and Data.

8.1 Data to be Furnished by City. City shall furnish to Subrecipient such documents and materials as may be relevant and pertinent to the provision of services hereunder as City may possess or acquire.

8.2 Ownership of Documents. All documents and materials furnished by the City to Subrecipient pursuant to Section 8.1 hereof shall remain the property of the City and shall be returned to the City upon termination of this Agreement. The City and the Subrecipient shall be committed to safeguarding the privacy and confidentiality of persons personal information. Personal information collected through the program's application or through an account for the program shall be protected from unauthorized access. Measure shall include computer safeguards and secured files and buildings. The City may modify its privacy practices at any time. In the event that privacy practices are changed, Subrecipient shall be notified. All documents and materials prepared by Subrecipient hereunder shall become the property of the City at the time of payment to Subrecipient of all fees and expenses for their preparation, and shall be delivered to the City by Subrecipient at the request of the City. The documents and materials prepared by Subrecipient hereunder shall not be used by the City or others, except for the purpose for which they were intended. The City agrees not to associate Subrecipient's name with any documents or materials not prepared by Subrecipient.

Section 9. Records, Reports and Audits.

9.1 Records and Reports. Subrecipient shall prepare and submit financial, program progress, monitoring, evaluation, personnel, property and financial records and other reports on a quarterly basis and in the format acceptable to the City to assure proper accounting of all CDBG-CV Funds. Subrecipient shall furnish such information which, in the judgment of the City's Representative, may be relevant to questions of compliance with contractual conditions hereunder or granting agency directives, or with the effectiveness, legality and goals of the CDBG Program.

9.2 Monitoring. The City may conduct periodic program monitoring reviews. These reviews will focus on the extent to which the planned program has been implemented and measurable goals achieved, effectiveness of program management, and impact of the program. Authorized representatives of the City and HUD shall have the right of access to all activities and facilities operated by Subrecipient in connection with this Agreement. Facilities include all files, records, and other documents related to the performance of this Agreement. Activities include attendance at all pertinent staff, board of directors, advisory committee, and advisory board meetings and inspection by the City and HUD. Subrecipient shall ensure that its employees and board members furnish such information as, in the judgment of the City and HUD may be relevant to the question of compliance with contractual conditions and HUD directives, or the effectiveness, legality, and achievements of the CDBG Program.

Section 10. Miscellaneous Provisions.

10.1 Waiver. Inaction by City or Subrecipient with respect to a Default hereunder shall not be deemed to be a waiver of such Default. The waiver by either City or Subrecipient of any Default hereunder shall not be deemed to be a waiver of any subsequent Default.

10.2 Notices. All notices, demands or other writings to be made, given or sent hereunder, or which may be so given or made or sent by either City or Subrecipient to the other shall be deemed to have been given when in writing and personally delivered or if mailed on the third (3rd) day after being deposited in the United States mail, certified or registered, postage prepaid, and addressed to the respective Parties at the following addresses:

If to City: Economic and Housing Development Department
City of San Bernardino
290 North D Street
San Bernardino, California 92401-1734
Attention: Housing Manager

To Subrecipient: Housing Authority of the County of San Bernardino
672 S. Waterman Ave
San Bernardino, CA 92408 Attention: Kristin Maithonis
Telephone No. 909-890-5390 FAX No. 909-890-5390

10.3 Relationship of Parties. Nothing contained herein shall be deemed or construed by the Parties, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between the Parties, it being understood and agreed that Subrecipient is and will be at all times an independent contractor pursuant to this Agreement and shall not, in any way, be considered to be an officer, agent or employee of the City.

10.4 No Third Party Rights. The Parties intend that no rights nor remedies be granted to any third party as a beneficiary of this Agreement or of any covenant, duty, obligation or undertaking established herein.

10.5 Non-Liability of Members, Officials and Employees of the City and Subrecipient.
(a) No member, official or employee of the City shall be personally liable to Subrecipient, or any successor in interest, in the event of any Default or breach by the City or for any amount which may become due to Subrecipient or Subrecipient's successors, or on any obligation under the terms of this Agreement. Subrecipient hereby waives and releases any claim Subrecipient may have against the

members, officials or employees of the City with respect to any Default or breach by City or for any amount which may become due to Subrecipient or Subrecipient's successors, or any obligations under the terms of this Agreement. Subrecipient makes such release with the full knowledge of Civil Code Section 1542 and hereby waives any and all rights thereunder to the extent of this release, if such Section 1542 is applicable. Section 1542 of the Civil Code provides as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

(b) No member, official or employee of the Subrecipient shall be personally liable to City, or any successor in interest, in the event of any Default or breach by the Subrecipient or for any amount which may become due to City or City's successors, or on any obligation under the terms of this Agreement. City hereby waives and releases any claim City may have against the members, officials or employees of the Subrecipient with respect to any Default or breach by Subrecipient or for any amount which may become due to City or City's successors, or any obligations under the terms of this Agreement. City makes such release with the full knowledge of Civil Code Section 1542 and hereby waives any and all rights thereunder to the extent of this release, if such Section 1542 is applicable. Section 1542 of the Civil Code provides as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

10.6 Controlling Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

10.7 Time of the Essence. Time is hereby expressly declared to be the essence of this Agreement and of each and every covenant and condition hereof which relates to a date or a period of time.

10.8 Remedies Cumulative. The remedies given to City and Subrecipient herein shall be cumulative and are given without impairing any other rights given City or Subrecipient by statute or law now existing or hereafter enacted and the exercise on any one (1) remedy by City or Subrecipient shall not exclude the exercise of any other remedy.

10.9 Effect of Invalidity. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of its terms and provisions to persons and circumstances other than those to which it has been held invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

10.10 Successors and Assigns. This Agreement and the covenants and conditions contained herein shall be binding upon and inure to the benefit of and shall apply to the successors and assigns of City and to the permitted successors and assigns of Subrecipient, and all references to “City” or “Subrecipient” shall be deemed to refer to and include all permitted successors and assigns of such Party.

10.11 Entire Agreement. This Agreement and the exhibits hereto contain the entire agreement of the City and the Subrecipient with respect to the matters covered hereby, and no agreement, statement or promise made by either City or Subrecipient which is not contained herein, shall be valid or binding. No prior agreement, understanding or representation pertaining to any such matter shall be effective for any purpose. No provision of this Agreement may be amended, modified or added except by an agreement in writing signed by City and Subrecipient.

10.12 Authority. Each individual executing this Agreement on behalf of a corporation, nonprofit corporation, partnership or other entity or organization, represents and warrants the he or she is duly authorized to execute and deliver this Agreement on behalf of such entity or organization and that this Agreement is binding upon the same in accordance with its terms. Subrecipient shall, at City’s request, deliver a certified copy of it governing board’s resolution or certificate authorizing or evidencing such execution.

10.13 Conflicts of Interest. No member, official or employee of the City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which affect his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested.

10.14 Time for Acceptance of Agreement by City. This Agreement, when executed by Subrecipient and delivered to City, must be authorized, executed and delivered by the City on or before forty-five (45) days after the execution and delivery by Subrecipient or this Agreement shall be void, except to the extent that Subrecipient and City shall consent in writing to a further extension of time for the authorization, execution and delivery of this Agreement.

(Remainder of page intentionally left blank; signatures on next page)

**IN WITNESS WHEREOF, THE CITY AND THE SUBRECIPIENT HAVE
EXECUTED THIS AGREEMENT AS OF THE RESPECTIVE DATES SET FORTH BELOW.**

“CITY”

CITY OF SAN BERNARDINO,
a municipal corporation and charter city

Dated: _____

By: _____
[Name]
[Title]

APPROVED AS TO FORM:

[OFFICE OF THE CITY ATTORNEY]

By: _____

“SUBRECIPIENT”

**Housing Authority of the County of San
Bernardino, a California Public Entity**

Dated: _____

By: _____
Maria Razo Executive Director

ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
)
County of _____)

On _____, before me, _____
[date] [here insert name and title of the officer]

personally appeared _____
[here insert name(s) of signer(s)]

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity/ies, and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

(Signature)

(Seal)

EXHIBIT A

SCOPE OF SERVICES

Subrecipient: Housing Authority of the County of San Bernardino

CDBG-CV Activity: Eviction Prevention Program

Description of activity to be undertaken:

Solely to provide assistance with up to six months of rent that is in arrears due to COVID-19 related hardships experienced by low-income renters in the City of San Bernardino. Maximum assistance per household is \$3,500. Applicants will be referred to HACSB by the City of San Bernardino staff for determination of eligibility and payment.

Eligible activity citation and regulatory language:

24 CFR 570.201 (e) Public services : Provision of public services (including labor, supplies, and materials) including but not limited to those concerned with employment, child care, health, welfare (but excluding the provision of income payments identified under § 570.207(b)(4)), or recreational needs.

National Objective:

Low and Moderate Income Persons or Households/Low Mod Limited Clientele (LMI): LMI limited clientele national objective activities benefit a limited number of people as long as at least 51 percent of those served are LMI persons. These activities must: Benefit a clientele that is generally presumed to be principally LMI (abused children, battered spouses, elderly persons, severely disabled adults, homeless persons, illiterate adults, persons living with AIDS and migrant farm workers); or Require documentation on family size and income in order to show that at least 51 percent of the clientele are LMI; or Have income eligibility requirements limiting the activity to LMI persons only; or Be of such a nature and in such a location that it can be concluded that clients are. Reference 24 CFR 570.208(a)(i) for regulatory citation.

Urgent Need (URG) : To comply with the national objective of meeting community development needs having a particular urgency, an activity must be designed to alleviate existing conditions which the grantee certifies: 1 Pose a serious and immediate threat to the health or welfare of the community, 2 Are of recent origin or recently became urgent, 3 The grantee is unable to finance the activity on its own, and 4 Other resources of funding are not available to carry out the activity. A condition will generally be considered to be of recent origin if it is developed or became critical within 18 months preceding the grantee's certification. Reference: §570.208(c)Performance Goals and Timelines: 6 households per month will be assisted/75 households per year. Performance Goal 150 households in two years.

Timeframe for Completion of Performance Goal June 30, 2022

EXHIBIT B

BUDGET

Total Project Cost

| | | |
|----|---------------------------------------|--------------------------|
| a. | [Cost Category]: Financial assistance | 528,000 |
| b. | Administrative Reimbursement: | 132,000(per Section 2.3) |

| | |
|--------|---------|
| Total: | 660,000 |
|--------|---------|

EXHIBIT C

COVENANTS RE: USE OF FEDERAL FUNDS

Subrecipient acknowledges and agrees that the Subgrant is funded from CDBG-CV Funds allocated to City by the United States of America. Accordingly, Subrecipient covenants and agrees as follows:

Section 1. Compliance With Law. Subrecipient hereby covenants and agrees that it has complied and will continue to comply with the Housing and Community Development Act of 1974 (the “Housing and Community Development Act”), and all applicable Federal, state and local laws, ordinances, regulations, policies, guidelines, and requirements as they relate to acceptance and use of Federal funds for this federally-assisted program. This Agreement is subject to all such laws, ordinances, regulations, policies, and guidelines, including, without limitation, the Housing and Community Development Act; 24 CFR Part 85; 24 CFR Part 570; and 2 CFR Part 200; and the CARES Act. The CARES Act provides prevents any duplication of benefits, as required by section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5155) and in accordance with section 1210 of the Disaster Recovery Reform Act of 2018 (division D of Public Law 115–254; 132 Stat. 3442), which amended section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5155). As required by the Agreement, Subrecipient shall not use CDBG-CV Funds to pay for any particular cost, if another source of financial assistance is available to fully pay for that same cost.

Section 2. Civil Rights Act. Subrecipient shall comply with the Civil Rights Act of 1964, as amended, and all regulations applicable thereto.

Section 3. Non-Discrimination and Equal Opportunity. Subrecipient shall not discriminate against any employee or applicant for employment on the basis of race, color, religion, sex, age, national origin, or ancestry. Subrecipient shall comply with the following:

- (A) The requirements of the Fair Housing Act (42 U.S.C. 3601-20) and implementing regulations at 24 CFR Part 100; Executive Order 11063 and implementing regulations at 24 CFR Part 107; and title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d *et seq.*) and implementing regulations issued at 24 CFR Part 1.
- (B) The prohibitions against discrimination on the basis of age under the Age discrimination Act of 1975 (42 U.S.C. 6101-07) and implementing regulations at 24 CFR Part 146 and the prohibitions against discrimination against otherwise qualified individuals with disabilities under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8. For purposes of the CDBG program, the term “dwelling units” in 24 CFR Part 8 shall include sleeping accommodations.
- (C) The requirements of Executive Order 11246 and the regulations issued under the Order at 41 CFR chapter 60.
- (D) The requirements of Executive Orders 11625, 12432, and 12138. Consistent with HUD’s responsibilities under these Orders, Subrecipient must make

efforts to encourage minority and women's business enterprises in connection with activities funded under this Agreement.

- (E) The requirement that Subrecipient make known that use of the facilities and services is available to all on a nondiscriminatory basis. Where the procedures that Subrecipient intends to use to make known the availability of such facilities and services are unlikely to reach persons with disabilities or persons of any particular race, color, religion, sex, age or national origin within Subrecipient's service area who may qualify for them, Subrecipient must establish additional procedures that will ensure that these persons are made aware of the facilities and services. Subrecipient must also adopt and implement procedures designed to make available to interested persons information concerning the existence and location of services and facilities that are accessible to persons with a disability.

Section 4. Americans with Disabilities. Subrecipient shall not discriminate against handicapped persons in the provision of the Services and shall provide accessibility for handicapped persons to the Services provided under this Agreement. Subrecipient shall comply with all applicable requirements of the Americans with Disabilities Act of 1990 and implementing regulations (28 CFR Parts 35-36), in order to provide handicapped accessibility to the extent readily achievable.

Section 5. Training and Employment Opportunities; Section 3 Requirements. Subrecipient acknowledges that the work to be performed under this Agreement is on a project assisted under a program providing direct federal financial assistance from HUD, and is subject to the requirements of Section 3 of the Act, as amended, 12 U.S.C. § 1701u ("Section 3"). Section 3 requires, that to the greatest extent feasible, opportunities for training and employment be given to lower income residents and that contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by, persons residing in the area of the project. Subrecipient shall comply with the provisions of Section 3 and the regulations issued pursuant thereto by the U.S. Secretary of Housing and Urban Development, as set forth in 24 CFR Part 135, and all applicable rules and orders of HUD issued thereunder prior to the execution of this Agreement.

5.1 Notice to Labor Organizations. Subrecipient shall send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising such labor organization or workers' representative of its commitments under the Section 3 clause (set forth in Section 5.2 of this Exhibit) and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

5.2 Include in Subcontracts. Subrecipient shall include a Section 3 clause in every subcontract for work in connection with the project and shall, at the direction of the applicant for or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR Part 135. Subrecipient shall not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and shall not let any subcontract unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of said regulations.

5.3 Sanctions. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of HUD issued thereunder prior to the execution of this Agreement shall be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements shall subject Subrecipient, its subcontractors, its successors, and assigns to those sanctions as are specified by 24 CFR Part 135.

Section 6. Conflicts of Interest. In addition to the conflict of interest requirements in 2 CFR Part 200, no person:

- (A) who (i) is an employee, agent, consultant, officer, or elected or appointed official of Subrecipient, a State recipient, or a nonprofit recipient (or of any designated public agency) that receives CDBG-CV Subgrant amounts and (ii) exercises or has exercised any functions or responsibilities with respect to assisted activities, or
- (B) who is in a position to participate in a decision making process or gain inside information with regard to such activities, shall obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for him or herself or for those with whom he or she has family or business ties, during his or her tenure, or for one year thereafter. HUD may grant an exception to this exclusion as provided in 24 CFR Section 570.611 (d).

Section 7. Certification Regarding Lobbying. Subrecipient certifies, to the best of its knowledge and belief, that:

- (A) No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or any employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (B) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence any officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or any employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, Subrecipient shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (C) Subrecipient shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontractors, subgrants, and contracts under grants, loans, and cooperative agreements), and that all Subrecipient's shall certify and disclose accordingly.

Section 8. Drug Free Workplace.

8.1 Certification. Subrecipient hereby certifies to City that Subrecipient will provide a drug-free workplace by:

- (A) publishing a statement notifying its employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in Subrecipient's workplace and specifying the actions that will be taken against employees for violations of such prohibition;
- (B) establishing a drug-free awareness program to inform employees about:
 - (i) the dangers of drug abuse in the workplace;
 - (ii) Subrecipient's policy of maintaining a drug-free workplace;
 - (iii) any available drug counseling, rehabilitation, and employee assistance program; and
 - (iv) the penalties that may be imposed upon employees for drug abuse violations;
- (C) making it a requirement that each employee to be engaged in the performance of Services under this Agreement be given a copy of the statement required by subparagraph (a);
- (D) notifying the employee in the statement required by subparagraph (a), that as a condition of employment, the employee will:
 - (i) abide by the terms of this statement; and
 - (ii) notify Subrecipient of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction;
- (E) notifying City within ten (10) days after receiving notice of a conviction under subparagraph (d)(ii) from an employee or otherwise receiving actual notice of such conviction;
- (F) imposing a sanction on, or requiring the satisfactory participation in a drug abuse assistance or rehabilitation program by, any employee who is so convicted, as required by 41 U.S.C. 703; and
- (G) making a good faith effort to continue to maintain a drug-free workplace through implementation of subparagraphs (a), (b), (c), (d), (e), and (f).

8.2 Suspension. Subrecipient acknowledges and agrees that this Agreement shall be subject to suspension of payment or termination, or both, and Subrecipient shall be subject to suspension or debarment if the Executive Director of City or her official designee determines, in writing, that:

- (A) Subrecipient has made false certification under Section 8.1;
- (B) Subrecipient violates such certification by failing to carry out the requirements of subparagraphs (a), (b), (c), (d), (e), (f) or (g) of Section 8.1, or
- (C) such a number of Subrecipient's employees have been convicted of violations of criminal drug statutes for violations occurring in the workplace as to indicate that Subrecipient has failed to make a good faith effort to provide a drug-free workplace as required by Section 8.

Section 9. Use of Debarred, Suspended or Ineligible Contractors. Subrecipient shall comply with the provisions of 24 CFR Part 24 relating to the prohibition on employment, engagement of services, awarding of contracts, or funding of any contractors or subcontractors during any period of debarment, suspension, or placement in ineligibility status.

Section 10. Lead-Based Paint. Subrecipient shall comply with the requirements, as applicable, of the Lead-Based Paint Poisoning Prevention Act (43 U.S.C. 4821-4846) and implementing regulations at 24 CFR Part 35. In addition, Subrecipient must also meet the following requirements relating to inspection and abatement of defective lead-based paint surfaces:

- (A) Treatment of defective paint surfaces must be performed before final inspection and approval of the renovation, rehabilitation or conversion activity under this Agreement.
- (B) Appropriate action must be taken to protect shelter occupants from the hazards associated with lead-based paint abatement procedures.

Section 11. Beneficiary Qualification. Subrecipient covenants and agrees that one hundred percent (100%) of the beneficiaries of the Services will be low income persons or households. Under CDBG regulations, the following clientele categories are presumed to be low income persons and can qualify for service regardless of income: abused children, battered spouses, illiterate persons, and migrant farm workers. Beneficiaries qualifying on the basis of income shall have an annual income equal to or less than HUD Section 8 (of the United States Housing Act of 1937) Income Limits. HUD Section 8 Income Limits for the City PMSA define the maximum family income for low income households. Subrecipient is responsible for obtaining from City current applicable HUD Section 8 Income Limits for the Term of this Agreement.

Section 12. Flood Insurance. No site proposed on which renovation, major rehabilitation, or conversion of a building is to be assisted under this Agreement, other than by grant amounts allocated to States under 24 CFR Section 576.43, shall be located in an area that has been identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless:

- (A) either (i) the community in which the area is situated is participating in the National Flood Insurance Program and the regulations thereunder (44 CFR parts 59 through 79) or (ii) less than a year has passed since FEMA notification regarding such hazards.

- (B) Subrecipient will ensure that flood insurance on the structure is obtained in compliance with Section 102(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001, *et seq.*).

Section 13. Coastal Barriers. Subrecipient shall comply with the Coastal Barrier Resources Act, 16 U.S.C. 3501, which provides that no financial assistance under this Agreement may be made available within the Coastal Barrier Resources System.

Section 14. Religious and Political Activities. Subrecipient agrees that Subgrant Proceeds shall be used exclusively for performance of the work required under this Agreement, and that no funds made available under this Agreement shall be used to promote religious or political activities. Further, Subrecipient agrees that it will not perform, nor permit to be performed, any religious or political activities in connection with the performance of this Agreement.

14.1 Primarily Religious Organizations. If Subrecipient is a primarily religious organization, Subrecipient agrees that Subrecipient shall provide shelter and the Services in a manner that is free from religious influences and in accordance with the following principles:

- (A) Subrecipient shall not discriminate against any employee or applicant for employment on the basis of religion and will not limit employment or give preference in employment to persons on the basis of religion.
- (B) Subrecipient shall not discriminate against any person applying for shelter or any of the Services on the basis of religion and shall not limit such housing or Services or give preference to persons on the basis of religion.
- (C) Subrecipient shall (i) provide no religious instruction or counseling, (ii) conduct no religious workshop or services, (iii) engage in no religious proselytizing, and (iv) exert no other religious influence in the provision of shelter or the Services.

14.2 Wholly Secular Private Nonprofit Organizations Established by a Primarily Religious Organizations. If Subrecipient is a wholly secular private nonprofit organization established by a primarily religious organization, Subrecipient shall provide the Services in a manner that is free from religious influences and in accordance with the principles set forth in Section 14.1.

If Subrecipient elects to enter into a contract with the religious organization to provide shelter or the Services, the religious organization must agree in the contract to carry out its contractual responsibilities in a manner free from religious influences and in accordance with the principles set forth in Section 14.1.

Section 15. Reversion of Assets. Upon the expiration or termination of this Agreement, Subrecipient shall transfer to City any CDBG-CV Funds on hand and any accounts receivable attributable to the use of CDBG-CV Funds. If at the time of the expiration or termination of this Agreement there is under the control of Subrecipient any real property that was acquired or improved in whole or in part with CDBG-CV Funds in excess of Twenty-Five Thousand Dollars (\$25,000), then such real property shall either be:

- (A) used to meet one (1) or more of the national objectives set forth in 24 CFR §570.208 for not less than five (5) years after the date of expiration or termination of this Agreement, or such longer period of time as determined appropriate by City; or
- (B) disposed of, within five (5) years after the date of expiration or termination of this Agreement, in a manner which results in City being reimbursed in the amount of the then current fair market value of said real property less any portion thereof attributable to expenditure of non-CDBG funds for said acquisition or improvement.

Section 16. Program Income. Any Program Income received by Subrecipient shall be returned to City. Any Program Income on hand when this Agreement expires or received after the expiration of this Agreement shall be paid to City as required by 24 CFR 570.503(b)(3).

Section 17. No Disability. Subrecipient certifies and agrees that it is under no contractual or other disability which would prevent it from complying with all pertinent laws and regulations.

Section 18. Patents and Copyrights. Subrecipient acknowledges and agrees that HUD reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for Federal Government purposes:

- (A) The copyright in any work developed under the Subgrant or this Agreement;
- (B) Any rights of copyright to which Subrecipient purchases ownership with Subgrant Proceeds;
- (C) The patent for any invention developed under the Subgrant or this Agreement; and
- (D) Any rights in any patent to which Subrecipient purchases ownership with Subgrant Proceeds.

Section 19. Records, Reporting and Monitoring.

19.1 Records and Reports. Subrecipient shall prepare and submit financial, program progress, monitoring, evaluation, personnel, property and financial records and other reports as required by City and in the format acceptable to City to assure City's proper accounting of all Federal and non-Federal project funds. Subrecipient shall furnish such information which, in the judgment of City's Representative, may be relevant to questions of compliance with contractual conditions hereunder or granting agency directives, or with the effectiveness, legality and goals of the program. Subrecipient will establish a record keeping system which is consistent with 24 CFR §570.506. Such records shall be maintained and available to City for at least three (3) years following the completion of the program, at a minimum, and in the event of litigation, claim, or audit, the records shall be retained until all litigation, claims, and audit findings involving the records have been fully resolved.

Subrecipient will submit quarterly reports to City specifying Program Income earned. Each report shall contain, or be accompanied by, an itemized statement showing all information required by City, including, without limitation:

- (A) The amount expended or incurred by Subrecipient and due and payable for the Subrecipient's CV Services for such reporting quarter.
- (B) The revenue generated by Subrecipient and the source of such revenue for each reporting quarter.
- (C) A statement showing for each reporting quarter: (i) a description of each of the Clients serviced, (ii) the number of the Clients receiving shelter at the Shelters, (iii) the type of counseling session conducted, the number of each type of counseling sessions conducted, and the number of the Clients attending each such counseling session, (iv) the type of educational sessions conducted, the number of each type of educational session conducted, and the number of the Clients attending each such educational session, and (v) a quarterly narrative which specifies any additional services provided.

The quarterly report for the last quarter of the fiscal year ending June 30 shall also include Subrecipient's financial statement for the immediately preceding year, accompanied by an annual audit report of Subrecipient's financial statement for the immediately preceding year.

Each report shall be certified as complete and correct by the executive director of Subrecipient.

19.2 Monitoring. City will conduct periodic program monitoring reviews. These reviews will focus on the extent to which the planned program has been implemented, effectiveness of program management, and impact of the program. Authorized representatives of City and HUD shall have the right of access to all activities and facilities operated by Subrecipient under this Agreement. Facilities include all files, records, and other documents related to the performance of this Agreement. Activities include attendance at staff, board of directors, advisory committee, and advisory board meetings and inspection by City and HUD representatives if the Subrecipient's Covid-19 policies allow for in-person meetings at the time. If the Subrecipient's COVID-19 policies do not allow for in-person meetings, online attendance will be required. Subrecipient shall ensure that its employees furnish such information as, in the judgment of City and HUD representatives, may be relevant to the question of compliance with contractual conditions and HUD directives, or the effectiveness, legality, and achievements of the program.

19.3 Accounting. Subrecipient shall establish, and maintain on a current basis, an adequate accrual and accounting system in accordance with generally accepted accounting principles and standards.

19.4 Audits. Subrecipient will arrange for an independent financial and compliance audit annually for each fiscal year Federal funds are received under this Agreement if required to do so per CDBG guidance for Subrecipient's. The City will reimburse the Subrecipient for the cost of the independent audit in addition to eligible administrative fees. Audits must be in compliance with 2 CFR Part 200. An audit may be conducted by Federal, State, or local funding source agencies as part of City's audit responsibilities. The results of the independent audit must be submitted to City within thirty (30) days of completion. Within thirty (30) days of the submittal of said audit report, Subrecipient shall provide a written response to all conditions of findings reported in said audit report. The response must examine each condition or finding and explain a proposed resolution, including a schedule for correcting any

deficiency. All conditions or finding corrective actions shall take place within six (6) months after receipt of the audit report. City and its authorized representatives shall at all times have access for the purpose of audit or inspection to any and all books, documents, papers, records, property, and premises of Subrecipient. Subrecipient staff will cooperate fully with authorized auditors when they conduct audits and examinations of Subrecipient's program.

If indications of misappropriation or misapplication of the funds granted under this Agreement cause City to require a special audit the Subrecipient will not be responsible for the cost of the special audit.. Should City subsequently determine that the special audit was not warranted, the amount encumbered will be restored to the Subgrant. Should the special audit confirm misappropriation or misapplication of funds, Subrecipient shall promptly reimburse City the amount of misappropriation or misapplication. In the event City uses the judicial system to recover misappropriated or misapplied funds, Subrecipient shall reimburse City for legal fees and court costs incurred in obtaining the recovery.

Subrecipient agrees that in the event the program established hereunder is subjected to audit exceptions by appropriate federal audit agencies, it shall be responsible for complying with such exceptions and paying City the full amount of City's liability to the funding agency resulting from such audit exceptions if the audit exceptions are caused by Subrecipient's performance under this agreement.

19.5 Confidentiality of Records. Subrecipient shall adhere to the requirement of the National Affordable Housing Act (Pub. L.101-625, November 28, 1990) contained in Section 832(e)(2)(c) that grantees (i) develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted" under the CDBG Program and (ii) that the address or location of any family violence shelter project assisted under the CDBG Program will, except with written authorization of the person or persons responsible for the operation of such shelter, not be made public.

Section 20. Property Acquisition During Term.

20.1 Non-Expendable Property. A record shall be maintained by Subrecipient for each item of non-expendable property acquired for this program with Subgrant Proceeds. This record shall be provided to City as well as being available for inspection and audit upon the request of City. Non-expendable property means tangible personal property having a useful life of more than one (1) year and an acquisition cost of Three Hundred Dollars (\$300.00) or more per unit. Subrecipient shall not purchase or agree to purchase non-expendable property without the prior written approval of City. Upon completion or early termination of this Agreement, City reserves the right to determine the final disposition of such non-expendable property in compliance with applicable laws and regulations. Such disposition may include, but is not limited to, City taking possession of such non-expendable property.

20.2 Expendable Property. Expendable property refers to all tangible personal property other than non-expendable personal property. Subrecipient shall not purchase or agree to purchase expendable personal property at a cost of Three Hundred Dollars (\$300.00) or more per unit without the prior written approval of City.

20.3 Purchase or Lease of Non-Expendable Property or Equipment.

Subrecipient shall obtain three documented bids prior to purchasing or leasing any non-expendable property or equipment over Three Hundred Dollars (\$300.00) in unit value. Subrecipient shall purchase or lease from the lowest responsive and responsible bidder. All equipment that has a purchase or lease price of over Fifty Dollars (\$50.00) in unit-value and life expectancy of more than one (1) year shall be properly identified and inventoried and shall be charged at its actual price. Such inventory shall be provided to City as well as being available for inspection and audit upon the request of City.

Section 21. Travel and Conference Restrictions. Subrecipient covenants and agrees that travel and conference expenses will not be paid for by funds provided through this Agreement.

Section 22. Privacy. Subrecipient agrees and shall ensure that no information about or obtained from any person receiving services hereunder shall be voluntarily disclosed in any form identifiable with such person without first obtaining the written consent of such person.

EXHIBIT D

DEFINITION OF PROGRAM

INCOME

“Program Income” means gross income received by the recipient or a subrecipient directly generated from the use of CDBG Funds (which such term shall include in this Exhibit D CDBG-CV Funds). When such income is generated by an activity that is only partially assisted with CDBG Funds, the income shall be prorated to reflect the percentage of CDBG Funds, used.

Program Income includes, but is not limited to the following:

- (a) Proceeds from the disposition by sale or long term lease of real property purchased or improved with CDBG Funds;
- (b) Proceeds from the disposition of equipment purchased with CDBG Funds;
- (c) Gross income from the use or rental of real or personal property acquired by the recipient or a sub-recipient with CDBG Funds, less the costs incidental to the generation of such income;
- (d) Gross income from the use or rental of real property owned by the recipient or a sub-recipient that was constructed or improved with CDBG Funds, less the costs incidental to the generation of such income;
- (e) Payment of principal and interest on loans made using CDBG Funds;
- (f) Proceeds from the sale of loans made with CDBG Funds;
- (g) Proceeds from the sale of obligations secured by loans made with CDBG Funds;
- (h) Interest earned on program income pending disposition of such income; and
- (i) Funds collected through special assessments made against properties owned and occupied by households not of low and moderate income, where such assessments are used to recover all or part of the CDBG portion of a public improvement.

Program income does not include interest earned (except for interest described in 24 CFR 570.513) on cash advances from the U.S. Treasury. Such interest shall be remitted to HUD for transmittal to the U.S. Treasury and will not be reallocated under section 106(c) or (d) of the Act. Examples of other receipts that are not considered program income are proceeds from fund-raising activities carried out by subrecipients receiving CDBG assistance; funds collected through special assessments used to recover the non-CDBG portion of a public improvement; and proceeds from the disposition of real property acquired or improved with CDBG Funds when such disposition occurs after the applicable time period specified in 24 CFR 570.503(b)(8) for sub recipient controlled property or 24 CFR 570.505 from recipient controlled property.

Revolving fund means a separate fund (with a set of accounts that are independent of other program accounts) established for the purpose of carrying out specific activities which, in turn, generate payments to the fund for use in carrying out the same activities. Each revolving loan fund's cash balance must be held in an interest-bearing account, and any interest paid on CDBG Funds held in this account shall be considered interest earned on grant advances and must be remitted to HUD for transmittal to the U.S. Treasury no less frequently than annually. (Interest paid by borrowers on eligible loans made from the revolving loan fund shall be program income and treated accordingly.)

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

October 13, 2020

FROM

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

SUBJECT

Extension of Project-Based Voucher Housing Assistance Payments Contract with National Community Renaissance of California at Northgate Village for the Veterans Housing Initiative Program

RECOMMENDATION(S)

1. Approve a contract extension to the Project-Based Voucher Housing Assistance Payments Contract with National Community Renaissance of California at Northgate Village for the Veterans Housing Initiative Program, for an additional five-year period from March 15, 2021 through March 14, 2026.
2. Authorize and direct the Executive Director to execute and deliver the contract extension to National Community Renaissance of California, 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 communication is open, honest and consistent.

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

FINANCIAL IMPACT

Approval of the proposed extension to the Housing Assistance Payments Contract (Contract) will have no direct financial impact to the Housing Authority of the County of San Bernardino's (HACSB) annual budget as the payments coinciding with these contracts have already been budgeted. The Contract is funded under the Housing Choice Voucher program, which is administered by HACSB on behalf of the United States Department of Housing and Urban Development (HUD).

BACKGROUND INFORMATION

On July 21, 2015, the Board of Governors (Board) conducted a study session focused on the County of San Bernardino's (County) system for homeless services and the tragedy of homelessness among the County's veterans. The Board directed staff to work with community partners and other agencies in a coordinated effort to house all the County's homeless veterans under the Veterans Housing Initiative. The County of San Bernardino with various community partners, including HACSB, formed an advisory group to leverage resources, align services and eliminate impediments to achieving this goal. The advisory group identified a priority need to increase access to permanent rental units for homeless veterans. On October 20, 2015, HACSB issued a Request for Proposals (RFP) PC865 seeking proposals from property owners to provide housing under the project-based program for veterans. On December 15, 2015, the Board (Item No. 86) approved setting aside 60 project-based vouchers for veteran housing.

Extension of Project Based Voucher Housing Assistance Payments Contract with National Community Renaissance of California for the Veterans Housing Program
October 13, 2020

On March 15, 2016, HACSB entered into a five-year Contract at Northgate Village to provide 12 units for the purpose of housing homeless veterans who are not eligible for the Veterans Affairs Supportive Housing (VASH) program.

The extension to the Contract is for additional five years effective March 15, 2021 through March 14, 2026 and is subject to continued funding from HUD.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by Legal Counsel (Julie J. Surber, Principal Assistant County Counsel, 387-5455) on September 25, 2020

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

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

EXISTING HOUSING

**PART 1 OF HAP CONTRACT
EXTENSION**

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

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

1. CONTRACT INFORMATION

a. Parties

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

_____ (PHA) and

_____ (owner).

b. Contents of contract

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

c. Contract exhibits

The HAP contract includes the following exhibits:

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

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

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

ADDITIONAL EXHIBITS

d. Effective date and term of the HAP contract

1. Effective date

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

2. Length of initial term

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

3. Extension of term

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

4. Requirement for sufficient appropriated funding

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

e. Occupancy and payment

1. Payment for occupied unit

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

2. Vacancy payment

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

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

~~amount of any vacancy payments.~~

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

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

f. Income-mixing requirement

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

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

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

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

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

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

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

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

EXECUTION OF HAP CONTRACT FOR EXISTING HOUSING

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

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

SECTION 8 PROJECT-BASED VOUCHER PROGRAM

**HOUSING ASSISTANCE PAYMENTS CONTRACT
EXISTING HOUSING**

PART 2 OF HAP CONTRACT

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

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

2. DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3. PURPOSE

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

4. RENT TO OWNER; HOUSING ASSISTANCE PAYMENTS

a. Amount of initial rent to owner

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

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

b. HUD rent requirements

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

c. PHA payment to owner

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

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

d. Termination of assistance for family

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

5. ADJUSTMENT OF RENT TO OWNER

a. PHA determination of adjusted rent

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

b. Reasonable rent

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

c. No special adjustments

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

d. Owner compliance with HAP contract

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

e. Notice of rent adjustment

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

6. OWNER RESPONSIBILITY

The owner is responsible for:

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

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

7. OWNER CERTIFICATION

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

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

8. CONDITION OF UNITS

a. Owner maintenance and operation

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

b. PHA inspections

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

c. Violation of the housing quality standards

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

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

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

d. Maintenance and replacement—owner’s standard practice

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

9. LEASING CONTRACT UNITS

a. Selection of tenants

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

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

b. Vacancies

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

10. TENANCY

a. Lease

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

b. Termination of tenancy

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

c. Family payment

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

d. Other owner charges

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

e. Security deposit

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

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

11. FAMILY RIGHT TO MOVE

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

12. OVERCROWDED, UNDER-OCCUPIED, AND ACCESSIBLE UNITS

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

13. PROHIBITION OF DISCRIMINATION

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

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

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

14. PHA DEFAULT AND HUD REMEDIES

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

15. OWNER DEFAULT AND PHA REMEDIES

a. Owner default

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

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

b. PHA remedies

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

the notice.

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

c. PHA remedy is not waived

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

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

a. Required information

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

b. PHA and HUD access to premises

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

17. PHA AND OWNER RELATION TO THIRD PARTIES

a. Injury because of owner action or failure to act

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

b. Legal relationship

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

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

c. Exclusion of third-party claims

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

d. Exclusion of owner claims against HUD

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

18. PHA-OWNED UNITS

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

19. CONFLICT OF INTEREST

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

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

b. Disclosure

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

c. Interest of member of or delegate to Congress

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

20. EXCLUSION FROM FEDERAL PROGRAMS

a. Federal requirements

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

b. Disclosure

The owner certifies that:

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

21. TRANSFER OF THE CONTRACT OR PROPERTY

a. When consent is required

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

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

b. Transferee assumption of HAP contract

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

c. Effect of consent to transfer

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

d. When transfer is prohibited

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

22. SUBSIDY LAYERING

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

23. OWNER LOBBYING CERTIFICATIONS

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

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

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

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

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

25. NOTICES AND OWNER CERTIFICATIONS

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

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

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

26. NOTICE OF TERMINATION OR EXPIRATION WITHOUT EXTENSION

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

27. FAMILY'S RIGHT TO REMAIN

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

28. ENTIRE AGREEMENT; INTERPRETATION

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

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

There are a total of 140 units within the properties identified in this HAP Contract, of which twelve (12) will be covered by this HAP Contract. The contract units will be floating units by bedroom size at the address detailed in the chart below.

| Development | Address | City/State/Zip | # of 1-bd | 1-bd Contract Rent | # of 2-bd | 2-bd Contract Rent |
|---------------------------------|-----------------|-----------------------------|----------------------|-----------------------------------|----------------------|-----------------------------------|
| Northgate Village Apartments | 17251 Dante St. | Victorville / CA / 92394 | 10 | \$861 | 2 | \$1100 |

EXHIBIT B

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

Northgate Village Apartments

Amenities:

- Dishwasher
- Oven/Range
- Patio/balcony
- Central HVAC
- Pool
- Gated entry
- Covered parking
- Laundry center
- Tot lot

EXHIBIT C

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

Northgate Village Apartments

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

- Water
- Sewer
- Trash
- Range/oven

Utilities to be Paid by the Tenants:

- Gas
- Electricity
- Water heating
- Refrigerator

EXHIBIT D

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

Northgate Village Apartments:

- Path of travel, handicap parking spaces
- Laundry facilities equipped with accessible washer and dryer
- Accessible mail boxes
- Accessible office
- Accessible trash enclosures
- Accessible ground floor units (Unit # 81, 67, 68, 34, and 35)

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

October 13, 2020

FROM

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

SUBJECT

Grant of Easement and Right of Way to Southwest Gas Corporation

RECOMMENDATION(S)

1. Approve a grant of easement and right of way to Southwest Gas Corporation, to use and maintain underground natural gas supply system on real property owned by the Housing Authority of the County of San Bernardino, at 755 East Virginia Way in the City of Barstow.
2. Authorize and direct the Executive Director, upon consultation with Legal Counsel, to accept and sign ancillary documents or exhibits necessary to finalize and record the grants of easement with the County of San Bernardino Recorder.

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

GOALS & OBJECTIVES

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

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

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 the cost of recording these easement documents will be provided by Southwest Gas Company (SGC).

BACKGROUND INFORMATION

HACSB currently owns and manages approximately 1,300 units of multi-family housing throughout San Bernardino County of which various utility companies provide services to these properties. Utility company, SGC, has been mandated by the State of California, to re-classify some of their service lines to main lines if the gas line serves more than one meter on the property. In addition to this requirement, under Southwest's California Gas Tariff, approved by the Public Utilities Commission of California, a customer receiving natural gas service must provide all easements necessary to provide the natural gas service to the property. As a result, approval of this item is necessary for SGC to receive grant of easement and right of way at HACSB's real property at 755 East Virginia Way in the City of Barstow. This action will not result any actual physical site work or disruption to the housing residents at this location.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by Legal Counsel (Julie J. Surber, Principal Assistant County Counsel, 387-5455) on September 25, 2020.



June 9, 2020

**Housing Authority of the County of San Bernardino
715 East Brier Drive
San Bernardino, CA 92408-2841**

**Re: The property located at 755 E Virginia Way, Barstow, CA 92311
APN: 0183-221-01-0000, 0183-221-02-0000**

To Whom it May Concern,

Southwest Gas Corporation is submitting the enclosed easement for your review and notarized signature for the property mentioned above.

California laws and corporation commission rules now require Southwest Gas to re-classify all natural gas service lines that supply more than two customers as a "main" distribution line, and acquire an easement for these lines. As required under Southwest's California Gas Tariff, approved by the Public Utilities Commission of California, a customer receiving natural gas service must provide all easements necessary to provide the natural gas service to the property, together with ingress and egress rights and physical access.

Please review the enclosed easement document. If you have no questions about the form, sign the document in the presence of a Notary Public and return it to me at your earliest convenience. There is a second enclosed document stamped "COPY" along with other documents for consideration and personal records.

Thank you for your cooperation and prompt response in this matter. If you have any questions or concerns, please email me at Marshall.Carroll@swgas.com. Your consideration to this matter is appreciated.

Respectfully,

A handwritten signature in blue ink that reads "Marshall Carroll".

Marshall Carroll, Right of Way Contractor
Representing Southwest Gas Corporation

Enclosures

Sent at the request and approval of
Cheryl Cook, RW Analyst II
760-951-4168
Cheryl.Cook@swgas.com

A handwritten note on a yellow sticky note. The text is written in blue ink and reads: "Please sign in the presence of a Notary and return Thank you".

Please sign
in the presence
of a Notary and
return
Thank you

APN # 0183-221-01-0000
0183-221-02-0000

Recording Requested By/Return To:
Southwest Gas Corporation
PO Box 1498
Victorville, CA 92393-1498

DOCUMENTARY TRANSFER TAX \$

- () Computed on full value of property conveyed.
() Computed on full value less liens & encumbrances remaining thereon at time of sale.

Signature of individual determining tax



SOUTHWEST GAS CORPORATION
GRANT OF EASEMENT

This form is used to acquire land rights for installation of pipeline(s) and appurtenances.

| | | | |
|---------------|-------------------------|-------------|-----------------------|
| Prepared By | <u>mhc2</u> | Reviewed By | _____ |
| Sec. <u>7</u> | T <u>9N</u> R <u>1W</u> | Meridian | <u>San Bernardino</u> |
| County | <u>San Bernardino</u> | State | <u>California</u> |
| WR No. | _____ | LRS No. | <u>12657</u> |

I (We) Housing Authority of the County of San Bernardino, a public corporation

For and in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, receipt of which is hereby acknowledged, the undersigned, hereinafter referred to as Grantor(s), does hereby grant, convey, quitclaim and release unto **SOUTHWEST GAS CORPORATION**, a California Corporation, its successors, assigns, licensees, and invitees as reasonably necessary to effect the purpose of the easement, hereinafter referred to as Grantee, a perpetual easement for the installation and maintenance of a natural gas pipeline or pipelines and appurtenances, across, over, under and through the following described property, to wit:

SEE ATTACHED EXHIBIT(s) "A"

together with the right of ingress and egress to and from the said easement and the right to use existing roads for the purpose of constructing, inspecting, repairing, and maintaining said pipeline or pipelines and appurtenances and the removal or replacement of same, in whole or in part, at will.

Grantor agrees that no buildings, structures, fences or trees shall be placed upon, over or under said parcel of land, except for street, road or driveway purposes, which Grantor agrees shall not interfere with Grantee's exercise of the rights herein granted. Grantee agrees to work with due care in the exercise of its rights on the property and to restore it to reasonably the same condition which existed before the work was performed.

Except as provided above, Grantee agrees to pay all direct damages which are caused by the Grantee's exercise of the rights herein granted.

Form 335.00 (08/2015) 581 - Microsoft Word

[Link to Form Instructions](#)

W.R. No. _____

LRS No. **12657**

The undersigned hereby affirms that there is no Social Security Number contained in this document submitted for recording.

TO HAVE AND TO HOLD said easement unto Grantee, its successors, assigns, licensees, and invitees, together with all rights granted hereby.

IN WITNESS WHEREOF, the duly authorized representative of the undersigned has executed this Grant of Easement this

_____ day of _____, _____

Housing Authority of the County of San Bernardino, a public corporation

Grantor _____

Signature

Grantor _____

Printed Name and Title

ACKNOWLEDGMENT

STATE OF _____)

)

COUNTY OF _____)

On _____, before me, _____,
(here insert name of the officer)

a notary public, personally appeared _____

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of _____ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

ALL CAPACITY ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF _____

COUNTY OF _____

On _____ before me, _____, a notary public,
(Date) (Name and title of the officer)

personally appeared _____,
(Name of person signing)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of officer

(Seal)

EXHIBIT "A"

SOUTHWEST GAS CORPORATION
GRANT OF EASEMENT

APN 0183-221-01-0000, 0183-221-02-0000

THAT PORTION OF THE NORTHEAST QUARTER (NE 1/4) OF SECTION 7, TOWNSHIP 9 NORTH, RANGE 1 WEST, SAN BERNARDINO BASE AND MERIDIAN, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS: IN BOOK 144, PAGE 68 AND 69 OF

A STRIP OF LAND 10.00 FEET IN WIDTH, BEING 5.00 FEET ON EACH SIDE OF THE CENTERLINE OF THE NATURAL GAS PIPELINE(S), LYING WITHIN LOT 2 AND 3 OF TRACT NO. 10437, RECORDED IN MAP RECORDS OF SAN BERNARDINO COUNTY, STATE OF CALIFORNIA, IN BOOK 144, PAGE 68 AND 69 OF MAPS ON DECEMBER 1, 1978.

THIS DESCRIPTION WAS PREPARED BY SOUTHWEST GAS CORPORATION PURSUANT TO CALIFORNIA BUSINESS AND PROFESSIONS CODE SECTION 8730(c).

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

October 13, 2020

FROM

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

SUBJECT

Regular Meeting Minutes for Meeting Held on September 8, 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 September 8, 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 September 8, 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 September 25, 2020.

**MINUTES OF A REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF
THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO
September 8, 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 2857 9959, Password 795670) at 3:00 p.m. on September 8, 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
Commissioner Muñoz

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; Remy Gaither, Career Development Initiatives Manager; Nicole Beydler, Sr. Management Analyst; Jesse Diaz, Finance Manager; Ron Ruhl, Real Estate Development Manager; Angie Lardapide, Procurement and Contracts Supervisor; Jackie Barrios, Resident Services Coordinator; Evan Miles, Project manager, and Claudia Hurtado, Executive Assistant.

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

The Chairman called for additions or deletions to the September 8, 2020 agenda.

Executive Director stated a revision was made for item number 18, to approve the meeting minutes for the Board of Commissioners of the Housing Authority of the County of San Bernardino Regular Meeting held on August 11, 2020, specifically to the Item number 19, Individual Board Member Comments, in which Commissioner Macduff spoke about the Washington Post article regarding the USPS suspending mail services to a public housing site in Minnesota, due to reported COVID-19 cases. Commissioner MacDuff suggests that in the event the USPS were to stop mail services to any HACSB site to inform on-site managers, staff and/or Board of Commissioners.

The Chairman provided an opportunity for members of the public to address the Board of Commissioners. Secretary of the Board, declared that no public comment had been submitted.

The Executive Director's Report was requested.

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

The Board Building Presentation for September 8, 2020 regarding an overview of the Housing Authority of the County of San Bernardino's Project-Based Voucher program, was requested.

The Board Building Presentation regarding of the Housing Authority of the County of San Bernardino's Project-Based Voucher program was presented by Executive Director, Maria Razo.

Approval for discussion calendar item number 6, to 1) Adopt Resolution No. 79 approving the establishment of a Section 115 Trust administered by Public Agency Retirement Services for the Housing Authority of the County of San Bernardino's unfunded pension liabilities and appointing the Executive Director as the Plan Administrator for the Section 115 Trust program, and 2) Authorize and direct the Executive Director to execute and deliver any legal and administrative documents necessary, including the attached exhibits, upon consultations with Legal Counsel, to complete the establishment of a Section 115 Trust administered by Public Agency Retirement Services, was requested.

Executive Director explained the item.

Commissioner Muñoz moved to approve the discussion calendar item number 6, to 1) Adopt Resolution No. 79 approving the establishment of a Section 115 Trust administered by Public Agency Retirement Services for the Housing Authority of the County of San Bernardino's unfunded pension liabilities and appointing the Executive Director as the Plan Administrator for the Section 115 Trust program, and 2) Authorize and direct the Executive Director to execute and deliver any legal and administrative documents necessary, including the attached exhibits, upon consultations with Legal Counsel, to complete the establishment of a Section 115 Trust administered by Public Agency Retirement Services, which motion was duly seconded by Commissioner Miller, and upon roll call, the Ayes and Nays were as follows:

Ayes

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

Nays

Approval for the discussion calendar item number 7, to Adopt Resolution No. 94 approving FY 2020-2021 Utility Allowance Schedules for the Housing Choice Voucher and Public Housing programs effective October 1, 2020, was requested.

Executive Director explained the item.

Commissioner Miller moved to approve the discussion calendar item number 7, to Adopt Resolution No. 94 approving FY 2020-2021 Utility Allowance Schedules for the Housing Choice Voucher and Public Housing programs effective October 1, 2020, which motion was duly seconded by Commissioner Muñoz, and upon roll call, the Ayes and Nays were as follows:

Ayes

Commissioner Johnson

Nays

Commissioner Cooper
Commissioner MacDuff
Commissioner Pinedo
Commissioner Tarango
Commissioner Miller
Commissioner Muñoz

Approval for the discussion calendar item number 8, to Adopt Resolution No. 95 approving updates to the payment standards for the traditional regulatory assistance for special purpose programs effective October 1, 2020, was requested.

Executive Director explained the item.

Commissioner Miller moved to approve the discussion calendar item number 8, to Adopt Resolution No. 95 approving updates to the payment standards for the traditional regulatory assistance for special purpose programs effective October 1, 2020, which motion was duly seconded by Commissioner Tarango, and upon roll call, the Ayes and Nays were as follows:

Ayes

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

Nays

Approval of discussion calendar item number 9, to Adopt Resolution No. 96 recommending approval of Revision #1 to the Fiscal Year 2019-2020 Consolidated Budget of the Housing Authority of the County of San Bernardino, was requested.

Executive Director explained the item.

Commissioner Muñoz moved to approve discussion calendar item number 9, to Adopt Resolution No. 96 recommending approval of Revision #1 to the Fiscal Year 2019-2020 Consolidated Budget of the Housing Authority of the County of San Bernardino, 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
Commissioner Muñoz

Nays

Approval of discussion calendar item number 10, to 1) Adopt Resolution No. 97: a. Authorizing the Housing Authority of the County of San Bernardino to serve as Nonrecourse Guarantor for the benefit of Northmarq Capital with regard to the loan for the refinance of Summit Place Apartments owned by Summit Place LLC, b. Authorize and direct the Executive Director, upon consultation with Legal Counsel, to execute and deliver all documents and agreements necessary for the Nonrecourse Guaranty, and other ancillary documents necessary to carry out and close the refinancing of the Summit Place LLC loan with Northmarq Capital, was requested.

Executive Director explained the item.

Commissioner Miller moved to approve the discussion calendar item number 10, to 1) Adopt Resolution No. 97: a. Authorizing the Housing Authority of the County of San Bernardino to serve as Nonrecourse Guarantor for the benefit of Northmarq Capital with regard to the loan for the refinance of Summit Place Apartments owned by Summit Place LLC, b. Authorize and direct the Executive Director, upon consultation with Legal Counsel, to execute and deliver all documents and agreements necessary for the Nonrecourse Guaranty, and other ancillary documents necessary to carry out and close the refinancing of the Summit Place LLC loan with Northmarq Capital, 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
Commissioner Muñoz

Nays

Approval of discussion calendar item number 11, to 1) Adopt Resolution No. 98: a. Authorizing the Housing Authority of the County of San Bernardino to serve as Nonrecourse Guarantor for the benefit of Northmarq Capital with regard to the loan for the refinance of Summit Walk Apartments owned by Summit Walk LLC, b. Authorize and direct the Executive Director, upon consultation with Legal Counsel, to execute and deliver all documents and agreements necessary for the Nonrecourse Guaranty, and other ancillary documents necessary to carry out and close the refinancing of the Summit Walk LLC loan with Northmarq Capital, was requested.

Executive Director explained the item.

Commissioner Miller moved to approve the discussion calendar item number 11, to to 1) Adopt Resolution No. 98: a. Authorizing the Housing Authority of the County of San Bernardino to serve as Nonrecourse Guarantor for the benefit of Northmarq Capital with regard to the loan for the refinance of Summit Walk Apartments owned by Summit Walk LLC, b. Authorize and direct the Executive Director, upon consultation with Legal Counsel, to execute and deliver all documents and agreements necessary for the Nonrecourse Guaranty, and other ancillary documents necessary to carry out and close the refinancing of the Summit Walk LLC loan with

Northmarq Capital, 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
Commissioner Muñoz

Nays

Approval of discussion calendar item number 12, to Adopt Resolution No. 99 approving revisions to the Housing Authority of the County of San Bernardino's Employee Policy Handbook, was requested.

Executive Director explained the item.

Commissioner Miller moved to approve discussion calendar item number 12, to Adopt Resolution No. 99 approving revisions to the Housing Authority of the County of San Bernardino's Employee Policy Handbook, which motion was duly seconded by Commissioner Muñoz, and upon roll call, the Ayes and Nays were as follows:

Ayes

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

Nays

Approval of discussion calendar item number 13, to Approve the 2020 Language Access Plan with an effective date of October 1, 2020, was requested.

Executive Director explained the item.

Commissioner Miller moved to approve discussion calendar item number 13, to Approve the 2020 Language Access Plan with an effective date of October 1, 2020, which motion was duly seconded by Commissioner Muñoz, and upon roll call, the Ayes and Nays were as follows:

Ayes

Commissioner Johnson
Commissioner Cooper
Commissioner Pinedo
Commissioner Tarango

Nays

Commissioner Miller
Commissioner MacDuff
Commissioner Muñoz

Approval of discussion calendar item number 14, to 1) Approve Amendment No. 3 to Contract 15-803 with the County of San Bernardino Community Development and Housing Department extending the term for two additional years for a total contract period of November 3, 2015 through June 30, 2022 for the Homeless Veterans Housing Initiative Enhanced Security Deposit Program, 2) Authorize and direct the Executive Director to execute and deliver the contract amendment to the County of San Bernardino and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction, was requested.

Executive Director explained the item.

Commissioner Miller moved to approve discussion calendar item number 14, to 1) Approve Amendment No. 3 to Contract 15-803 with the County of San Bernardino Community Development and Housing Department extending the term for two additional years for a total contract period of November 3, 2015 through June 30, 2022 for the Homeless Veterans Housing Initiative Enhanced Security Deposit Program, 2) Authorize and direct the Executive Director to execute and deliver the contract amendment to the County of San Bernardino and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction, which motion was duly seconded by Commissioner Cooper, and upon roll call, the Ayes and Nays were as follows:

Ayes

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

Nays

Commissioner left the meeting at 4:45 p.m.

Approval of discussion calendar item number 15, to Approve an employment contract with Maria Razo to provide services as the Executive Director for the Housing Authority of the County of San Bernardino, effective September 27, 2020 through September 26, 2023, for an estimated initial annual cost of \$281,454.25 (Salary - \$193,939, Benefits and Taxes - \$87,515.25), was requested.

Legal Counsel explained the item.

Commissioner Miller moved to approve discussion calendar item number 15, to Approve an employment contract with Maria Razo to provide services as the Executive Director for the

Housing Authority of the County of San Bernardino, effective September 27, 2020 through September 26, 2023, for an estimated initial annual cost of \$281,454.25 (Salary - \$193,939, Benefits and Taxes - \$87,515.25), 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 consent calendar items number 17 - 20, to 1) Approve the meeting minutes for the Board of Commissioners of the Housing Authority of the County of San Bernardino Regular Meeting held on July 14, 2020, 2) Approve the meeting minutes for the Board of Commissioners of the Housing Authority of the County of San Bernardino Regular Meeting held on August 11, 2020, 3) Approve vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month ending in June 2020, 4) Approve and file Agency-wide Financial Statements through May 2020, was requested.

Commissioner Miller moved to approve consent calendar item number 17 - 20, to 1) Approve the meeting minutes for the Board of Commissioners of the Housing Authority of the County of San Bernardino Regular Meeting held on July 14, 2020, 2) Approve the meeting minutes for the Board of Commissioners of the Housing Authority of the County of San Bernardino Regular Meeting held on August 11, 2020, 3) Approve vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month ending in June 2020, 4) Approve and file Agency-wide Financial Statements through May 2020, which motion was duly seconded by Commissioner Muñoz, 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.

Minutes of a Regular Meeting of the Board of Governors of the Housing Authority of the County of San Bernardino for September 8, 2020

Page 8

There being no other business, Chairman moved for the regular meeting of Tuesday, August 11, 2020 to be adjourned, which motion was duly seconded by Commissioner Miller, and upon roll call, the Ayes and Nays were as follows:

Ayes

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

Nays

The meeting adjourned at 4:50 p.m.

Tim Johnson, Chair

Beau Cooper, Vice Chair

Cassie MacDuff

Sylvia Miller

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**

October 13, 2020

FROM

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

SUBJECT

Vacated Tenant Accounts for the Authority Owned Portfolio to be Written Off as Collection Loss for the Month Ending July 2020

RECOMMENDATION(S)

Approve vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month ending in July 2020.

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

GOALS & OBJECTIVES

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

FINANCIAL IMPACT

The accounts receivable losses for the month ending July 31, 2020 are \$20,784.30. The Housing Authority of the County of San Bernardino (HACSB) projects and anticipates collection losses in their annual budget. The monthly losses as detailed below are in line with the budgeted losses and historical trends.

BACKGROUND INFORMATION

On a monthly basis, HACSB records vacated tenant accounts for the Authority Owned Portfolio for the purpose of being written off to collection losses. The agency's Authority Owned Portfolio units are owned by HACSB and were either acquired or developed through a variety of partnerships with local governments and/or HACSB's non-profit affiliate Housing Partners I, Inc. Despite the agency's reasonable efforts to collect the debts listed in the attached reports, it has been determined that such debts are uncollectible. However, collection efforts will continue with the agency's contracted collection agency. As part of HACSB's standard property management business practices, Board of Commissioners approval is requested to write off these accounts as accounts receivable losses to the Authority Owned Portfolio. The total write off for the month of July 2020 is \$20,784.30 as delineated in the table below. Attached is a worksheet that itemizes the individual accounts.

| SUMMARY BY PROPERTY MANAGEMENT | | |
|---------------------------------------|------------------------|--------------|
| PROPERTY | NO. VACATED | TOTAL |
| 203 – Maplewood | 1 | 800.00 |
| 207 - Barstow | 2 | 899.00 |
| 403 – Summit Walk | 1 | - |
| 407 – Sunset Pointe | 1 | 2,327.48 |
| 408 – Sunrise Vista | 2 | 1,057.00 |
| 467 – Hillcrest | 1 | 278.00 |
| Concessions Write Off | | - |

Vacated Tenant Accounts for the Authority Owned Portfolio to be Written Off as Collection Loss
for the Month Ending July 2020
October 13, 2020

| SUMMARY BY PROPERTY MANAGEMENT | | |
|--------------------------------|----------------|--------------|
| PROPERTY | NO. VACATED | TOTAL |
| TOTAL RENT WRITE OFF | 8 | \$5,361.48 |
| Miscellaneous Charges | | \$7,742.47 |
| Maintenance Charges | | \$10,620.35 |
| Legal Charges | | - |
| Security Deposits Applied | | (\$2,940.00) |
| NET TOTAL WRITE OFF | | \$20,784.30 |

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by Legal Counsel (Julie J. Surber, Principal Assistant County Counsel, 387-5455) on September 25, 2020.

Housing Authority County of San Bernardino

COLLECTION WRITE-OFFS - Authority Owned Portfolio

Month End: 07/31/20

| Item # | Last Name | First Name | ID No. | REASON | MONTHLY RENT | UNPAID RENT (*) | CONC. REVERSAL | UNPAID MISC (*) | MAINT. FEES | LEGAL FEES | TOTAL OWED | LESS DEPOSIT | NET DUE |
|--------|-----------|------------|--------|--------|--------------|-----------------|----------------|-----------------|-------------|------------|------------|--------------|---------|
|--------|-----------|------------|--------|--------|--------------|-----------------|----------------|-----------------|-------------|------------|------------|--------------|---------|

203- Maplewood

| | | | | | | | | | | | | | |
|---------|----|----|--|---|--------|--------|---|----------|---|---|----------|--------|----------|
| 1 | N. | C. | | D | 228.00 | 800.00 | - | 7,368.00 | - | | 8,168.00 | 250.00 | 7,918.00 |
| | | | | | | | - | | | | - | | - |
| TOTALS: | | | | | 800.00 | | - | 7,368.00 | - | - | 8,168.00 | 250.00 | 7,918.00 |

| Item # | Type of Notice | Date Notice Served | Posted or Hand Delivered | Date File Sent to Attorney | Date Attorney Filed in Court | Response Filed by Tenant (Y or N) | | Court Date | Lock Out Date | Vacate Date |
|--------|----------------|--------------------|--------------------------|----------------------------|------------------------------|-----------------------------------|--|------------|---------------|-------------|
| 1 | NA | NA | NA | NA | NA | NA | | NA | NA | 07/09/20 |

207- Barstow

| | | | | | | | | | | | | | |
|---------|----|----|--|---|--------|--------|---|--------|----------|---|----------|----------|----------|
| 1 | R. | A. | | T | 378.00 | 113.00 | - | - | 1,466.34 | - | 1,579.34 | 800.00 | 779.34 |
| 2 | R. | S. | | T | 271.00 | 786.00 | | 374.47 | 5,000.67 | - | 6,161.14 | 1,055.00 | 5,106.14 |
| | | | | | | | - | | | | - | | - |
| TOTALS: | | | | | 899.00 | | - | 374.47 | 6,467.01 | - | 7,740.48 | 1,855.00 | 5,885.48 |

| Item # | Type of Notice | Date Notice Served | Posted or Hand Delivered | Date File Sent to Attorney | Date Attorney Filed in Court | Response Filed by Tenant (Y or N) | | Court Date | Lock Out Date | Vacate Date |
|--------|----------------|--------------------|--------------------------|----------------------------|------------------------------|-----------------------------------|--|------------|---------------|-------------|
| 1 | 60 Day Notice | 05/13/20 | P&M | NA | NA | NA | | NA | NA | 07/09/20 |
| 2 | 60 Day Notice | 05/28/20 | P&M | NA | NA | NA | | NA | NA | 07/27/20 |

403 - Summit Walk

| | | | | | | | | | | | | | |
|---------|----|----|--|--|---|--|---|---|----------|---|----------|---|----------|
| 1 | R. | J. | | | | | - | | (341.00) | | (341.00) | | (341.00) |
| | | | | | | | - | | | | - | | - |
| TOTALS: | | | | | - | | - | - | (341.00) | - | (341.00) | - | (341.00) |

| Item # | Type of Notice | Date Notice Served | Posted or Hand Delivered | Date File Sent to Attorney | Date Attorney Filed in Court | Response Filed by Tenant (Y or N) | | Court Date | Lock Out Date | Vacate Date |
|--------|---------------------|--------------------|--------------------------|----------------------------|------------------------------|-----------------------------------|--|------------|---------------|-------------|
| 1 | Payment on bad debt | | | | | | | | | |

*Reasons: E=Eviction D=Deceased S=Skip V=Voluntary T=Terminated Tenancy **Unpaid Misc.: Stipulated agreements for rent, maintenance charges, late charges, etc.

Housing Authority County of San Bernardino

COLLECTION WRITE-OFFS - Authority Owned Portfolio

Month End: 07/31/20

| Item # | Last Name | First Name | ID No. | REASON | MONTHLY RENT | UNPAID RENT (*) | CONC. REVERSAL | UNPAID MISC (*) | MAINT. FEES | LEGAL FEES | TOTAL OWED | LESS DEPOSIT | NET DUE |
|--------|-----------|------------|--------|--------|--------------|-----------------|----------------|-----------------|-------------|------------|------------|--------------|---------|
|--------|-----------|------------|--------|--------|--------------|-----------------|----------------|-----------------|-------------|------------|------------|--------------|---------|

| | | | | | | | | | | | | | |
|----------------------------|----|----|--|---|--------|-----------------|----------|----------|-----------------|----------|-----------------|---------------|-----------------|
| 407 - Sunset Pointe | | | | | | | | | | | | | |
| 1 | A. | F. | | S | 925.00 | 2,327.48 | - | | 1,535.34 | | 3,862.82 | 100.00 | 3,762.82 |
| | | | | | | | - | | | | - | | - |
| TOTALS: | | | | | | 2,327.48 | - | - | 1,535.34 | - | 3,862.82 | 100.00 | 3,762.82 |

| Item # | Type of Notice | Date Notice Served | Posted or Hand Delivered | Date File Sent to Attorney | Date Attorney Filed in Court | Response Filed by Tenant (Y or N) | | Court Date | Lock Out Date | Vacate Date |
|--------|----------------|--------------------|--------------------------|----------------------------|------------------------------|-----------------------------------|--|------------|---------------|-------------|
| 1 | Skip | | | | | | | | | 07/06/20 |
| | | | | | | | | | | |

| | | | | | | | | | | | | | |
|----------------------------|----|----|--|---|--------|-----------------|----------|----------|---------------|----------|-----------------|---------------|-----------------|
| 408 - Sunrise Vista | | | | | | | | | | | | | |
| 1 | F. | S. | | | | | - | | (100.00) | | (100.00) | | (100.00) |
| 2 | G. | T. | | V | 725.00 | 1,057.00 | - | | 525.00 | | 1,582.00 | 100.00 | 1,482.00 |
| | | | | | | | - | | - | | - | | - |
| TOTALS: | | | | | | 1,057.00 | - | - | 425.00 | - | 1,482.00 | 100.00 | 1,382.00 |

| Item # | Type of Notice | Date Notice Served | Posted or Hand Delivered | Date File Sent to Attorney | Date Attorney Filed in Court | Response Filed by Tenant (Y or N) | | Court Date | Lock Out Date | Vacate Date |
|--------|---------------------|--------------------|--------------------------|----------------------------|------------------------------|-----------------------------------|--|------------|---------------|-------------|
| 1 | Payment on bad debt | | | | | | | | | |
| 2 | 30 Day Notice | 05/01/20 | | | | | | | | 07/22/20 |
| | | | | | | | | | | |

| | | | | | | | | | | | | | |
|------------------------|----|----|--|---|--------|---------------|----------|----------|-----------------|----------|-----------------|---------------|-----------------|
| 467 - Hillcrest | | | | | | | | | | | | | |
| 1 | C. | B. | | V | 642.00 | 278.00 | | | 2,534.00 | | 2,812.00 | 635.00 | 2,177.00 |
| TOTALS: | | | | | | 278.00 | - | - | 2,534.00 | - | 2,812.00 | 635.00 | 2,177.00 |

| Item # | Type of Notice | Date Notice Served | Posted or Hand Delivered | Date File Sent to Attorney | Date Attorney Filed in Court | Response Filed by Tenant (Y or N) | | Court Date | Lock Out Date | Vacate Date |
|--------|----------------|--------------------|--------------------------|----------------------------|------------------------------|-----------------------------------|--|------------|---------------|-------------|
| 1 | 30 Day Notice | 06/10/20 | | | | | | | | 07/13/20 |

| | | | | | | | | | | | | | |
|-----------------------------|--|--|--|--|--|-----------------|----------|-----------------|------------------|----------|------------------|-----------------|------------------|
| ALL PROPERTY TOTALS: | | | | | | 5,361.48 | - | 7,742.47 | 10,620.35 | - | 23,724.30 | 2,940.00 | 20,784.30 |
|-----------------------------|--|--|--|--|--|-----------------|----------|-----------------|------------------|----------|------------------|-----------------|------------------|

Submitted by: _____ Date: _____ Reviewed by: _____ Date: _____

*Reasons: E=Eviction D=Deceased S=Skip V=Voluntary T=Terminated Tenancy **Unpaid Misc.:

Stipulated agreements for rent, maintenance charges, late charges, etc.

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

October 13, 2020

FROM

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

SUBJECT

Agency-wide Financial Statements through June 2020

RECOMMENDATION(S)

Approve and file Agency-wide Financial Statements through June 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 June 2020 for Federal Fiscal Year (FFY) 2019-20 is \$11,833,133. The net income is currently greater than the anticipated \$(107,556) net loss, with a variance of \$11.9 million, primarily due to:

- Housing Assistance Payment 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.
- Depreciation expense reflected monthly is not included in the annual budget which amounts to \$4.3 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 need to occur in the upcoming fiscal year (reflected in the extraordinary maintenance expenses line item) and amounts to \$8.8 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 \$3.1 million.

| Financial Summary | FY 2020 YTD |
|---|---------------------|
| Revenues | \$125,210,155 |
| Expenses | \$108,981,556 |
| Operating Gain | \$16,228,598 |
| Operating Transfers/Non-Operating Items | \$(4,395,465) |
| Net Income/(Loss) | \$11,833,133 |

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.
- Use of supplemental CARES Act funds in order to balance the FFY budget for the HCV program due to rental assistance costs exceeding funding. Reflected in the approved FY 2019-20 Consolidated Budget Revision #1.
- 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 into the new fiscal year. To be included in the budget revision.
- 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 September 25, 2020.

HACSB Budget Comparison

Period = Oct 2019-Jun 2020

| | YTD Actual | YTD Budget | Variance | % Var | Annual |
|--|-------------------|----------------|-------------------|-----------------|-----------------|
| INCOME | | | | | |
| TENANT INCOME | | | | | |
| Total Rental Income | 19,879,056 | 19,374,343 | 504,713 | 2.61 | 25,890,742 |
| Total Other Tenant Income | 460,969 | 434,064 | 26,904 | 6.20 | 578,752 |
| NET TENANT INCOME | 20,340,025 | 19,808,407 | 531,618 | 2.68 | 26,469,494 |
| GRANT INCOME | | | | | |
| TOTAL GRANT INCOME | 99,940,389 | 92,631,936 | 7,308,453 | 7.89 | 123,414,095 |
| OTHER INCOME | | | | | |
| TOTAL OTHER INCOME | 4,929,741 | 4,449,076 | 480,665 | 10.80 | 5,639,874 |
| TOTAL INCOME | 125,210,155 | 116,889,419 | 8,320,736 | 7.12 | 155,523,464 |
| EXPENSES | | | | | |
| GRANT EXPENSES | | | | | |
| TOTAL GRANT EXPENSES | 4,304,605 | 4,576,667 | 272,061 | 5.94 | 6,102,222 |
| ADMINISTRATIVE | | | | | |
| Total Administrative Salaries | 9,189,385 | 10,112,675 | 923,290 | 9.13 | 13,511,215 |
| Total Legal Expense | 209,902 | 259,295 | 49,393 | 19.05 | 345,727 |
| Total Other Admin Expenses | 4,033,181 | 4,103,868 | 70,687 | 1.72 | 5,646,658 |
| Total Miscellaneous Admin Expenses | 1,726,199 | 2,461,680 | 735,480 | 29.88 | 2,938,056 |
| TOTAL ADMINISTRATIVE EXPENSES | 15,158,667 | 16,937,517 | 1,778,850 | 10.50 | 22,441,656 |
| TENANT SERVICES | | | | | |
| TOTAL TENANT SERVICES EXPENSES | 198,998 | 292,840 | 93,842 | 32.05 | 389,453 |
| UTILITIES | | | | | |
| TOTAL UTILITY EXPENSES | 2,514,327 | 2,730,362 | 216,035 | 7.91 | 3,640,484 |
| MAINTENANCE AND OPERATIONS | | | | | |
| Total General Maint Expense | 1,929,065 | 2,152,365 | 223,300 | 10.37 | 2,869,153 |
| Total Materials | 626,931 | 653,457 | 26,526 | 4.06 | 871,275 |
| Total Contract Costs | 2,287,769 | 3,365,202 | 1,077,432 | 32.02 | 4,485,145 |
| TOTAL MAINTENANCE EXPENSES | 4,843,766 | 6,171,024 | 1,327,258 | 21.51 | 8,225,573 |
| GENERAL EXPENSES | | | | | |
| TOTAL GENERAL EXPENSES | 891,612 | 938,080 | 46,467 | 4.95 | 1,241,332 |
| EXTRAORDINARY MAINTENANCE EXPENSES | | | | | |
| TOTAL EXTRAORDINARY MAINTENANCE EXPENSES | 1,877,365 | 10,749,860 | 8,872,495 | 82.54 | 14,767,546 |
| HOUSING ASSISTANCE PAYMENTS | | | | | |
| TOTAL HOUSING ASSISTANCE PAYMENTS | 78,019,954 | 73,093,931 | -4,926,023 | -6.74 | 97,841,355 |
| FINANCING EXPENSE | | | | | |
| TOTAL FINANCING EXPENSES | 1,172,263 | 1,220,913 | 48,650 | 3.98 | 1,627,884 |
| TOTAL OPERATING EXPENSES | 108,981,556 | 116,711,193 | 7,729,636 | 6.62 | 156,277,505 |
| OPERATING NET INCOME | 16,228,598 | 178,227 | 16,050,372 | 9,005.60 | -754,041 |
| NET OPERATING TRANSFER IN/OUT | 0 | 285,783 | 285,783 | 100.00 | 285,783 |
| NON-OPERATING ITEMS | | | | | |
| TOTAL NON-OPERATING ITEMS | 4,395,465 | 0 | -4,395,465 | N/A | 0 |
| NET INCOME | 11,833,133 | -107,556 | 11,940,690 | 11,101.79 | -1,039,824 |