

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

TO BE HELD TELEPHONICALLY  
February 9, 2021 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: 873 6367 3127  
Password: 085297

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 <https://hacsb.com/board-of-commissioners/> and/or via email at [publiccomment@hacsb.com](mailto: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 <https://hacsb.com/board-of-commissioners/> and email at [publiccomment@hacsb.com](mailto: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 for February 9, 2021. (Page 1)
- 5) Receive the board building presentation for February 9, 2021, regarding an overview of the Housing Authority of the County of San Bernardino's 2020 Moving to Work Report. (Page 2)
- 6) Adopt Resolution No. 104 approving the Housing Authority of the County of San Bernardino's Annual Moving to Work Plan, Amendment 1, for Fiscal Year 2020-2021. (Pages 3-6)
- 7) Adopt Resolution No. 105 approving revisions to the Administrative Plan governing the Housing Authority of the County of San Bernardino's rental assistance programs. (Pages 7-49)
- 8) Adopt Resolution No. 106 approving updates to the Local Payment Standards for the Moving to Work Housing Choice Voucher Program effective March 1, 2021. (Pages 50-57)
- 9) Adopt Resolution No. 107 approving revisions to the Admissions and Continued Occupancy Policies governing the Housing Authority of the County of San Bernardino's Public Housing program. (Pages 58-67)
- 10) Adopt Resolution No. 108 approving the Employer-Employee Relations Resolution pertaining to communication and labor relations between the Housing Authority of the County of San Bernardino, its employees and their employee organizations. (Pages 68-92)
- 11) Approve the write-off of portability accounts for the Housing Choice Voucher Program that have been deemed uncollectible in the amount of \$16,244.22. (Pages 93-94)
- 12) Approve of an amended Conflict of Interest Code pursuant to the Political Reform Act of 1974. (Pages 95-100)
- 13) 1 – Award Contract No. PC1203, effective March 1, 2021, to Intergraded Security Management Group for Armed Guard Services for an amount not to exceed \$327,551 for a two-year base period through February 28, 2023, with three single-year options to extend the contract until no later than February 28, 2026.  
  
2 – Authorize and direct the Executive Director to execute and deliver the contract to Intergraded Security Management Group and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction. (Pages 101-131)

## CONSENT CALENDAR

- 14) APPROVAL OF CONSENT ITEMS: # 15 - 22
- 15) **CONTINUED FROM TUESDAY, JANUARY 12, 2021, ITEM NO. 9**
  - 1 – Approve a contract extension of the Project-Based Voucher Program Housing Assistance Payments Contract with Housing Partners I, Inc. at 27 scattered site units for the Continuum of Care Program, for a five-year period from February 1, 2021 through January 31, 2026.
  - 2 – Authorize and direct the Executive Director to execute and deliver the contract extension to Housing Partners I, Inc., and upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.  
(Pages 132-167)
- 16) **CONTINUED FROM TUESDAY, JANUARY 12, 2021, ITEM NO. 13**

Approve the meeting minutes for the Board of Commissioners of the Housing Authority of the County of San Bernardino Regular Meeting held on December 8, 2020. (Pages 168-179)
- 17) **CONTINUED FROM TUESDAY, December 8, 2020, ITEM NO. 18**

Approve the meeting minutes for the Board of Commissioners of the Housing Authority of the County of San Bernardino Regular Meeting held on November 10, 2020. (Pages 180- 185)
- 18) **CONTINUED FROM TUESDAY, JANUARY 12, 2021, ITEM NO. 14**

Approve vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month ending in October 2020. (Pages 186-190)
- 19) **CONTINUED FROM TUESDAY, JANUARY 12, 2021, ITEM NO. 15**

Approve and file Agency-wide Financial Statements through September 2020. (Pages 191-193)
- 20) Approve the meeting minutes for the Board of Commissioners of the Housing Authority of the County of San Bernardino Regular Meeting held on January 12, 2021. (Pages 194-201)
- 21) Approve vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month ending in November 2020. (Pages 202-207)
- 22) Approve and file the Agency-wide Financial Statements through October 2020. (Pages 208-210)
- 23) Individual Board member Comments
- 24) 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 agenda items in court, you may be limited to raising only those issues you or someone else raised during the public testimony period regarding that agenda item 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**

**February 9, 2021**

**FROM**

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

**SUBJECT**

Executive Director's Report for February 9, 2021

**RECOMMENDATION(S)**

Receive the Executive Director's Report for February 9, 2021.  
(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 General Legal Counsel, Fred Galante, on January 23, 2021.

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

**February 9, 2021**

**FROM**

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

**SUBJECT**

Board Building Presentation for February 9, 2021

**RECOMMENDATION(S)**

Receive the board building presentation for February 9, 2021, regarding an overview of the Housing Authority of the County of San Bernardino's 2020 Moving to Work Report.  
(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 (MTW) 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 2020 MTW Report.

**PROCUREMENT**

Not applicable.

**REVIEW BY OTHERS**

This item has been reviewed by General Legal Counsel, Fred Galante, on January 27, 2021.

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

**February 9, 2021**

**FROM**

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

**SUBJECT**

**Fiscal Year 2020-2021 Annual Moving to Work Plan, Amendment 1**

**RECOMMENDATION(S)**

Adopt Resolution No. 104 approving the Housing Authority of the County of San Bernardino's Annual Moving to Work Plan, Amendment 1, for Fiscal Year 2020-2021.  
(Presenter: Maria Razo, Executive Director, 332-6305)

**GOALS & OBJECTIVES**

**No eligible family waits longer than 10 days for housing.**

**For those whom a transition is appropriate, the maximum stay in assisted housing is 5 years.**

**HACSB has secured the resources needed for accomplishing its mission.**

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

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

**FINANCIAL IMPACT**

Approval of the proposed resolution will not have a significant financial impact on the Housing Authority of the County of San Bernardino (HACSB). Sufficient appropriation to perform this action has been included in HACSB's 2020-21 annual budget.

**BACKGROUND INFORMATION**

On March 14, 2008, HACSB was designated by the United States Department of Housing and Urban Development (HUD) as a Moving to Work (MTW) agency. The objectives of the MTW designation are to achieve greater cost effectiveness, provide incentives to families working toward self-sufficiency, and increase housing choices for low-income families. To accomplish these objectives, the MTW designation allows Public Housing Agencies (PHA) to develop and implement programs to design and test innovative local housing and self-sufficiency initiatives by waiving certain statutes and HUD regulations. In accordance with the MTW Agreement, each year HACSB is required to prepare and submit a MTW Annual Plan that describes proposed MTW activities for the coming year. Approval of this resolution will amend the 2021 Annual MTW Plan, which is currently pending approval by HUD.

The proposed 2021 Annual MTW Plan, Amendment 1, modifies the previously approved MTW activity 26: Local Disaster Short-Term Rental Assistance Program. This activity allows HACSB to quickly provide short-term rental assistance through the MTW Housing Choice Voucher Program to families displaced from their homes by local disasters such as fires, earthquakes, floods, acts of terrorism, or similar events, if the event is declared a local disaster by the HACSB Board of Commissioners. The proposed modification would expand eligibility to include families

at risk of displacement from their home due to a local disaster. Assistance through this activity is subject to availability of funding as determined by HACSB and may be provided for a term of six to 24 months.

The proposed Amendment 1 also includes the addition of Exhibit 1: RAD Conversion Plan, which describes the conversion of the Los Olivos Public Housing site to project-based vouchers through the Rental Assistance Demonstration (RAD) program. Including the RAD Conversion Plan in the MTW Plan is a requirement of the conversion process.

A legal notice regarding the Plan was published in seven local newspapers between November 25 and December 3, 2020. The notice and the proposed plan were also made available on HACSB's website and at all HACSB offices throughout San Bernardino County beginning November 23, 2020. The required public comment period ran from November 23, 2020, to December 23, 2020, and two public hearings on the matter were held on December 1, 2020, at 10:00 a.m. and December 10, 2020, at 2:00 p.m. virtually via Zoom. No members of the public attended the public hearings and no comments were received.

A complete copy of the 2021 HACSB Annual MTW Plan, Amendment 1, can be found at <https://hacsb.com/moving-to-work>.

**PROCUREMENT**

Not applicable.

**REVIEW BY OTHERS**

This item has been reviewed by General Legal Counsel, Fred Galante, on January 23, 2020.

**HOUSING AUTHORITY RESOLUTION NO. 2021-104**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO APPROVING THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO'S 2021 ANNUAL MOVING TO WORK PLAN, AMENDMENT 1**

**RECITALS**

**WHEREAS**, the Housing Authority of the County of San Bernardino (HACSB) entered into a Moving to Work (MTW) contract with the United States Department of Housing and Urban Development (HUD) effective March 14, 2008, which governs the regulations of the administration of the Housing Choice Voucher and Public Housing programs; and

**WHEREAS**, as a MTW agency the HACSB is required to and has prepared an Annual MTW Plan which describes its operations and activities as an MTW agency; and

**WHEREAS**, the HACSB desires to modify the previously approved MTW activity 26, Local Disaster Short-Term Rental Assistance Program, and to incorporate the Rental Assistance Demonstration (RAD) Conversion Plan for the Los Olivos Public Housing site; and

**WHEREAS**, the HACSB has developed its fiscal year 2020-2021 Annual MTW Plan, Amendment 1, to include the proposed modifications and in accordance with HUD requirements.

**OPERATIVE PROVISIONS**

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

Section 1. The Board of Commissioners finds that all of the facts set forth in the Recitals are true and correct, and are incorporated herein by reference.

Section 2. The Board of Commissioners hereby approves the proposed 2021 HACSB Annual MTW Plan, Amendment 1, effective February 9, 2021.

Section 3. A complete copy of the 2021 Annual MTW Plan, Amendment 1, can be found at <https://hacsb.com/moving-to-work>.

Section 4. This resolution shall take effect immediately upon its adoption.

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

AYES:

NOES:

ABSENT:

STATE OF CALIFORNIA                     )  
   )  
COUNTY OF SAN BERNARDINO         )         ss.

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

\_\_\_\_\_  
Secretary

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

**February 9, 2021**

## **FROM**

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

## **SUBJECT**

Revisions to the Administrative Plan Governing the Housing Authority of the County of San Bernardino's Rental Assistance Programs

## **RECOMMENDATION(S)**

Adopt Resolution No. 105 approving revisions to the Administrative Plan governing the Housing Authority of the County of San Bernardino's rental assistance programs.

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

## **GOALS & OBJECTIVES**

**HACSB has secured the resources needed for accomplishing its mission.**

**HACSB communication is open, honest and consistent.**

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

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

## **FINANCIAL IMPACT**

Approval of the proposed revisions to the Administrative Plan will have no direct financial impact to the Housing Authority of the County of San Bernardino's (HACSB) annual budget.

## **BACKGROUND INFORMATION**

HACSB's Housing Choice Voucher (HCV) Administrative Plan outlines the adopted policies that govern the HCV program as well as other HACSB rental assistance programs. These programs provide rental subsidies for low-income families leasing homes in the private rental market. The Administrative Plan is required of all housing authorities administering an HCV program and is reviewed and updated as needed to maintain compliance with Public and Indian Housing Notices (PIH), Federal Register Notices as issued by the United States Department of Housing and Urban Development (HUD), and HACSB's Moving to Work (MTW) activities.

The primary reason for updating the Administrative Plan at this time is to include the HUD regulatory waivers that have been adopted and/or extended since the last Administrative Plan revision. In addition, other updates have been made throughout the Administrative Plan to promote consistent application of policies and procedures. Attached is a table summarizing the proposed revisions along with the corresponding sections from the Administrative Plan with the redline changes.

To ensure alignment with HUD regulations and HACSB's MTW Annual Plan, it is recommended the Board of Commissioners adopt the resolution to approve the proposed changes to the Administrative Plan.

## **PROCUREMENT**

Not applicable.

Revisions to the Administrative Plan Governing the Housing Authority of the County of San Bernardino's Rental Assistance Programs.  
February 9, 2021

**REVIEW BY OTHERS**

This item has been reviewed by General Legal Counsel, Fred Galante, on January 23, 2021.

**HOUSING AUTHORITY RESOLUTION NO. 2021-105**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE  
COUNTY OF SAN BERNARDINO APPROVING REVISIONS TO THE ADMINISTRATIVE PLAN  
GOVERNING THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO'S RENTAL  
ASSISTANCE PROGRAMS**

**RECITALS**

**WHEREAS**, the Housing Authority of the County of San Bernardino (HACSB) is required to maintain an Administrative Plan which outlines regulations necessary to administer the Housing Choice Voucher subsidized programs on behalf of the United States Department of Housing and Urban Development (HUD); and

**WHEREAS**, HUD requires public housing agencies to amend their Administrative Plan to incorporate changes and define policy relative to administration of the Housing Choice Voucher subsidized programs; and

**WHEREAS**, HACSB desires to amend its policies and procedures as they relate to implementation of the HUD regulatory waivers and update language in other sections.

**OPERATIVE PROVISIONS**

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

Section 1. The Board of Commissioners finds that all of the facts set forth in the Recitals are true and correct, and are incorporated herein by reference.

Section 2. The Board of Commissioners hereby approves the revisions to the Administrative Plan governing the Housing Authority of the County of San Bernardino's rental assistance programs, attached hereto as Exhibit "A" and incorporated by reference herein.

Section 3. This Resolution shall take effect immediately upon its adoption.

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

AYES: COMMISSIONER:

NOES: COMMISSIONER:

ABSENT: COMMISSIONER:

STATE OF CALIFORNIA                     )  
   )  
COUNTY OF SAN BERNARDINO        )       ss.

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

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Secretary

## Summary of Proposed Administrative Plan Changes, February 2021

Section	Topic	Change
1.5.2	Housing Services Program Types – Mainstream Vouchers	Adjusted start date of transition of Mainstream 5 families to Streamlined Fixed Lease Assistance for Elderly and Disabled from traditional regulatory assistance.
3.11.4.1	Streamlined Fixed Lease Assistance for Career Focused Families (Housing Services Program Determination)	Added that Family Unification Program (FUP) participants will be placed under Streamlined Fixed Lease Assistance program upon admission. Per HUD guidance, MTW flexibilities, except for term limits, apply to FUP-eligible families. However, FUP-eligible youth are limited to 36 months of assistance under FUP regulations.
3.11.5.3	Mainstream 5 Program	Adjusted start date of the transition of Mainstream 5 participants to Streamlined Fixed Leased Assistance for Elderly/Disabled Families program from traditional regulatory assistance.
6.4.7	Hardship Exemption Criteria for Streamlined Lease Assistance Program	Updated Career Development Initiatives department to Family Empowerment Services.
6.4.7.2	Temporary Hardship Exemptions	Added requirement that the unforeseen involuntary loss of employment or income due to major illness must be anticipated to exceed 30 consecutive days from the date of receipt of the written request. Additionally, the term of the temporary hardship exemption is changed from six months to “up to six months”. This will allow for a shorter exemption period if the hardship is for a brief period of time. Language concerning the processing of a recertification during a hardship exemption period was included.
6.4.7.3	Pre-Implementation and Program Transfer Hardship Exemptions	Revised this section to include how participants will be transitioned from other programs to the Streamlined Lease Assistance (SLA) program. Previously, this section only served to outline the transition process for the initial implementation of the SLA program.
9.15	Proration of First Month’s Rent	Clarified that the actual number of days in the month is used for calculating the prorated Housing Assistance Payment amount if the contract begins on a day other than the first of the month.
10.2.4	Abatement and Termination	Extended abatement period for owner non-compliance with Housing Quality Standards from 30 to 90 days in order to provide families with sufficient time to locate a new unit and to discourage owners from using the abatement process to end tenancies. HUD guidance encourages PHAs to provide program participants with a reasonable amount of time to locate new housing before terminating the HAP contract.

### Summary of Proposed Administrative Plan Changes, February 2021 (Continued)

Section	Topic	Change
12.1.1	Term-Limited Lease Assistance (Recertifications)	Updated Career Development Initiatives (C.D.I.) department to Family Empowerment Services (FES).
13	Program Moves: Introduction	Established that participants may be granted up to 14 days of overlap between units during a move. Further time may be granted for moves approved under VAWA or as a reasonable accommodation.
16.2.2.3 & 16.2.2.3.1	Family Unification Program (Other Housing Authority Termination Authorized Reasons)	Added that FUP-eligible youth will be terminated after 36 months of assistance.
16.3	Family Obligation/Voucher Violations	Clarified that a family must remain in compliance with supportive service provider for RAD participants only.
16.4	Notice of Termination of Assistance	Added that additional family members may be listed on the notice of termination if the reason for the termination involves other individuals in the household.
16.6.3	Notice of Scheduled Informal Hearing to Participant	Added information about option for scheduling remote informal hearings based on new HUD guidance.
20.1.1	Allocation Thresholds and Supportive Services Requirements	Clarified that participation in services under the project-based program, except RAD, is voluntary.
20.7.2.3	Permanent Supportive Housing	Added a section to describe applicant eligibility for the supportive services units at Golden Apartments, Desert Haven, Yucaipa Horizons, and Bloomington Phase I.
20.9.2.1	Project-Based Voucher Policies Specific to Rental Demonstration Units	Included HUD requirements concerning treatment of zero HAP and over-income families in RAD units.
20.18.2	Other Moves	Before a family receiving on-site services in a permanent supportive housing unit can receive a tenant-based voucher to move, the on-site service provider must certify that the family no longer needs on-site services as provided under the MTW Plan, Activity 11.

### Summary of Proposed Administrative Plan Changes, February 2021 (Continued)

Section	Topic	Change
20.21	Adding, Substituting and Removing Units from HAP Contract	Added process for adding, substituting and removing units from the PBV HAP contract when tenants become ineligible for assistance and no HAP has been made for over 180 days or if a vacancy is not filled within 120 days.
22	Emergency Operations Chapter	HUD waiver expiration dates and PIH Notice references were updated throughout the chapter due to HUD extending some COVID-19 waivers under PIH Notice 2020-33, REV-2.
22.1	Emergency Operations - Administrative Plan	Added the extension of the Executive Director's emergency authority as adopted by the Board of Commissioners on December 8, 2020.
22.2	Emergency Operations - Housing Services Program Types	The current definition of a Mainstream eligible family member is an individual with a disability who is 18 to 61 years old on the effective date of the HAP Contract. Due to the challenges with locating suitable housing during the COVID-19 emergency, this section added a HUD waiver expanding the definition of a Mainstream eligible non-elderly family member to include those who were issued a voucher prior to turning 62 years of age and were not yet 63 on the effective date of the HAP Contract.
22.6	Emergency Operations – Family Obligations Agreement/Voucher Term	Clarified how additional time will be added to the voucher term when the voucher suspension is lifted.
22.13	Project-Based Assistance Program	Added HUD waiver allowing for units to remain under the PBV HAP contract beyond 180 days but no later than June 30, 2021.

## Housing Authority of the County of San Bernardino

### Housing Services Program Administrative Plan

Revised: ~~November 2020~~ February 2021

continues to make payments to the owner as long as the family is eligible and the housing unit continues to qualify under the program.

To administer the Housing Services program, the Housing Authority enters into a contractual relationship with HUD. The Housing Authority also enters into contractual relationships with the assisted family and the owner or landlord of the housing unit. For the program to work and be successful, all parties involved – HUD, the Housing Authority, the owner, and the family – have important roles to play. The roles and responsibilities of all parties are defined in federal regulations and in legal documents that parties execute to participate in the program.

#### **1.5.2 Housing Services Program Types**

The Housing Authority administers ten distinct types of Housing Services programs. All of the types, except for Term-Limited Lease Assistance, may be either tenant-based or project-based. Term-Limited Lease Assistance is only available in the tenant-based program.

- **Term-Limited Lease Assistance** – Participants in the Term-Limited Lease Assistance program execute a Family Obligations Agreement (FOA) with the Housing Authority.<sup>1</sup> Each participant receives five years of housing assistance as long as they remain compliant with the FOA and continue to remain eligible for the program. This program became effective for all new non-elderly/non-disabled, tenant-based participants on January 1, 2012, including the former Upland Housing Authority waiting list applicants who are pulled on or after July 1, 2017, and all port-in families, families exercising mobility through the Project-Based Voucher program, and non-legacy families in Rental Assistance Demonstration (RAD) units exercising mobility who are briefed on or after November 1, 2017.
- **Streamlined Fixed Lease Assistance for Elderly/Disabled Families** – Elderly/Disabled families who become participants after November 1, 2014 or were existing participants admitted to the program prior to November 1, 2014 and who have a recertification effective date of February 1, 2015 or later<sup>2</sup> will participate in the Streamlined Fixed Lease Assistance program.<sup>3</sup> This also applies to the former

<sup>1</sup> The FY 2011 Moving to Work Annual Plan included Activity 20: Term-Limited Lease Assistance program.

<sup>2</sup> The recertification process for families with a February 1, 2015 or later effective date will be commenced in November, 2014.

<sup>3</sup> The FY 2013 Moving to Work Annual Plan included Activity 22: Streamlined Lease Assistance programs. The Streamlined Fixed Lease Assistance program serves elderly/disabled families and the Streamlined Tiered Lease Assistance program serves Career Focused Families. Participants, who were not Term-Limited Lease Assistance program participants and who had a recertification effective date prior to February 1, 2015, participated in the

# Housing Authority of the County of San Bernardino

## Housing Services Program Administrative Plan

Revised: ~~November 2020~~February 2021

Upland Housing Authority (UHA) elderly/disabled families as a result of the voluntary transfer on July 1, 2017 with a recertification date of January 1, 2018 or later; future Plan references to Streamlined Fixed Lease Assistance families will also apply to these former UHA families. Each participant family has their income calculated based on gross income and receives no allowances or deductions. Rent is determined based on a set percentage of income throughout participation in the program.

- **Streamlined Tiered Lease Assistance for Career-Focused Families** – Existing participants who received assistance prior to January 1, 2012 and are not elderly/disabled households but who have a recertification effective date of February 1, 2015 or later are part of the Streamlined Tiered Lease Assistance for Career Focused Families program. This also applies to the former Upland Housing Authority (UHA) career focused families as a result of the voluntary transfer on July 1, 2017 with a recertification date of January 1, 2018 or later; future Plan references to Streamlined Tiered Lease Assistance families will also apply to these former UHA families. Each participant family has their income calculated on gross income and receives no allowances or deductions. Rent is determined based on an increasing percentage of income at each recertification.
- **Streamlined Fixed Lease Assistance for Career-Focused Families** – All non-elderly and non-disabled families admitted under the project-based voucher program and sponsor-based project-based voucher program after January 1, 2017, will participate in the Streamlined Fixed Lease Assistance for Career-Focused Families program.
- **Veteran's Affairs Supportive Housing (VASH)** – Assists homeless veterans with severe psychiatric or substance abuse disorders. The Housing Authority and Veterans Administration Medical Center have partnered to provide rental voucher and supportive services to eligible veterans. Except as otherwise specified in this document, the policies for HACSB's Moving to Work program shall apply to this program.
- **Local Disaster Short-Term Rental Assistance Program** – Assistance through this program will be limited to families displaced as the direct result of a local disaster. A local disaster is an event that occurs within the County of San Bernardino and may include a natural disaster, an act of terrorism, or other event

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Transitional Assistance for MTW Families program until their next recertification, at which time they were transitioned to the Streamlined Lease Assistance program that they were determined to be eligible for. These participants were subject to HACSB rules that were implemented for MTW families. These specific rules were noted in the prior versions of the Administrative Plan.

# Housing Authority of the County of San Bernardino

## Housing Services Program Administrative Plan

Revised: ~~November 2020~~ February 2021

as determined by the Housing Authority. The qualification of a local disaster shall be declared by the Housing Authority through its governing board. The income and rental subsidy for this program shall align with the Streamlined Lease Assistance program methodologies. Except as otherwise specified in this policy, the policies for HACSB's Housing Choice Voucher Program shall apply to this program.

- **Family Unification** - The Family Unification Program (FUP) is administered in partnership with the San Bernardino County Department of Children and Family Services (DCS). Tenant-Based Voucher (TBV) rental assistance is provided to families for which the lack of adequate housing is a primary factor in the imminent placement of the family's child, or children, in out-of-home care; or the delay in the discharge of the child, or children, to the family from out-of-home care. Applications from residents of San Bernardino County are referred through DCS. The income and rental subsidy for this program shall align with the Streamlined Lease Assistance program methodologies. Except as otherwise specified in this policy, the policies for HACSB's Housing Choice Voucher Program shall apply to this program.
- **Mainstream Vouchers** (formally Mainstream 5 and Mainstream 811) - Provides rental assistance for a family containing a member who is a person with disabilities between the ages of 18 – 61 to enable the family to rent suitable and accessible housing in the private market. Effective ~~October~~ January 1, 2021<sup>10</sup>, Mainstream 5 participants will transition to the Streamlined Lease Assistance for Elderly and Disabled at recertification.
- **Traditional, Regulatory Assistance for Special Purpose Programs** – Certain HUD programs are not eligible for inclusion in the Moving to Work Demonstration. These programs are administered in accordance with federal regulations and the specific criteria established by the special purpose program. HACSB's MTW Agreement and MTW Plans do not apply to any of these program types. These programs include:
  - **Continuum of Care** – Provides rental assistance for hard to serve homeless persons with disabilities in connection with supportive services funded from sources outside the program.
  - **Housing Opportunities for People with AIDS (HOPWA)** – HACSB has partnered with the Foothill AIDS Project to offer rental assistance and supportive services to persons with HIV or AIDS.
  - **Master Leasing Program** – Funded by the State of California Mental Health, this program serves mentally ill or developmentally disabled families

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in a group home setting. Case management and comprehensive support services are provided for participants of this program.

- **Family Self-Sufficiency** – The Family Self-Sufficiency (FSS) program enables families to increase their earned income and eliminate their dependency on public assistance and housing subsidies. Under the FSS program, low-income families are provided opportunities for education, job training, counseling and other forms of social service assistance while receiving housing assistance. The income and housing subsidy for this program shall align with the Traditional, Regulatory Assistance programs methodologies. Except as otherwise specified in this policy, the policies for HACSB's Housing Choice Voucher Program shall apply to this program.

### 1.6 Rules and Regulations

This Administrative Plan is set forth to define the Housing Authority's local policies for operation of the housing programs in the context of Federal laws and regulations. All issues related to the Housing Services program not addressed in this document are governed by the HACSB's MTW Agreement, MTW Plans, federal regulations, HUD memos, notices and guidelines, state and local laws, and other applicable laws. Applicable regulations include:

- CFR Part 5: General Program Requirements
- 24 CFR Part 8: Nondiscrimination
- 24 CFR Part 35: Lead-Based Paint
- 24 CFR Part 100: Fair Housing Act
- 24 CFR Part 982: Section 8 Tenant-Based Assistance: Housing Choice Voucher Program
- 24 CFR Part 983: Project-Based Vouchers
- 24 CFR Part 985: The Section 8 Management Assessment Program (SEMAP)

### 1.7 Fair Housing Policy [24 CFR 982.54(d)(6)]

The Housing Authority is committed to nondiscrimination in housing and does not discriminate on the basis of race, color, religion, sex, national origin, age, familial status, and disability. The Housing Authority complies with all federal, state, and local nondiscrimination laws, and with rules and regulations governing fair housing and equal opportunity in housing and employment, including:

- Title VI of the Civil Rights Act of 1964

using the same rent calculation methods as the Streamlined Fixed Lease Assistance program.

### **3.11.3 Streamlined Tiered Lease Assistance for Career-Focused Families**

All non-elderly and non-disabled participants who received assistance prior to January 1, 2012 and have a recertification effective date of February 1, 2015 or later, including incoming portability families for which HACSB bills the initial PHA, families assisted under the No Child Left Unsheltered program criteria (admitted prior to October 1, 2019), families assisted under the sponsor-based project-based voucher program criteria, current project-based voucher participants, and/or former Upland Housing Authority career focused families transferred through the HUD approved voluntary transfer on July 1, 2017 will participate in the Streamlined Tiered Lease Assistance for Career Focused Families program as of their recertification date.

### **3.11.4 Streamlined Fixed Lease Assistance for Career-Focused Families<sup>8</sup>**

All non-elderly and non-disabled families admitted under the project-based voucher program and sponsor-based project-based voucher program after January 1, 2017, will participate in the Streamlined Fixed Lease Assistance for Career-Focused Families program. Current project-based voucher and sponsor-based voucher participant families who no longer qualify for Streamlined Fixed Lease Assistance for Elderly/Disabled Families program after January 1, 2017, will participate in the Streamlined Fixed Lease Assistance for Career-Focused Families program as of their recertification date.

#### **3.11.4.1 Family Unification Program**

The Family Unification Program (FUP) will be administered using the Streamlined Fixed Lease Assistance Program for Career-Focused Families unless the family meets the criteria for the Streamlined Lease Assistance for Elderly/Disabled Families. HUD does not permit term limits for FUP families. FUP-eligible youth are limited to 36 months of assistance under FUP regulations.

### **3.11.5 Traditional, Regulatory Assistance for Special Purpose Programs**

The Special Purpose programs program described in this section are administered in accordance with federal regulations and the specific criteria established by the special purpose program. Some of the eligibility criteria described in this Chapter, such as certain

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<sup>8</sup> HACSB's 2016 MTW Plan included revisions to Activity 22: Streamlined Lease Assistance, to add Streamlined Fixed Lease Assistance for Career-Focused Families.

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criminal background requirements, may be different for participants in these programs. A description of each program, including certain eligibility criteria, is provided below:

### 3.11.5.1 Continuum of Care

The Continuum of Care program was developed by the Housing Authority in cooperation with the County of San Bernardino Department of Behavioral Health (DBH) to provide decent housing and long-term mental health services to mentally ill participants and their families. Applicants are referred by DBH and must cooperate with supportive service providers in order to maintain their eligibility for the program. DBH utilizes a network of resources to provide a variety of services related to job training, health care, child care, and educational advancement.

### 3.11.5.2 Veterans Affairs Supportive Housing (VASH)

The Veterans Affairs Supportive Housing program (VASH) is for homeless veterans with severe psychiatric or substance abuse disorders. The Housing Authority and Veterans Administration Medical Center (VAMC) have partnered to provide rental vouchers and supportive services to eligible veterans.

The veteran must demonstrate to the VAMC that he/she is homeless (has been living outdoors, in a shelter, in an automobile, etc.) before being evaluated for this program. VAMC will provide supportive services and if appropriate refer veterans to the Housing Authority. After receiving the referral Housing Authority will determine if the veteran is eligible for the program.

### 3.11.5.3 Mainstream 5 Program

The Mainstream 5 program was developed to provide rental assistance to persons with disabilities who are seeking suitable, affordable and accessible housing in the private market. Effective with the ~~October 1, 2020~~January 1, 2021 recertifications, Mainstream 5 participants will be transitioned onto the Streamlined Fixed Lease Assistance program. ~~if the tenant rent change is less than a \$50 increase. Those with an increase greater than \$50 will be placed on a biennial recertification schedule, given notice of the rental adjustment, and begin to transition starting with recertifications effective October 1, 2021.~~

### 3.11.5.4 Housing Opportunities for People with AIDS (HOPWA)

The Housing Authority has partnered with the Foothill AIDS Project to offer rental assistance and supportive services to individuals with HIV/AIDS through the HOPWA program. Applications from residents of San Bernardino County are processed through the Foothill AIDS Project to the Housing Authority from designated local service providers. Once verification of the applicant's diagnosis is obtained, the Foothill AIDS Project will

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family will pay the difference between the amount the Housing Authority will pay under the Streamlined Fixed Lease Assistance Program on behalf of the family and the contract rent.

### **6.4.7 Hardship Exemption Criteria for Streamlined Lease Assistance Programs**

HACSB recognizes that under some circumstances, families may experience a hardship that makes it challenging to pay the applicable rent under the Streamlined Lease Assistance Program. Hardship exemption criteria have been developed for all families that see a significant increase in their portion as a direct result of the SLA calculation at initial implementation of the activity or experience certain expenses or losses of income while participating in the program. In order for families to be eligible for a hardship exemption, they must make their request for a hardship exemption in writing and be in compliance with all program rules and regulations. The request for hardship exemption must come no later than 60 days after the most recent change in circumstances. Permanent hardship exemption requests must be received within 60 days or by next recertification whichever is later. Families also must provide all supporting documents regarding their case and all requests for hardship exemptions will be reviewed by the Hardship Review Committee. After the committee has evaluated the family's request, they will determine if the family qualifies for a temporary or permanent hardship exemption. The following sections describe the types of hardship exemptions that may be granted. All non-elderly/non-disabled households approved for a temporary hardship exemption will be required to participate in the ~~Career Development Initiatives~~Family Empowerment Services case management activities.

#### **6.4.7.1 Permanent Hardship Exemptions**

A permanent hardship exemption may be approved for the following reasons:

- the family experiences a death of a household member with income;
- any income-earning member of the assisted family no longer remains in the unit;
- an elderly or disabled household experiences a permanent loss of income;
- Unforeseen and involuntary permanent loss of income for a family member under the age of 18.

If a permanent hardship exemption has been approved, HACSB will reset the family's previous highest rent share (the "baseline rent") by recalculating the family's income and applying the applicable rent percentage. For example, for families participating in the Streamlined Fixed Lease Assistance for Elderly/Disabled Families program, the new monthly income will be multiplied by twenty-four percent (24%) or thirty percent (30%)

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depending upon the family's admissions date to determine the new monthly rent share. For families participating in the Streamlined Tiered Lease Assistance for Career-Focused Families program, the new monthly income will be multiplied by the most recent tiered rent percentage established at recertification to determine the new monthly rent share.

### 6.4.7.2 Temporary Hardship Exemptions

HACSB also recognizes that certain hardships may exist on a temporary basis. The temporary relief that HACSB will offer families depends on the type of hardship being experienced by the family. Families initially leasing under the Streamlined Lease Assistance program may qualify for a temporary hardship exemption upon verification the family has no household income. To be considered for a hardship exemption, a written request must be submitted to the Housing Authority. No more than one temporary hardship exemption request may be requested-received within a 12 month period. The table below describes each type of temporary hardship exemption that may be approved by the Housing Authority.

Temporary Hardship Reason	Temporary Hardship Exemption Relief
Unforeseen involuntary loss of employment; or unforeseen loss of income due to major illness as determined by a medical professional. <u>Period of income loss must be anticipated to exceed 30 consecutive days following the date of receipt of the written request.</u>	Family's income will be recalculated and for <u>up to</u> 6 months the family's rent will be based upon most recent percentage established at recertification or the minimum rent, whichever is higher. HACSB will provide a <del>60-30</del> day notice that the rent will revert to the previous rent amount at the end of the <del>6 months</del> <u>approved term</u> . The family's income will not be re-reviewed until the next recertification. The <del>6-month</del> exemption period can be extended <u>up to another six additional</u> months if the length of the illness is longer than the initial <del>6-month</del> <u>term</u> .
Significant medical expenses over \$2,500 for single medical event for Streamlined Fixed families only.	Family's income will be recalculated at a 5% reduction to the fixed percentage and for 6 months the family's rent will be based upon that percentage or the minimum rent, whichever is higher.
Unforeseen involuntary permanent loss of income for an adult family member who is attending high school.	Family's income will be recalculated and for 6 months the family's rent will be based upon most recent percentage established at recertification or the minimum rent, whichever is higher. HACSB will provide a 60 day notice that the rent will revert to the previous rent amount at the end of the 6 months. The family's income will not be re-reviewed until the next recertification.

If the temporary hardship is due to loss of income, the income of the family member, who experienced the income loss, will be removed from the family income, and the rent

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amount will be based on the remaining family income. Because the family is not required to report interim income changes, the source of income to be removed under the hardship exemption may differ from the reported income change. At the end of the ~~six-month~~ exemption period, the income that had been removed will be added back to the family income and will not be recalculated. If a recertification occurs during the hardship exemption period, the hardship exemption for the affected family member will remain until the end of the approved hardship period. However, the income of other family members will be updated at recertification.

For example, the last reported income may have been self-employment of \$1,000 per month. However, since the last recertification the family member ended self-employment and started receiving a regular wage of \$2,000 per month. This interim change was not required to be reported by the family. Now, the family is reporting an unforeseen, involuntary loss of employment. The hardship exemption would remove the \$1,000 per month self-employment from the family income, and after six months the \$1,000 would be added back to the family income.

### 6.4.7.3 Pre-Implementation and Program Transfer Hardship Exemptions

Prior to implementation of the Streamlined Lease Assistance (SLA) programs and transfers to SLA from other programs, HACSB will ~~conducted~~ a detailed data analysis. As part of that data analysis, certain households ~~were determined to may~~ be likely to experience a disproportionate impact as the result of the implementation or program transfer. ~~This A~~ temporary hardship exemption would allow the family to maintain their previous total family rent share for up to six (6) months. HACSB would send a sixty (60) day notice that the family would be subject to the new streamlined calculation at the end of six (6) months. ~~If approved, the Program Integrity Unit (P.I.U.) will determine the amount and effective timeline for the hardship exemption request.~~ For those families that are currently renting a unit that is larger than their approved subsidy standard HACSB will offer these families either the opportunity to move or the opportunity to have a temporary hardship exemption.

### 6.4.8 Traditional, Regulatory Assistance for Special Purpose Programs

The family rent share for a household is determined by using the largest of the following: ten percent (10%) of Monthly Annual Income, thirty percent (30%) of Monthly Annual Adjusted Income or the applicable minimum rent. Family rent share also considers whether the family has rented a unit whose contract rent is above the payment standard. Any amount over the payment standard must be paid for by the family and cannot be subsidized by the Housing Authority.

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If the owner and family have not executed a lease prior to the contract negotiation process, then the contract will become effective once the lease has been properly executed by both parties.

### 9.15 Proration of First Month's Rent

When the effective date of a new contract begins on a day other than the first of the month, the Housing Authority will determine a prorated contract rent amount. Prorated amounts will be calculated based on ~~rental industry standards~~the actual number of days in the month.

### 9.16 Proof of Ownership

The Housing Authority will use property profile information obtained from the County Assessor's Office to confirm ownership of the assisted unit. If third party information cannot confirm ownership of the unit, the Housing Authority may also request a recorded grant deed or closing escrow statement as proof of ownership. Owners may also be required to provide a copy of a business rental license if the assisted unit is in a city where one is required.

Any requested information must be provided prior to execution of the contract. Failure to provide the requested information within a reasonable period of the time, generally not more than thirty (30) calendar days, will result in a cancellation of RFTA.

### 9.17 Establishing Eligibility to Execute Contract Documents

In cases involving multiple owners, the Housing Authority will accept the signature of a designee on all contracts and relative paperwork if all the legal owners have jointly agreed on the person/persons who may act on their behalf.

To establish signature and/or payment authority, the Housing Authority requires that all persons who have interest in the property sign or provide a letter of authorization, giving one or more parties the right to sign contracts, other program documents and/or receive payments on a behalf of the owners. In cases involving a partnership or corporation, the Housing Authority may request the partnership agreement or incorporation documents to determine who is designated to act on the group's behalf.

The Housing Authority will not execute a contract until all proper authorization, from all appropriate parties, has been provided. Failure to provide information needed to establish authority to execute the contract within reasonable time, generally fourteen (14) calendar days, may result in a cancellation of the RFTA. Once the Housing Authority has established proper authorization, the letter of authorization will remain in effect until

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- Failure of the tenant to make unit available for repairs (copies of notices to the tenant must be submitted with the owner's request);
- Illness/hospitalization of the owner during the inspection period;
- Extensive repairs requiring building permits;
- The materials or parts necessary to make repairs need to be ordered; or
- Other circumstances as approved by the Housing Manager or Assistant Director.

Additionally, the unit will not be abated if the family fails to make the unit available for re-inspection or for the repairs.

### **10.2.4 Abatement and Termination [24 CFR 985.3(f)]**

A notice of abatement and termination of contract will be sent to the owner after the unit is found in noncompliance with inspection standards at the correction date or approved extension. ~~In addition the move process on behalf of the participant will be started.~~ The abatement will be effective from the first day of the month after the date of the failed re-inspection. The contract termination date will be ~~thirty (30)~~ninety (90) days after the effective date of the abatement.

At any time during the abatement, the family may give notice to terminate the lease and request a voucher to move. However, if repairs are not completed within the first sixty (60) days of the abatement, a final contract termination notice will be sent. At that time, the family will be required to attend a move briefing if the family has not already done so.

The owner may still make repairs on the unit during the abatement period. However, the owner must notify the Housing Authority that repairs have been completed. After receiving notification of completed repairs, the Housing Authority will conduct a reinspection within fourteen (14) days. The family and owner will be notified of the reinspection date in writing. Payment will resume on a unit the day it passes inspection.

No retroactive payments will be made to the owner for the period of time the housing assistance was abated and the unit did not comply with inspection standards.

If repairs are completed before the effective termination date, the termination may be rescinded by the Housing Authority if the participant chooses to remain in the unit. Only one (1) reinspection will be conducted after the termination notice is issued.

### **10.3 Determination of Responsibility [24 CFR 982.404]**

Certain inspection standard deficiencies are considered the responsibility of the family:

## CHAPTER 12: RECERTIFICATIONS

### 12. Introduction [24 CFR 982.516]

This chapter defines the Housing Authority's policy for conducting annual, biennial, and interim recertifications for participants in the Housing Services programs. It also explains the interim reporting requirements for families, and the standards for timely reporting.

#### 12.1 Recertifications

Families participating in the Housing Services programs must participate in regular recertifications of income and family composition.

##### 12.1.1 Term-Limited Lease Assistance

All participants in the Term-Limited Lease Assistance will be recertified on a biennial basis in accordance with the policies outlined in this Chapter. Interim reporting requirements are described in Section 12.8

In addition to the biennial recertification requirements, families participating in the Term-Limited Lease Assistance program must meet at least annually with the Community ~~Career Development Initiatives~~Family Empowerment Services (~~C.D.I.~~FES) staff. The head of household will sign an Individual Training and Services Plan during their annual review. The head of household will be required to provide annual updates to ~~C.D.I.~~FES staff.

Every year, participants will be required to sign an acknowledgement letter that details the remaining number of years they may continue to receive rental assistance. Approximately six (6) months prior to the end of the assistance, families and landlords will receive an additional notification. At the expiration of the Lease Assistance Payment (LAP) contract, if the participant desires to continue occupancy, the owner and the participant must make separate leasing arrangements.

## CHAPTER 13: PROGRAM MOVES

### 13. Introduction

This chapter describes policies related to program moves for participants in the Housing Services tenant-based programs. Move policies for the Project-Based program are found in Chapter 20. Tenant-based participants may move with continued assistance for three primary reasons:

- Mandatory Moves
- Permissible Moves
- Elective Moves

Generally, participants must complete a Request to Move form to inform the Housing Authority of the desire to move with continued assistance. After receipt of the Request to Move, the Housing Authority will determine if the family is eligible to move. During the move, participants may be granted up to 14 days of overlap between units. Additional overlap may be granted for moves approved under VAWA or as a reasonable accommodation.

Eligibility to move varies based on the Housing Services program in which the family participates.

#### 13.1 Mandatory Moves [24 CFR 982.314]

Under certain circumstances, participants may be required to move from their assisted unit. These are called mandatory moves. A mandatory move is a move in which the family must, in order to continue to receive housing assistance, locate another suitable housing unit that meets all program requirements. Mandatory moves will be initiated by the Housing Authority under the following conditions at the time that such actions occur regardless of recertification date:

- The unit failed inspection due to no fault of the participant;
- The contract has been terminated due to a breach of the contract requirements by the owner;
- A transfer of ownership has occurred and the new owner is not approved for participation in the Housing Services program;
- Upon notification of any pending “foreclosure action” and the foreclosing entity will not honor the contract;

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The hardship committee will review each request and the family will be provided an opportunity to present justification for their request. If approved by the committee, an extension will be granted to the family for such duration as determined by HACSB.

### 16.2.2.1.5 Total Term of Assistance

The total term of assistance, including any extension(s) granted as the result of a hardship exemption(s), shall not exceed seven (7) years. The family's assistance shall conclude no later than 7 years from the initial lease date.

### 16.2.2.2 Local Disaster Short-Term Rental Assistance Program

In addition to the above described reasons, the Housing Authority may terminate the contract if a participant in the Local Disaster Short-Term Rental Assistance program has reached its term of participation.<sup>46</sup> There is no appeal to the expiration of assistance; however, the family may request an extension of the assistance as a hardship exemption.

#### 16.2.2.2.1 Term of Assistance

The term of assistance shall begin on the initial lease date and shall not exceed two (2) years.

### 16.2.2.3 Family Unification Program (FUP)

In addition to the above described reasons, the Housing Authority will terminate the contract if a participant admitted as a FUP-eligible youth has reached its term of participation. There is no appeal to the expiration of assistance.

#### 16.2.2.3.1 Term of Assistance

The term of assistance shall begin on the initial lease date and shall not exceed thirty-six (36) months.

### 16.2.3 Consideration of Circumstances [24 CFR 982.552]

HUD permits the Housing Authority to consider relevant circumstances when deciding whether to deny admission or terminate assistance for the criminal activity described in Section 16.2.2. The Housing Authority will use the concept of the preponderance of the evidence as the standard for making all admission and/or termination decisions. Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not.

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<sup>46</sup> The FY 2017 Moving to Work Annual Plan created Activity 26: Local Disaster Short-Term Rental Assistance program.

### 16.3 Family Obligation/Voucher Violations

As described in Section 16.2.2, failure to abide by any of the family obligations is grounds for termination. The following are the Housing Authority's family obligations:

1. The family must:
  - a. Supply any information that the HACSB or HUD determines to be necessary including evidence of citizenship or eligible immigration status, and information for use in a regularly scheduled reexamination or interim reexamination of family income and composition
  - b. Disclose and verify social security numbers and sign and submit consent forms for obtaining information
  - c. Supply any information requested by the HACSB to verify that the family is living in the unit or information related to family absence from the unit
  - d. Promptly notify the HACSB in writing when the family is away from the unit for an extended period of time in accordance with HACSB policies
  - e. Allow the HACSB to inspect the unit at reasonable times and after reasonable notice
  - f. Notify the HACSB and the owner in writing before moving out of the unit or terminating the lease
  - g. Use the assisted unit for residence by the family. The unit must be the family's only residence
  - h. Promptly notify the HACSB in writing of the birth, adoption, or court-awarded custody of a child
  - i. Request HACSB written approval to add any other family member as an occupant of the unit
  - j. Promptly notify the HACSB in writing if any family member no longer lives in the unit
  - k. Give the HACSB a copy of any owner eviction notice
  - l. Pay utility bills and provide and maintain any appliances that the owner is not required to provide under the lease
  - m. Must report any changes in family composition and family income in writing within ten (10) days of such change
  - n. Sign and adhere to the Crime Free Lease Addendum
  - o. If applicable, Participant must remain in compliance with supportive service provider (RAD only)
2. The family (including each family member) must not:

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3. Family Member Moves Out: Families are required to notify the Housing Authority within ten (10) calendar days if any family member leaves the assisted household [24 CFR §982.551(h)(3)]. When the family notifies the Housing Authority, they must furnish the following information:
  - a. The date the family member moved out;
  - b. The new address, if known, of the family member;
  - c. A statement as to whether the family member is temporarily or permanently absent; and
  - d. Related income or deduction changes resulting from the family member moving.
4. Limitation on Profit-making Activity in Unit [24 CFR §982.551(h)(5)]: If the business activity area results in the inability of the family to use any of the critical living areas, such as bedroom utilized for a business which is not available for sleeping, it will be considered a violation. If the Housing Authority determines that the use of the unit as a business is not incidental to its use as a dwelling unit, it will be considered a violation of family obligations.
5. Interest in Unit [24 CFR §982.551(j)]: The family must not own or have any interest in the unit. Additionally, the owner may not reside in the assisted unit, under any circumstances, including as a live-in aide, regardless of whether the owner is a member of the assisted family, unless assistance is being provided for a mobile home and the family owns the mobile home and rents the pad under the HCV program.
6. Misrepresentation in Collusion with Owners: If the family willingly and knowingly commits fraud, Grand Theft Housing or is involved in any other illegal scheme with the owner, the Housing Authority will terminate assistance.

### 16.4 Notice of Termination of Assistance

In any case where the Housing Authority decides to terminate assistance to the family, the Housing Authority must give the family written notice which states:

- The reason(s) for the proposed termination;
- The effective date of the proposed termination;
- The family's right, if they disagree, to request an informal hearing to be held before termination of assistance; and
- The date by which a request for an informal hearing must be received by the Housing Authority. Informal hearing requests must be made in writing and received within ten (10) business days of the date on the letter.

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In most cases, the Notice of Termination will be addressed to the head of household. However, if the reason for the termination involves a cohead, spouse or other household member, additional individuals may be listed in the Notice. If the Housing Authority proposes to terminate assistance for criminal activity as shown by a criminal record, the Housing Authority will provide the subject of the record with a copy of the criminal record if requested.

### **16.4.1 Notice of Termination of Assistance: Rental Assistance Demonstration Units**

Per the RAD Public and Indian Housing (PIH) Notice 2012-32 Households that occupy RAD conversion units have additional protections in regard to termination of tenancy and eviction. For further protections in regard to RAD household termination of tenancy and eviction, see Chapter 20, Section 20.9.2.2.

### **16.5 Violence Against Women Act [24 CFR 5.2005]**

The Violence Against Women Reauthorization Act of 2013 (VAWA 2013) provides that “criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking, engaged in by a member of a tenant’s household or any guest or other person under the tenant’s control shall not be a cause for termination of assistance, tenancy, or occupancy rights if the tenant or an affiliated individual of the tenant’s family is the victim or threatened victim of that domestic violence, dating violence, sexual assault or stalking.”

VAWA also gives HACSB the authority to “terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others, without evicting, removing, terminating assistance to, or otherwise penalizing the victim of such violence who is also a tenant or lawful occupant.”

VAWA does not limit the authority of the Housing Authority to terminate the assistance of any participant if the Housing Authority “can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if that tenant is not evicted or terminated from assistance.”

In determining whether a participant who is a victim of domestic violence, dating violence, sexual assault, or stalking is an actual and imminent threat to other tenants or those employed at or providing service to a property, the Housing Authority will consider the following, and any other relevant, factors:

- Whether the threat is toward an employee or tenant other than the victim of domestic violence, dating violence, sexual assault, or stalking

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determination, and that if they do not agree with the decision, they may request an informal hearing on the decision.

For decisions related to the termination of the family's assistance, or the denial of a family's request for an exception to the Housing Authority's subsidy standards, the notice must contain a brief statement of the reasons for the decision, a statement that if the family does not agree with the decision, the family may request an informal hearing on the decision, and a statement of the deadline for the family to request an informal hearing.

In cases where the Housing Authority makes a decision for which an informal hearing must be offered, the notice to the family will include all of the following:

- The proposed action or decision of the Housing Authority;
- A brief statement of the reasons for the decision;
- The date the proposed action will take place;
- A statement of the family's right to an explanation of the basis for the Housing Authority's decision;
- A statement that if the family does not agree with the decision the family may request an informal hearing of the decision;
- A deadline for the family to request the informal hearing;
- To whom the hearing request should be addressed; and
- A copy of the Housing Authority's hearing procedures.

The Housing Authority may also offer participants the opportunity for a telephone or in-person discussion of any concerns prior to the informal hearing. During this discussion the Housing Authority will again communicate to the participant their opportunity to request an informal hearing.

### ***16.6.3 Notice of Scheduled Informal Hearing to Participant [24 CFR 982.555(d)]***

The Housing Authority may conduct informal hearings in-person or remotely. Remote methods may include use of mail, electronic mail, telephone, and/or video call. When deciding which method or combination of methods to use, the Housing Authority will consider accessibility of LEP individuals and persons with disabilities. When the Housing Authority receives a written request for an informal hearing, a hearing shall be scheduled. The notification of hearing will contain:

- The date and time of the hearing;
- The location where the hearing will be held (in-person or remote);

- The family's right to introduce evidence, witnesses, legal, or other representation at the family's expense;
- The right to view any documents or evidence in the possession of the Housing Authority upon which the Housing Authority based the proposed action and, at the family's expense, to obtain a copy of such documents prior to the hearing. Requests for such documents or evidence must be received by the Housing Authority no later than ten (10) business days before the hearing date; and
- A notice to the family that the Housing Authority requires copies of any documents or evidence the family will use at the hearing. Copies of all written evidence the family will provide to the hearing officer at the hearing as evidence must be received by the Housing Authority no later than ten (10) business days before the hearing date.

### **16.6.3.1 Rescheduling of Informal Hearing**

After a hearing date is scheduled the family may request to reschedule only upon showing "good cause" which is defined as an unavoidable conflict which seriously affects the health, safety, or welfare of the family.

If a family does not appear at a scheduled hearing and has not rescheduled the hearing in advance, the family must contact the Housing Authority within twenty-four (24) hours of the scheduled hearing excluding weekends and holidays. The Housing Authority will reschedule the hearing only if the family can show good cause for failure to appear or if it is needed as a reasonable accommodation for a person with disabilities.

### **16.6.4 Informal Hearing Family Rights [24 CFR 982.555(e)]**

Prior to and during the informal hearing families have the right to:

1. Present written or oral objections to the Housing Authority's determination;
2. Examine the documents in the file which are the basis for the Housing Authority's action, and all documents submitted by the Housing Authority to the hearing officer;
3. Copy any relevant documents at their expense;
4. Present any information or witnesses pertinent to the issue of the hearing;
5. Request that Housing Authority staff be available or present at the hearing to answer questions pertinent to the case; and
6. Be represented by legal counsel, advocate, or other designated representative at their own expense.

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the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) [42 U.S.C. 4201-4655] and implementing regulations at 49 CFR part 24.

The Housing Authority must comply with all equal opportunity requirements under federal law and regulations in its implementation of the project-based assistance program. This includes the requirements and authorities cited at 24 CFR 5.105(a), 24 CFR 983.8, 24 CFR 903.7(o), and Section 504 of Rehabilitation Act.

### ***20.1.1 Allocation Thresholds and Supportive Services Requirements***

As detailed in section 20.1, per the Housing Authorities Local Project-Based Assistance policies, the HACSB may project base up to one-hundred percent (100%) of all units in any project-based assistance community without the units above the regulated cap of 25% of units or 25 units in a single community, whichever is greater, having to qualify as 'exception' units.<sup>53</sup> This means that if the Housing Authority chooses to project base above 25% of units or more than 25 units in a single community, the supportive services in connection with 'exception unit' criteria per CFR 983.57 are not necessarily required. However, the Housing Authority may under certain circumstances enter into a Project-Based Voucher contract with an owner/developer that requires supportive service provision due to the needs of the special population being housed. When these circumstances occur the requirements of service provision will be the same as those detailed in section 20.9.2.3, Supportive Services Guidelines and Requirements, unless a Memorandum of Understanding is executed between the Housing Authority and the owner/developer which details other services that satisfy the service provision needs of the population. Additionally, family participation in services under the project-based program is voluntary.

### **20.2 Project-based Assistance Owner Proposals [24 CFR 983.51(b)]**

After determining the availability of funding for project-based assistance, the Housing Authority will seek out qualifying housing developments and will attach Housing Assistance Payments contracts to specified units and/or a specified number of units within the development. The Agency will give preference to Housing Authority-owned or affiliate-owned properties.<sup>54</sup> A formal procurement will not be undertaken to attach project-based

<sup>53</sup> The FY 2009 Moving to Work Annual Plan included Activity 11: Local Project-Based Voucher Program which allowed for an increase in the amount of project-based assistance that can be administered by the Housing Authority as well as other program criteria. The FY 2010 Moving to Work Annual Plan, Amendment 3 also clarified the components of the Local Project-Based Voucher Program.

<sup>54</sup> The FY 2009 MTW Plan, through the creation of the Local Project-Based Voucher Program allows the Housing Authority to first provide project-based assistance to Housing Authority owned or Affiliate owned properties.

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veteran organizations to identify and refer eligible homeless veterans. Service coordination is provided by the Department of Behavioral Health.

### 20.7.2.3 Permanent Supportive Housing

Golden Apartments and Desert Haven provide PBV units with voluntary supportive services to homeless individuals and families. Referrals to the property waitlists are received from the Coordinated Entry System (CES) and the Inland Empire Health Plan (IEHP). The CES referrals must meet the definition of chronically homeless under 24 CFR 578.3 and are prioritized based on the level of acuity. IEHP referrals must be homeless but do not need to meet the chronically homeless definition. Income limits may differ based upon the requirements of other funding sources utilized for the developments.

Ten units at Yucaipa Horizons and two units at Bloomington Phase I are designated for Mental Health Services Act (MHSA) housing program participants. The San Bernardino County Department of Behavioral Health refers families qualifying for on-site supportive services to these waitlists.

### **20.8 In-Place Families [24 CFR 983.251(b)]<sup>61</sup>**

An eligible family residing in a proposed project-based assistance contract unit on the date the proposal is awarded by the Housing Authority is considered an “in-place family.” These families are afforded protection from displacement under the project-based assistance program. This regulatory protection from displacement does not apply to families that are not eligible to participate in the PBA program. If a unit to be placed under contract (either an existing unit or a unit requiring rehabilitation) is occupied by an eligible family on the date the proposal is awarded the in-place family must be referred to the Housing Authority for determination of eligibility.

If the in-place family is in the wrong sized unit the family may not be admitted to the project-based assistance program for occupancy in their original unit. The owner may relocate the family to an appropriately sized project-based unit within the development or place the family on the project-based assistance site-based waiting list for an appropriate sized unit. However, the Housing Authority may allow an exception to this policy and admit a family in the wrong sized unit if the owner agrees to accept a project-based assistance contract rent that does not exceed the Housing Authority subsidy standard approved for the in-place family during the initial term of the lease. After the initial lease

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<sup>61</sup> The FY 2010 MTW Plan, Amendment 3 included flexibility related to in-place families.

### **20.9.2 Rental Assistance Demonstration Conversions**

Certain of the HACSB's PBV projects have been converted from public housing under the Department of Housing and Urban Developments (HUD) Rental Assistance Demonstration Program (RAD) to the PBV program. All projects converted to PBV Assistance under RAD are subject to the requirements of HUD PIH Notice 2012-32. The RAD requirements are in addition to, and may modify, the requirements for PBV projects as set forth in this Chapter. RAD requirements extend certain rights related to the notification of termination and grievance process to PBV families living in RAD converted properties. For PBV households who are not living in RAD converted properties, the PBV rules apply. For any PBV project converted under RAD, in the event of a conflict between the RAD requirements and the requirements of this Chapter, the RAD requirements and/or approved Moving to Work flexibilities shall prevail.

#### **20.9.2.1 Project-Based Voucher Policies Specific to Rental Assistance Demonstration Units**

- Waiting List Administration: Per the RAD Notice (PIH 2012-32), the HACSB will establish site-based PBV waiting lists. Applicants on the public housing waiting list will be transitioned to the PBV waiting list through formal notification (in compliance with PIH 2012-32) and shall have priority on the newly formed PBV site-based waiting list, for the new project site in accordance with the date and time of their application to the original project's waiting list. For further information on how waiting list openings are noticed and applicants are selected for admission and processed for eligibility see Chapter 2.
- No Re-screening of Tenants upon Conversion: Pursuant to the RAD Notice, at conversion, current households are not subject to rescreening, income eligibility, or income targeting provisions. Consequently, current households will be grandfathered for conditions that occurred prior to conversion but will be subject to any ongoing eligibility requirements for actions that occur after conversion.  
For example: A unit with a household that was over-income at time of conversion would continue to be treated as an assisted unit. Thus, 24 CFR § 982.201, concerning eligibility and targeting, will not apply for current households. Once that remaining household moves out, the unit must be leased to an eligible family.
- Vacancy Payments: The HACSB will not make vacancy payments to the owner of the project(s) assisted under the RAD PBV HAP contract.
- Relocation and Right to Return: Any residents that may need to be temporarily relocated to facilitate rehabilitation or construction will have a right to return to an assisted unit at the development once rehabilitation or

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construction is completed. Where the transfer of assistance to a new site is warranted and approved (RAD PIH-Notice 2012-32 Section 1.6.B.7 and Section 1.7.A.8 on conditions warranting a transfer of assistance), residents of the converting development will have the right to reside in an assisted unit at the new site once rehabilitation or construction is complete. Residents of a development undergoing conversion of assistance may voluntarily accept a HACSB or Owner's offer to permanently relocate to another assisted unit, and thereby waive their right to return to the development after rehabilitation or construction is completed.

- Households in Wrong Sized Units: The HACSB follows the policies in CFR 983.260 with respect to RAD households in wrong sized units. For further information refer to section 20.17 Moves [24 CFR 983.259 and 983.260]. Rent Calculation for legacy households at conversion from public housing: Pursuant to the RAD Program Notice PIH 2012-32, if a tenant's monthly rent increases by more than the greater of 10 percent or \$25 purely as a result of conversion, the rent increase will be phased in over 3 years. The below method explains the set percentage-based phase-in an owner must follow according to the phase-in period established. For purposes of this section "standard TTP" refers to the TTP calculated in accordance with regulations at 24 CFR 5.628 and the "most recently paid TTP" refers to the TTP recorded on line 9j of the family's most recent HUD Form 50058.
- Zero HAP/Over-income: Current residents living in the property prior to conversion are placed on and remain under the HAP contract when TTP equals or exceeds the gross rent or if the family is over-income. If the HAP is zero, the family will pay the owner an amount equal to their TTP. The family remains under assistance and HAP will be reinstated if the family's circumstances change. The family must comply with the family obligations and the unit must continue to comply with HQS requirements. Following conversion, newly admitted families must be income eligible and eligible for a HAP at admission in order to move into the unit. If a newly admitted family becomes over-income, the family's assistance will be terminated and the unit removed from the HAP contract. If the family becomes zero HAP after admission, 180 days after the last HAP payment to the owner, the family's assistance will be terminated and the unit removed from the HAP contract. The termination of assistance does not affect the family's other rights under the lease.

Three Year Phase-in:

- Year 1: Any recertification (interim or annual) performed prior to the second annual recertification after conversion – 33% of difference between most recently paid TTP and the standard TTP
- Year 2: Year 2 Annual Recertification (AR) and any Interim Recertification (IR) prior to Year 3 AR – 66% of difference between most recently paid TTP and the standard TTP
- Year 3: Year 3 AR and all subsequent re-certifications – Full standard TTP

### 20.9.2.2 Termination of Tenancy for RAD Conversion Units [PIH Notice 2012-32]

Per the Rental Assistance Demonstration (RAD) Public and Indian Housing (PIH) Notice 2012-32, households that occupy RAD conversion units have additional protections in regard to termination of tenancy and eviction. These protections must be included in the owner's lease. For any PBV project converted under RAD, in the event of a conflict between the RAD Requirements and the requirements of this Chapter, the RAD Requirements and/or approved Moving to Work flexibilities shall prevail. (Note that in the RAD context "owner" may also refer to the HACSB).

In addition to the regulations at 24 CFR 983.257, related to owner termination of tenancy and eviction, the HACSB will:

- Provide adequate written notice of termination of the lease which shall not be less than:
  1. A reasonable period of time, but not to exceed 30 days:
    - a. If the health or safety of other tenants, HACSB employees, or persons residing in the immediate vicinity of the premises is threatened; or
    - b. In the event of any drug-related or violent criminal activity or any felony conviction;
  2. 14 days in the case of nonpayment of rent; and
  3. 30 days in any other case, except that if a State or local law provides for a shorter period of time, such shorter period shall apply.
- B. Grievance Process. For issues related to tenancy and termination of assistance, Project-Based Voucher (PBV) program rules require the HACSB to provide an opportunity for an informal hearing, as outlined in 24 CFR 982.555, and;
  1. In addition to reasons that require an opportunity for an informal hearing given in 24 CFR 982.555(a)(1)(i)-(vi), an opportunity for an informal hearing must be given to residents for any dispute that a resident may have with respect to a PHA (as owner) action in accordance with the individual's lease or the contract administrator in accordance with RAD PBV requirements that adversely affect the resident's rights, obligations, welfare, or status.

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expiration of the term of the family's search indicated on either the Voucher or Family Obligations Agreement.

### **20.18.2 Other Moves**

After two years, a project-based voucher participant (excluding RAD PBV households and certain families receiving on-site supportive services) may request a tenant-based voucher to move.<sup>65</sup> The move must be approved in accordance with the Housing Authority's Program Moves policy outlined in this Administrative Plan.

For families receiving on-site supportive services at permanent supportive housing developments, the service provider must certify that the family no longer needs the on-site supportive services before HACSB will approve a tenant-based voucher. Should a household be approved to move, households residing in project-based assistance units will have automatic priority, based on funding availability. The family must contact the Housing Authority to request tenant-based assistance prior to providing notice to terminate the lease to the project-based owner. If the family is electing to move to the tenant-based voucher program, the family will be transferred to either the Streamlined Fixed Lease Assistance for Elderly/Disabled or Term-Limited Lease Assistance programs, whichever is appropriate. If the family terminates the assisted lease before the end of the contract term, the family relinquishes the opportunity for continued tenant-based assistance.

If the HAP Contract is not renewed or is terminated, residents will be offered an opportunity to move or remain in the unit with tenant-based assistance under the Streamlined Fixed Lease Assistance program.

### **20.19 Transfers**

#### **20.19.1 Mandatory Transfers**

Participants will be required to make a mandatory move either within the project-based assistance community or to another project-based assistance community for the following reasons:

- Locate to another unit if the family becomes overhoused or underhoused in accordance with the Occupancy Standards described in this Administrative Plan.

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<sup>65</sup> The FY 2020 MTW Plan, Amendment 3, Activity 11: Local Project-Based Voucher Program specifies that the family must remain in a PBV unit for a minimum of 2 years before being eligible to request a tenant-based voucher. Activity 11 also states that HACSB may not provide a tenant-based voucher upon completion of the initial two-year term of assistance for families receiving on-site supportive services.

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The family is not responsible for the portion of the rent to owner that is covered by the HAP payment and the owner may not terminate the tenancy of an assisted family for nonpayment by the Housing Authority. Likewise, the Housing Authority is responsible only for making the HAP payment to the owner in accordance with the HAP contract. The Housing Authority is not responsible for paying tenant rent, or any other claim by the owner, including damages to the unit.

### 20.21 Adding, Substituting and Removing Units from HAP Contract

If a HAP payment has not been made for over 180 days for a unit under a PBV HAP contract because the family has been terminated or is zero HAP (excluding RAD legacy families) and continues to occupy the unit, the unit must be removed from the HAP contract. Additionally, a unit may be removed from the HAP contract if it remains vacant for 120 days or more. If the development has non-PBV units, another unit may be substituted for the unit occupied by an ineligible family. If a unit is removed from the HAP contract, it may be added back to the HAP contract after the ineligible family has vacated or a new family has been identified for the vacant unit and the unit has passed inspection. If units are removed, substituted or added to the HAP contract, a notice of change and an amended Exhibit A will be provided to the owner. Additions to the HAP contract that result in an increase to the number of units provided in the initial contract must receive Board approval.

## CHAPTER 22: EMERGENCY OPERATIONS

### 22. Introduction

On January 31, 2020, Secretary of Health and Human Services Alex M. Azar II declared a public health emergency for the United States in response to an outbreak of a respiratory disease caused by a novel (new) coronavirus, “Coronavirus Disease 2019” (COVID-19). On March 13, 2020, President Trump declared the COVID-19 pandemic a national emergency. In compliance with the recommendations of the Center for Disease Control (CDC), the “stay-at-home” Executive Order issued by California Governor Gavin Newsom on March 19, 2020, and other guidance from local, state and federal agencies, HACSB took steps to reduce contact between individuals, including closing offices to the public and reducing the number of employees in the office through telework and alternative work schedules. As a result, HACSB modified some operations and deferred some functions to a later time. The revisions to the Administrative Plan implemented in response to the emergency are summarized below. The regulatory waivers provided by HUD are specific to the COVID-19 emergency and have sunset dates. The emergency provisions authorized through Amendment 2 of the FY 2020 Moving to Work Plan may be reactivated in response to any future local disaster, emergency, or crisis situation.

#### 22.1 Administrative Plan

The following paragraph is added to Section 1.1 Purpose of the Plan:

In light of the COVID-19 emergency, HUD is temporarily waiving the requirement that any revisions to the Administrative Plan must be formally adopted by the Board of Commissioners. Any informally adopted policy revisions as result of ~~Notice PIH 2020-05~~HUD waiver notices must be formally adopted by the Board of Commissioners as soon as practical, but no later than ~~December 31, 2020~~June 30, 2021. (Waiver authority under Notice PIH 2020-05; extended under Notice PIH 2020-13 and Notice PIH 2020-33, REV-2) Additionally, on April 14, 2020, the HACSB Board of Commissioners granted emergency authority to the Executive Director under Resolution No. 84 to waive policies and procedures within the Administrative Plan and to allow for implementation of policies and procedures without formal Board approval. The authorization was retroactive to March 4, 2020. On December 8, 2020, the Board of Commissioners adopted Resolution 103 extending the Executive Director’s emergency authority through December 31, 2021. and remains in effect until December 31, 2020, unless extended or rescinded by the Board.

#### 22.2 Housing Services Program Types

The following paragraph is added to Section 1.5.2 Housing Services Program Types under the Mainstream Program bullet:

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Due to challenges with locating suitable housing during the COVID-19 emergency, the Mainstream definition of an eligible non-elderly family member is expanded to include those who were issued a voucher prior to turning 62 years of age and were not yet 63 on the effective date of the HAP contract. The expanded definition is available from September 8, 2020 through June 30, 2021 unless further extended by HUD (Notice PIH 2020-22 and Notice PIH 2020-33, REV-2)

### **22.3 Waiting List and Initial Eligibility**

The following paragraph is added to Section 2.3 Completion of a Full Application:

During a local disaster, emergency, or crisis situation, HACSB will extend deadlines for applicants to provide records and documents needed to determine initial eligibility for the program. If documents are missing from the Full Application packet, an applicant will be given at least two (2) notices to submit the requested items. Applicants requesting extensions will be granted at least ten (10) additional days or other reasonable extension on a case by case basis.

### **22.34 Definition of Household Members**

The following paragraph is added to Section 4.10.8 Absence of Entire Family:

During the COVID-19 emergency but no later than ~~December 31, 2020~~ June 30, 2021, a family may be absent from the unit for more than 180 days due to extenuating circumstances related to the emergency, including, but not limited to, hospitalization, extended stays at nursing homes, and caring for family members. Effective November 30, 2020, documentation must be maintained in the tenant file which explains the extenuating circumstances that caused the extended absence. (Waiver authority under Notice PIH 2020-05 and Notice PIH 2020-33, REV-2)

### **22.45 Annual Income, Adjusted Annual Income and Family Share Calculation**

The following paragraphs are added to Section 6.4.7.2 Temporary Hardship Exemption:

During the COVID-19 emergency, SLA families experiencing a significant loss of income as a result of the current crisis may be approved for a hardship exemption for six months. This new hardship exemption category will follow the application, review and approval policies and procedures currently in place for other hardship categories. (Activity 22: Streamlined Lease Assistance Program, 2020 MTW Plan Amendment No. 2)

The loss of income as a result of the current crisis could include but is not limited to:

- Closure of place of work;
- Reduced hours;
- Unable to work due to lack of child care or school closure;
- Developing symptoms or being hospitalized;
- Being quarantined; or

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- Caring for a sick family member.

Effective March 19, 2020, the following policies apply to the COVID-19 Hardship Exemptions and the period of applicability is subject to available COVID-19 funding:

- A COVID-19 hardship request will be accepted even if the family was already approved for another hardship exemption within the last twelve months. This may include more than one COVID-19 hardship exemption for two separate events, such as reduction in hours followed by layoff.
- If a family has an approved hardship exemption for loss of income that is expiring between April 1 and July 31 (unless further extended), the family may request a COVID-19 hardship exemption to extend the existing hardship rent for 6 more months if they have been unable to secure new employment or secured new employment but were laid off again due to COVID-19. This “extension” will be processed as a new COVID-19 hardship exemption.
- Approved COVID-19 hardship exemptions may be extended for up to six additional months subject to available funding if the resident’s circumstances have not changed at the end of the first exemption period.
- Rent adjustments will be made the 1<sup>st</sup> of the month following the date of the receipt of the written request with the exception of requests received on the 1<sup>st</sup> of the month immediately following a weekend or holiday. Those requests will be processed effective the 1<sup>st</sup> of that particular month.
- Third party written documentation of a COVID-19 related income loss will be requested. If documentation is not available, the HSS will attempt to obtain a verbal verification. If a verbal verification cannot be obtained, a tenant declaration will be accepted.

### **22.65 Family Obligations Agreement/Voucher Term**

The following paragraph is added to Section 8.6.1 Extensions:

During the COVID-19 emergency, the Family Obligations Agreement/Voucher will be placed on temporary suspense. The suspense period will begin March 19, 2020 and end when any state or local “stay-at-home” order is lifted or December 31, 2020, whichever is earlier. ~~The time that elapsed during the “stay-at-home” period will be added to the voucher from the voucher expiration date or the date the “stay-at-home” order was lifted, whichever is later.~~ Extensions of the voucher suspension beyond December 31, 2020 may be provided if circumstances involving the COVID-19 emergency change, such as reversal of reopening plan. Such extensions may be provided until June 30, 2021. Any voucher placed on suspense that has remaining time on the voucher or available extensions will receive the remaining time when the suspense period ends, and the voucher holder may request additional extensions if available. If the voucher was issued and immediately placed on suspense, it will be reissued with a new effective date when the voucher suspense period ends. The voucher may not be placed on suspense if the voucher holder is not actively engaged in their housing search. (Waiver authority under

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Notice PIH 2020-05; extended under Notice PIH 2020-13 and Notice PIH 2020-33, REV-2)

### **22.76 Request for Tenancy Approval & Contract Execution**

The following paragraph is added to Section 9.20 Changes in Lease or Rent:

During the COVID-19 emergency, HACSB will defer processing of rent increases to the earliest practical and feasible date. (Activity 22: Streamlined Lease Assistance Program, 2020 MTW Plan Amendment 2)

### **22.87 Inspections Standards**

The following paragraphs are added to Section 10.1.1 Initial Inspection:

During the COVID-19 emergency, HACSB will defer in-person initial HQS inspections unless a lock-box is installed at the unit or a Remote Video Inspection (RVI) can be conducted. An RVI is equivalent to an in-person HQS inspection. An RVI is a regular HQS inspection performed remotely via a live audio and video connection by an HQS inspector directing a “proxy” inspector during the inspection. In lieu of the in-person inspection or RVI, HACSB will accept self-certification by the property owner/manager that the unit meets all HQS requirements and that there are no life-threatening deficiencies. HACSB may require photographs to accompany the self-certification for some HQS components.

For Term-Limited Lease Assistance, Streamlined Lease Assistance and Traditional Assistance for MTW Families, as soon as it is safe, feasible, and practical to do so, HACSB will conduct an RVI or in-person HQS inspection to confirm that the unit meets HQS requirements. For these families, the deferred initial HQS inspections will be prioritized for processing as soon as HACSB is able to resume processing inspections. In the event that the unit does not pass the HQS inspection, HACSB will follow the same policies and procedures applicable to failed biennial inspections. (Activity 13: Local Inspection Policies, 2020 MTW Plan Amendment 2)

For Traditional, Regulatory Assistance for Special Purpose Programs including VASH, HACSB will ~~conduct~~ resume in-person initial inspections no later than ~~December 31, 2020~~June 30, 2021 or HUD approved extension. A deferred initial inspection where a self-certification was used will be inspected no later than one year following the date of the owner’s certification. (Waiver authority under Notice PIH 2020-05; extended under Notice PIH 2020-13 and Notice PIH 2020-33, REV-2) In the event that the unit does not pass the HQS inspection, HACSB will follow the same policies and procedures applicable to failed biennial inspections.

For HOPWA and CoC programs, an in-person inspection will be conducted no later than three (3) months after health officials determine special measures to prevent the spread of COVID-19 are no longer necessary. (Waiver authority under HUD CPD Memorandum dated March 31, 2020)

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The following paragraph is added to Section 10.1.2 Annual and Biennial Inspections:

During the COVID-19 emergency, HACSB will postpone in-person annual and biennial HQS inspections. For Term-Limited Lease Assistance, Streamlined Lease Assistance, and Traditional Assistance for MTW families, HACSB may extend the validity of a family's most recently completed biennial HQS inspection by one year. If the HQS inspection is postponed by one year, the due date of the family's next biennial HQS inspection will be one year from the original due date. (Activity 13: Local Inspection Policies, 2020 MTW Plan Amendment 2)

For Traditional, Regulatory Assistance for Special Purpose Programs including VASH, the annual or biennial inspection will be postponed until it is safe to resume in-person inspections but no later than ~~October 31, 2020~~ June 30, 2021 or HUD approved extension. For inspections normally due November 30, 2020 or later, the owner must provide a certification that the owner has no knowledge that life-threatening conditions exist in the unit. Deferred inspections must be conducted ~~within one year following the due date of the inspection~~ by December 31, 2021 or HUD approved extension. (Waiver authority under Notice PIH 2020-05; extended under Notice PIH 2020-13 and Notice PIH 2020-33, REV-2)

For the CoC and HOPWA programs, the in-person inspection will be conducted no later than three (3) months after health officials determine special measures to prevent the spread of COVID-19 are no longer necessary. (Waiver authority under HUD CPD Memorandum dated April 1, 2020)

The following paragraph is added to Section 10.1.3 Reinspection:

During the COVID-19 emergency, HACSB will not conduct in-person reinspections. In lieu of the in-person reinspection, HACSB may conduct an RVI or accept a certification of repairs from the tenant and owner along with photographs, invoices, or receipts to document the completion of the repairs requested by HACSB. No in-person reinspections will be conducted at a later date to confirm the repairs. (24 CFR 982.405 does not require in-person confirmatory reinspections)

The following paragraph is added to Section 10.1.4 Special/Complaint Inspections:

During the COVID-19 emergency but no later than ~~December 31, 2020~~ June 30, 2021 or HUD approved extension, HACSB will not conduct in-person special/complaint inspections. In lieu of the in-person inspection, HACSB will conduct an RVI or notify the owner of the deficiencies, and the owner must either correct the deficiencies with 30 days or 24 hours for life threatening deficiencies or provide documentation that the reported deficiency does not exist. HACSB will accept a certification along with photographs or other documentation to support the correction of the deficiencies. (Waiver authority under

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Notice PIH 2020-05; extended under Notice PIH 2020-13 and Notice PIH 2020-33, REV-2)

The following paragraph is added to Section 10.1.5 Quality Control Inspections:

During the COVID-19 emergency and through the remainder of the Fiscal Year, HACSB may not conduct in-person HQS Quality Control Inspections. Quality Control Inspections will resume after ~~December 31, 2020~~ June 30, 2021 or HUD approved extension. (Waiver authority under Notice PIH 2020-05; extended under Notice PIH 2020-13 and Notice PIH 2020-33, REV-2)

### **22.98 Owner Rents, Rent Reasonableness and Payment Standards**

The following paragraph is added to Section 11.5.1 Term-Limited Lease Assistance Streamlined Lease Assistance and Veterans Affairs Supportive Housing (VASH) Programs:

The Local Payment Standards will be reviewed each fiscal year unless extenuating circumstances prevent the update from taking place. In the event of a delay, HACSB will update the Local Payment Standards as soon as circumstances permit. (Activity 12: Local Payment Standards and Alternative Flat Rents, 2020 MTW Plan Amendment No. 2)

The following paragraph is added to Section 11.6 Rent to Owner Increases:

During the COVID-19 emergency, HACSB will defer processing of rent increases to the earliest practical and feasible date. (Activity 22: Streamlined Lease Assistance Program, 2020 MTW Plan Amendment 2, implemented 6/10/2020 and ended 12/31/2020)

### **22.109 Recertifications**

The following paragraph is added to Section 12.1.1 Term-Limited Lease Assistance:

Due to the COVID-19 emergency, HACSB may extend the validity of a family's most recently completed biennial or triennial recertification by one year. The due date of the family's next biennial recertification will be one year from the original due date, and future recertifications will follow the biennial schedule. (Activity 4: Biennial and Triennial Recertifications, 2020 MTW Plan Amendment No. 2)

The following paragraph is added to Section 12.1.2 Streamlined Lease Assistance and Veterans Affairs Supportive Housing (VASH) Programs:

Due to the COVID-19 emergency, HACSB may extend the validity of a family's most recently completed biennial or triennial recertification by one year. The due date of the family's next biennial or triennial recertification will be one year from the original due date, and future recertifications will follow the biennial/triennial schedule. (Activity 4: Biennial and Triennial Recertifications, 2020 MTW Plan Amendment No. 2)

The following paragraph is added to Section 12.2 Scheduling Recertifications:

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During a local disaster, emergency, or crisis situation, HACSB will extend deadlines for participants to provide records and documents needed to determine ongoing eligibility for the program. If documents are missing from the Recertification packet, a participant will be given at least two (2) notices to submit the requested items. Participants requesting extensions will be granted at least ten (10) additional days or other reasonable extension on a case by case basis.

The following paragraph is added to Section 12.9.5 Traditional, Regulatory Assistance for Special Purpose Programs:

During the COVID19 emergency, zero HAP families whose six month grace period is ending between April 1, 2020 and September 30, 2020 will be granted a six month extension up to December 31, 2020. (Waiver authority under Notice PIH 2020-05)

The following paragraph is added to Section 12.10.1 Hardship Exemption of Over-Income Families:

During the COVID-19 emergency, HACSB will extend the grace period for another six months for over-income families whose end of term is scheduled between April 1, 2020 and September 30, 2020. (Activity 24: Transition of Over-Income Public Housing/Housing Choice Voucher, 2020 MTW Plan Amendment No. 2)

### **22.119 Contract Terminations**

The following footnotes are added to Section 14.3 Termination of the Contract by the Housing Authority:

(1) During the COVID-19 emergency but no later than ~~December 31, 2020~~June 30, 2021, a family may be absent from the unit for more than 180 days due to extenuating circumstances related to the emergency, including, but not limited to, hospitalization, extended stays at nursing homes, and caring for family members. (Waiver authority under Notice PIH 2020-05 and extended under Notice PIH 2020-33, REV-2)

(2) During the COVID-19 emergency, over-income SLA, TLA, and MTW families scheduled to expire between April 1 and September 30, 2020 will be extended six months. (Activity 24: Transition of Over-Income Public Housing/Housing Choice Voucher Families, 2020 MTW Plan Amendment No. 2) Zero HAP Contracts will be extended six months but such extensions shall not extend beyond December 31, 2020. (Waiver authority under Notice PIH 2020-05)

### **22.124 Termination of Assistance and Informal Hearing Policies**

The following paragraph is added to Section 16.2.2.1 Term-Limited Lease Assistance Program:

During the COVID-19 emergency, the end of term (EOT) for any TLA participant with an EOT or extension EOT scheduled to occur between April 1 and September 30, 2020, will be delayed by six months. This timeframe may be extended to comply with local, state,

# Housing Authority of the County of San Bernardino

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and federal guidance/requirements surrounding the current crisis (Activity 20: Term-Limited Lease Assistance, 2020 MTW Plan Amendment No. 2)

The following paragraph is added to Section 16.2.2.1.5 Total Term of Assistance:

During the COVID-19 emergency, the end of term (EOT) for any TLA participant with an EOT or extension EOT scheduled to occur between April 1 and September 30, 2020, will be delayed by six months. The seven (7) year limitation on assistance is lifted for COVID-19 extensions only. (Activity 20: Term-Limited Lease Assistance, 2020 MTW Plan Amendment No. 2)

### **22.132 Portability**

The following paragraph is added to Section 19.5 Incoming Portability Families:

During the COVID-19 emergency, HACSB temporarily suspended acceptance of Housing Choice Voucher Program port-ins (excluding VASH) from other housing authorities effective April 9, 2020. HACSB ~~will resume~~resumed processing of incoming portability requests ~~as soon as it is safe, feasible, and practical to do so on December 1, 2020.~~ (Activity 8: Local Policies for Portability, 2020 MTW Plan Amendment No. 2)

### **22.143 Project-Based Assistance Program**

The following paragraphs are added to Section 20.4.2 Turnover Inspections:

During the COVID-19 emergency, HACSB will defer in-person PBV unit turnover HQS inspections unless an RVI can be conducted or a lock-box is installed at the unit. In lieu of the HQS inspection, HACSB will accept self-certification by the family and property owner/manager that the unit meets all HQS requirements and that there are no life-threatening deficiencies. HACSB will require photographs to accompany the self-certification for some HQS components.

For Term-Limited Lease Assistance, Streamlined Lease Assistance and Traditional Assistance for MTW Families, as soon as it is safe, feasible, and practical to do so, HACSB will conduct an HQS inspection to confirm that the unit meets HQS requirements. For these families, the deferred initial HQS inspections will be prioritized for processing as soon as HACSB is able to resume processing inspections. In the event that the unit does not pass the HQS inspection, HACSB will follow the same policies and procedures applicable to failed biennial inspections. (Activity 13: Local Inspection Policies, 2020 MTW Plan Amendment 2)

For VASH PBV, HACSB will ~~conduct th~~resume in persone inspections no later than ~~December 31, 2020~~June 30, 2021 or HUD approved extension. A deferred initial inspection where a self-certification was used will be inspected no later than one year following the date of the owner's certification (Waiver authority under Notice PIH 2020-05; extended under Notice PIH 2020-13 and Notice PIH 2020-33, REV-2) In the event

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that the unit does not pass the HQS inspection, HACSB will follow the same policies and procedures applicable to failed biennial inspections.

The following paragraph is added to Section 20.4.3 Annual Inspections:

During the COVID-19 emergency, HACSB may postpone PBV annual HQS inspections. The annual inspection will be postponed until it is safe to resume in-person inspections but no later than ~~December 31, 2020~~ June 30, 2021 or HUD approved extension. Deferred inspections must be conducted ~~within 1 year following due date of the inspection by~~ December 31, 2021. (Waiver authority under Notice PIH 2020-05; extended under Notice PIH 2020-13 and Notice PIH 2020-33, REV-1)

The following paragraph is added to Section 20.6.2 Determining Contract Rent to Owner:  
During the COVID-19 emergency, HACSB will defer processing of rent increases to the earliest practical and feasible date. (Activity 22: Streamlined Lease Assistance Program, 2020 MTW Plan Amendment 2)

The following paragraph is added to Section 20.7.2.1 No Child Left Unsheltered (NCLU):  
During the COVID-19 emergency, supportive services provided to NCLU families may be reduced and/or deferred based on the availability and ability of HACSB staff and partners to provide those services. Services will resume as soon as it is safe, feasible, and practical to do so. (Activity 23: No Child Left Unsheltered (NCLU), 2020 MTW Plan Amendment No. 2)

The following paragraph is added to Section 20.21 Adding, Substituting or Removing Units from the HAP Contract:

During the COVID-19 emergency, a unit may be kept under HAP contract due to a zero HAP family beyond 180 days but no later than June 30, 2021. Additionally, housing assistance payments may resume if the family's income changes at any point during the period of time covered by the extension. Extensions will not be automatic and will only be provided for extenuating circumstances, such as illness of a family member, to prevent homelessness, or as a reasonable accommodation. This waiver does not apply to RAD legacy families covered under Section 20.9.2.1. (Waiver Authority under Notice PIH 2020-33, REV-1)

### **20.154 Homeownership Program**

The following paragraph is added to Section 21.7 Home Inspections, Contract Of Sale, and Housing Authority Disapproval of Seller:

During the COVID-19 emergency but no later than ~~December 31, 2020~~ June 30, 2021 or HUD approved extension, HACSB will conduct an RVI or in-person HQS inspection if the home is vacant and a lock box is provided. Otherwise, HACSB will review the independent inspection and may disapprove the unit if information in the inspection report lists HQS

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violations. (Waiver authority under Notice PIH 2020-05; extended under Notice PIH 2020-13 and Notice PIH 2020-33, REV-2)

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

**February 9, 2021**

## **FROM**

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

## **SUBJECT**

Updates to Local Payment Standards for the Moving to Work Housing Choice Voucher Program Effective March 1, 2021.

## **RECOMMENDATION(S)**

Adopt Resolution No. 106 approving updates to the Local Payment Standards for the Moving to Work Housing Choice Voucher Program effective March 1, 2021.  
(Presenter: Maria Razo, Executive Director, 332-6305)

## **GOALS & OBJECTIVES**

**No eligible family waits longer than 10 days for housing.**  
**HACSB has secured the resources needed for accomplishing its mission.**  
**HACSB clients live in safe and desirable homes and communities where they can develop and prosper.**

## **FINANCIAL IMPACT**

Sufficient appropriation to perform this action will be included in a budget revision to the Housing Authority of the County of San Bernardino's (HACSB) 2020-21 annual budget. The proposed revisions to HACSB's Moving to Work (MTW) Local Payment Standards (LPS) Schedule includes increases to the payment standards for the majority of submarkets and bedroom sizes. While an increase to payment standards has the potential to also increase the Housing Assistance Payment (HAP) expense, the total increase would happen over a two-year period, assuming that the updated proposed Local Payment Standards are applied to all assisted households at their next recertification. The total increase after the two-year implementation period is estimated at \$1.309 million. The estimate will be included in the HACSB current annual budget and will be included in future recommended budgets. Any increase to HAP costs will be funded by the Housing Choice Voucher Program Housing Assistance Payment funds and/or HUD held reserves.

## **BACKGROUND INFORMATION**

In 2009, HACSB developed the LPS through its MTW designation for its MTW Housing Choice Voucher program. The activity allows HACSB to develop LPS that reflect the varying rental markets within San Bernardino County, rather than using the Fair Market Rents (FMR) established by United States Department of Housing and Urban Development (HUD) for the entire San Bernardino/Riverside metropolitan area. The LPS accurately reflect the diverse rental submarkets that exist across San Bernardino County (County) and expands housing choices for HACSB families by providing them the opportunity to relocate into areas of greater opportunity.

In 2010, through a competitive procurement process, Applied Real Estate Analysis (AREA, Inc.), an independent third-party real estate analysis company, was hired to assess the local area real estate market. AREA, Inc. identified nine varying rental submarkets and the corresponding

market rents for each. The LPS were then developed at a submarket level rather than a countywide level based upon the market rent values within each submarket.

AREA conducted the annual analysis of the local real estate market for the FY 2020-2021 LPS update. The attached proposed schedule of LPS for FY 2020-2021 reflects increases to the LPS values for most submarkets and bedroom sizes. The amount of any increase is set at the lower of: 1) the updated amount proposed by AREA, or 2) the current LPS increased by the most recently published HUD Inflation Factor (2.867%) less the funding proration amount (0.5%). Adopting the proposed LPS schedule will protect the integrity of the MTW activity and ensure that the LPS continue to reflect reasonable market rents while increasing the LPS at a rate that matches program funding increases. The complete 2020-2021 MTW LPS are included in the attached proposed schedule. A summary of the proposed changes by submarket is included in the table below. If approved, the new LPS will take effect March 1, 2021.

Submarket	Located	Values Recommended by AREA
Submarket 1	Desert	Increase the average payment standard for the submarket by 2.367%, or \$27.
Submarket 2	Victor Valley/Barstow	Increase the average payment standard for the submarket by 2.254%, or \$32.
Submarket 3	Morongo Valley/29 Palms	Increase the average payment standard for the submarket by 2.029%, or \$29.
Submarket 4	Mountains	Increase the average payment standard for the submarket by 2.330%, or \$45.
Submarket 5	San Bernardino North	Increase the average payment standard for the submarket by 2.313%, or \$39.
Submarket 6	San Bernardino South	Increase the average payment standard for the submarket by 2.367%, or \$35.
Submarket 7	East Valley	Increase the average payment standard for the submarket by 2.367%, or \$48.
Submarket 8	West Valley	Increase the average payment standard for the submarket by 1.915%, or \$47.
Submarket 9	Central Valley	Increase the average payment standard for the submarket by 2.367%, or \$45

#### Financial Impact Factors

HACSB anticipates that the following variables will impact the estimated \$1.309 million cost increase:

- A. Cost Mitigation Policies: Families who choose to lease a unit with more bedrooms than their approved voucher size account for a large portion of the potential cost increase. HACSB has received authorization from HUD to use our MTW flexibilities to address these over-housed families through the following policy changes:
  - (Effective October 1, 2017) Families are required to lease a unit that is no more than one bedroom size larger than their approved voucher size. This policy applies to families at the time of the initial or new lease.

- HACSB will not apply the increased LPS automatically at recertification for families who are over-housed. The increased LPS are applied if the property owner requests and is approved for a rent increase.
  - Other cost reduction measures, such as requiring families to lease a right-size unit and changes to the tenant rent and housing subsidy formula, are also being evaluated.
- B. Rent Reasonableness: Any request for a rent increase is subject to a rent reasonableness review. The review will determine the actual amount of any rent increase.
- C. Rent Increase Requests: The HAP for a unit may increase only if a landlord requests and is approved for a rent increase.
- D. Family Income: Depending on household circumstances, an approved rent increase may result in an increase to the family rent share and not to HACSB's share. Additionally, changes in family income may offset an approved rent increase.

#### **PROCUREMENT**

Not applicable.

#### **REVIEW BY OTHERS**

This item has been reviewed by General Legal Counsel, Fred Galante, on January 27, 2021.

## **HOUSING AUTHORITY RESOLUTION NO. 2021-106**

### **A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO APPROVING PAYMENT STANDARDS UPDATES FOR THE MOVING TO WORK HOUSING CHOICE VOUCHER PROGRAM EFFECTIVE MARCH 1, 2021**

#### **RECITALS**

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

**WHEREAS**, HACSB administers the Housing Choice Voucher program for the United States Department of Housing and Urban Development (HUD); and

**WHEREAS**, HACSB entered into a Moving to Work (MTW) contract with the United States Department of Housing and Urban Development (HUD) effective March 14, 2008, which governs the regulations of the administration of the Housing Choice Voucher and Public Housing programs; and

**WHEREAS**, housing authorities are required to establish payment standards which set the maximum subsidy payment a family can receive from the housing authority each month; and

**WHEREAS**, HUD approved HACSB's Local Payment Standards MTW activity which allows HACSB to determine Local Payment Standard amounts by submarket based on a review of the local rental market for the MTW Housing Choice Voucher program, which is updated annually; and

**WHEREAS**, HACSB has prepared a proposed schedule of 2020-2021 Local Payment Standards for the Moving to Work Housing Choice Voucher Program.

#### **OPERATIVE PROVISIONS**

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

Section 1. The Board of Commissioners finds that all of the facts set forth in the Recitals are true and correct, and are incorporated herein by reference.

Section 2. The Board of Commissioners hereby approves the proposed 2020-2021 Local Payment Standards for the Moving to Work Housing Choice Voucher Program attached hereto as Exhibit "A" and effective March 1, 2021.

Section 3. This resolution shall take effect immediately upon its adoption.

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

AYES:

NOES:

ABSENT:

STATE OF CALIFORNIA                    )  
  )  
COUNTY OF SAN BERNARDINO        )        ss.

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

\_\_\_\_\_  
Secretary

Exhibit “A”

Moving to Work Payment Standards for FY 2020-2021

[see following page]



## Moving to Work (MTW) Payment Standards FY 2020-2021

	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	6 Bedroom
<b>Submarket 1 - Desert</b>	<b>\$532</b>	<b>\$665</b>	<b>\$870</b>	<b>\$1,254</b>	<b>\$1,443</b>	<b>\$1,658</b>	<b>\$1,876</b>
May include the following cities: Baker, Daggett, Ridgecrest, Trona, Yermo, Amboy, Cima, Earp, Edwards, Essex, Fort Irwin, Hinkley, Ludlow, Mountain Pass, Newberry Springs, Nipton, Parker Dam, Vidal							
<b>Submarket 2 - Victor Valley / Barstow</b>	<b>\$665</b>	<b>\$920</b>	<b>\$1,126</b>	<b>\$1,475</b>	<b>\$1,756</b>	<b>\$2,017</b>	<b>\$2,282</b>
May include the following cities: Adelanto, Apple Valley, Barstow, Helendale, Hesperia, Lucerne Valley, Oro Grande, Phelan, Pinon Hills, Victorville							
<b>Submarket 3 - Morongo Valley / 29 Palms</b>	<b>\$676</b>	<b>\$834</b>	<b>\$942</b>	<b>\$1,400</b>	<b>\$1,807</b>	<b>\$2,078</b>	<b>\$2,349</b>
May include the following cities: Joshua Tree, Landers, Morongo Valley, Pioneer Town, 29 Palms, Yucca Valley							
<b>Submarket 4 - Mountains</b>	<b>\$891</b>	<b>\$1,024</b>	<b>\$1,392</b>	<b>\$1,940</b>	<b>\$2,477</b>	<b>\$2,846</b>	<b>\$3,220</b>
May include the following cities: Angelus Oak, Big Bear City, Big Bear Lake, Blue Jay, Cedar Glen, Crest Park, Crestline, Fawnskin, Forest Falls, Green Valley Lake, Lake Arrowhead, Lytle Creek, Mt. Baldy, Rimforest, Running Springs, Skyforest, Sugarloaf, Twin Peaks, Wrightwood							
<b>Submarket 5 - San Bernardino North</b>	<b>\$860</b>	<b>\$1,019</b>	<b>\$1,295</b>	<b>\$1,795</b>	<b>\$2,088</b>	<b>\$2,406</b>	<b>\$2,715</b>
May include the following cities: Cedarpines Park, Highland (North), Patton, San Bernardino (North)							
<b>Submarket 6 - San Bernardino South</b>	<b>\$798</b>	<b>\$921</b>	<b>\$1,228</b>	<b>\$1,582</b>	<b>\$1,791</b>	<b>\$2,078</b>	<b>\$2,329</b>
May include the following cities: Highland (West), San Bernardino (South)							
<b>Submarket 7 - East Valley</b>	<b>\$1,044</b>	<b>\$1,356</b>	<b>\$1,566</b>	<b>\$1,996</b>	<b>\$2,467</b>	<b>\$2,836</b>	<b>\$3,207</b>
May include the following cities: Bryn Mawr, Colton (East), Grand Terrace, Highland (East), Loma Linda, Mentone, Redlands, Yucaipa							
<b>Submarket 8 - West Valley</b>	<b>\$1,300</b>	<b>\$1,565</b>	<b>\$1,910</b>	<b>\$2,365</b>	<b>\$2,866</b>	<b>\$3,300</b>	<b>\$3,726</b>
May include the following cities: Chino, Chino Hills, Fontana (North), Guasti, Montclair, Ontario, Rancho Cucamonga, Upland							
<b>Submarket 9 - Central Valley</b>	<b>\$911</b>	<b>\$1,085</b>	<b>\$1,413</b>	<b>\$1,945</b>	<b>\$2,354</b>	<b>\$2,713</b>	<b>\$3,061</b>
May include the following cities: Bloomington, Colton (West), Fontana (South), Muscoy, Rialto							

MTW payment standards are based on the analysis of independent third-party data. The submarkets are based on census tracts; city names are a suggestive guide and may not be used to accurately determine sub market. **Please note that some cities may fall within multiple submarkets.** For more information, please use the Payment Standard Census Tract Resource at [www.hacsb.com/landlords](http://www.hacsb.com/landlords). Please note, the amounts detailed above are the maximum contract rent that may be approved by bedroom size. Your particular unit's final approved contract rent may be lower.

# Comparison of Proposed and Current HACSB Local Payment Standards

November 6, 2020

		Bedrooms							Average
		0	1	2	3	4	5	6	
1 Desert	Current	520	650	850	1,225	1,410	1,620	1,833	1,158
	Proposed	532	665	870	1,254	1,443	1,658	1,876	1,186
	\$ Change	12	15	20	29	33	38	43	27
	% Change	2.37%	2.37%	2.37%	2.37%	2.37%	2.37%	2.37%	2.367%
2 Victor Valley/ Barstow	Current	650	900	1,100	1,450	1,715	1,970	2,230	1,431
	Proposed	665	920	1,126	1,475	1,756	2,017	2,282	1,463
	\$ Change	15	20	26	25	41	47	53	32
	% Change	2.367%	2.222%	2.367%	1.724%	2.367%	2.367%	2.367%	2.254%
3 Morongo Valley/ Twenty-nine Palms	Current	660	815	920	1,400	1,765	2,030	2,295	1,412
	Proposed	676	834	942	1,400	1,807	2,078	2,349	1,441
	\$ Change	16	19	22	0	42	48	54	29
	% Change	2.367%	2.367%	2.367%	0.000%	2.367%	2.367%	2.367%	2.029%
4 Mountains	Current	870	1,000	1,360	1,900	2,420	2,780	3,146	1,925
	Proposed	891	1,024	1,392	1,940	2,477	2,846	3,220	1,970
	\$ Change	21	24	32	40	57	66	74	45
	% Change	2.367%	2.367%	2.367%	2.105%	2.367%	2.367%	2.367%	2.330%
5 San Bernardino North	Current	840	995	1,265	1,760	2,040	2,350	2,652	1,700
	Proposed	860	1,019	1,295	1,795	2,088	2,406	2,715	1,740
	\$ Change	20	24	30	35	48	56	63	39
	% Change	2.367%	2.367%	2.367%	1.989%	2.367%	2.367%	2.367%	2.313%
6 San Bernardino South	Current	780	900	1,200	1,545	1,750	2,030	2,275	1,497
	Proposed	798	921	1,228	1,582	1,791	2,078	2,329	1,533
	\$ Change	18	21	28	37	41	48	54	35
	% Change	2.367%	2.367%	2.367%	2.367%	2.367%	2.367%	2.367%	2.367%
7 East Valley	Current	1,020	1,325	1,530	1,950	2,410	2,770	3,133	2,020
	Proposed	1,044	1,356	1,566	1,996	2,467	2,836	3,207	2,068
	\$ Change	24	31	36	46	57	66	74	48
	% Change	2.367%	2.367%	2.367%	2.367%	2.367%	2.367%	2.367%	2.367%
8 West Valley	Current	1,270	1,545	1,895	2,310	2,800	3,240	3,640	2,386
	Proposed	1,300	1,565	1,910	2,365	2,866	3,300	3,726	2,433
	\$ Change	30	20	15	55	66	60	86	47
	% Change	2.367%	1.294%	0.792%	2.367%	2.367%	1.852%	2.367%	1.915%
9 Central Valley	Current	890	1,060	1,380	1,900	2,300	2,650	2,990	1,881
	Proposed	911	1,085	1,413	1,945	2,354	2,713	3,061	1,926
	\$ Change	21	25	33	45	54	63	71	45
	% Change	2.367%	2.367%	2.367%	2.367%	2.367%	2.367%	2.367%	2.367%
HUD Fair Market Rents	2021	955	1,106	1,390	1,917	2,369	2,724	3,080	1,934
	2020	875	1,030	1,289	1,789	2,216	2,548	2,881	1,804
	\$ Change	80	76	101	128	153	176	199	130
	% Change	9.143%	7.379%	7.836%	7.155%	6.904%	6.904%	6.904%	7.461%

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

**February 9, 2021**

## **FROM**

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

## **SUBJECT**

Revisions to the Admissions and Continued Occupancy Policies Governing the Housing Authority of the County of San Bernardino's Public Housing Program.

## **RECOMMENDATION(S)**

Adopt Resolution No. 107 approving revisions to the Admissions and Continued Occupancy Policies governing the Housing Authority of the County of San Bernardino's Public Housing program.

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

## **GOALS & OBJECTIVES**

**HACSB has secured the resources needed for accomplishing its mission.**

**HACSB communication is open, honest and consistent.**

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

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

## **FINANCIAL IMPACT**

Approval of the proposed revisions to the Admissions and Continued Occupancy Plan (ACOP) will have no direct financial impact to the Housing Authority of the County of San Bernardino's (HACSB) annual budget.

## **BACKGROUND INFORMATION**

HACSB's Public Housing (PH) ACOP outlines the adopted policies that govern the PH program. The PH program provides affordable housing for low-income families. The ACOP is required of all housing authorities administering a PH program and is reviewed and updated as needed to maintain compliance with Public and Indian Housing Notices (PIH), Federal Register Notices as issued by the United States Department of Housing and Urban Development (HUD), and HACSB's policies.

The primary reason for updating the ACOP at this time is to include the HUD regulatory waivers that have been adopted and/or extended since the last revision. In addition, other updates have been made on Chapter 14 of the ACOP to promote consistent application of policies and procedures.

The first update is to memorialize the HUD waiver that allows PHA's the authority to not conduct self-inspections on their PH housing units through the calendar year 2020 (PIH Notice 2020-33, REV 2; PH-12). Due to the pandemic HACSB suspended entering resident units for these routine inspections. Since this waiver's period of availability ended on December 31, 2020, HACSB will resume PH inspections this fiscal year when deemed safe to enter resident units for non-emergency matters.

Revisions to the Admissions and Continued Occupancy Policies Governing the Housing Authority of the County of San Bernardino's Public Housing Program.  
February 9, 2021

The second waiver HACSB is requesting to formalize is the waiver of the community service requirement for PH residents. PH residents are required to complete 8 hours of community service each month as a requirement of participating in the PH program (24 CFR 960.603). Due to the COVID-19 pandemic HACSB's PH residents have been having difficulty securing community service opportunities to satisfy this requirement. As such, HACSB has been implementing the HUD waiver authorized per PIH Notice 2020-33, REV 2; PH-5 in allowing residents to be exempt from the community service requirement over the last several months. HACSB would like to keep this waiver authority in place through the period of availability of June 30, 2021. Attached is a table summarizing the proposed revisions along with the corresponding sections from the ACOP with the redline changes.

To ensure alignment with HUD regulations and HACSB's MTW Annual Plan, it is recommended the Board of Commissioners adopt the resolution to approve the proposed changes to the ACOP.

**PROCUREMENT**

Not applicable.

**REVIEW BY OTHERS**

This item has been reviewed by General Legal Counsel, Fred Galante, on January 23, 2021.

**HOUSING AUTHORITY RESOLUTION NO. 2021-107**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE  
COUNTY OF SAN BERNARDINO APPROVING REVISIONS TO THE ADMISSIONS AND  
CONTINUED OCCUPANCY PLAN GOVERNING THE HOUSING AUTHORITY OF THE COUNTY  
OF SAN BERNARDINO'S PUBLIC HOUSING PROGRAM**

**RECITALS**

**WHEREAS**, the Housing Authority of the County of San Bernardino (HACSB) is required to maintain an Admissions and Continued Occupancy Plan (ACOP) which outlines regulations necessary to administer the Public Housing program on behalf of the United States Department of Housing and Urban Development (HUD); and

**WHEREAS**, HUD requires public housing agencies to amend their ACOP to incorporate changes and define policy relative to administration of the Public Housing program; and

**WHEREAS**, HACSB desires to amend its policies and procedures as they relate to HUD regulatory waivers and recent Public and Indian Housing Notices.

**OPERATIVE PROVISIONS**

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

Section 1. The Board of Commissioners finds that all of the facts set forth in the Recitals are true and correct, and are incorporated herein by reference.

Section 2. The Board of Commissioners hereby approves the revisions to the ACOP governing the Housing Authority of the County of San Bernardino's Public Housing program, attached hereto as Exhibit "A" and incorporated by reference herein.

Section 3. This Resolution shall take effect immediately upon its adoption.

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

AYES: COMMISSIONER:

NOES: COMMISSIONER:

ABSENT: COMMISSIONER:

STATE OF CALIFORNIA                    )  
  )       ss.  
COUNTY OF SAN BERNARDINO        )

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

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Secretary

## Summary of Proposed Admissions and Continued Occupancy Policy Changes February 2021

Item #	Section	Topic	Change
3	14	Chapter 14: Emergency Operations	<p>Updated expiration dates for COVID-19 waivers that have been extended through HUD notice and added policy granting more time to applicants and residents to submit documents for new and continuing eligibility. Clarified the COVID-19 hardship exemption policy which allows approval of more than one hardship exemption during a 12-month period and added the extensions of COVID-19 hardship exemption may be approved.</p> <p>Added the HUD Waiver PH-5 Community Service Requirement that allows PHAs to temporarily suspend the community service requirement for families (PIH Notice 2020-33).</p> <p>Added the HUD Waiver -PH-12 Public Housing Agency Annual Self-Inspections that allows PHAs to suspend annual self-inspections for every public housing property (PIH Notice 2020-33) for CY 2020. End of availability period ends 12/30/20.</p>

# Housing Authority of the County of San Bernardino

## Affordable Housing Programs ACOP

Revised: ~~February~~ July 20210

### CHAPTER 14: EMERGENCY OPERATIONS

#### 14. Introduction

On January 31, 2020, Secretary of Health and Human Services Alex M. Azar II declared a public health emergency for the United States in response to an outbreak of a respiratory disease caused by a novel (new) coronavirus, “Coronavirus Disease 2019” (COVID-19). On March 13, 2020, President Trump declared the COVID-19 pandemic a national emergency. In compliance with the recommendations of the Center for Disease Control (CDC), the “stay-at-home” Executive Order issued by California Governor Gavin Newsom on March 19, 2020, and other guidance from local, state and federal agencies, HACSB took steps to reduce contact between individuals, including closing offices to the public and reducing the number of employees in the office through telework and alternative work schedules. As a result, HACSB modified some operations and deferred some functions to a later time. The revisions to the Admissions and Continued Occupancy Policies (ACOP) implemented in response to the emergency are summarized below. The regulatory waivers provided by HUD are specific to the COVID-19 emergency and have sunset dates. The emergency provisions authorized through Amendment 2 of the FY 2020 Moving to Work Plan may be reactivated in response to any future local disaster, emergency, or crisis situation.

##### 14.1 ACOP

The following paragraph is added to Section 1.1 Purpose of the Plan:

In light of the COVID-19 emergency, HUD is temporarily waiving the requirement that any revisions to the ACOP must be formally adopted by the Board of Commissioners. Any informally adopted policy revisions as result of Notice PIH 2020-05 must be formally adopted by the Board of Commissioners as soon as practical, but no later than December 31, 2020. (Waiver authority under Notice PIH 2020-05; extended under Notice PIH 2020-13) Additionally, on April 14, 2020, the HACSB Board of Commissioners granted authorization under Resolution No. 84 for the Executive Director to waive internal policies and modify operations as necessary in response to COVID-19 global pandemic, retroactive to March 4, 2020 and remains in effect until December 31, 2020, unless extended or rescinded by the Board.

##### 14.2 Income and Rent Determinations

The following paragraphs were added to Section 5.3.4.2 Temporary Hardship Exemption:

During the COVID-19 emergency, SLA families experiencing a significant loss of income as a result of the current crisis may be approved for a hardship exemption for six months. This new hardship exemption category will follow the application, review and approval policies and procedures currently in place for other hardship categories. (Activity 22: Streamlined Lease Assistance Program, 2020 MTW Plan Amendment No.2)

The loss of income as a result of the current crisis could include but is not limited to:

- Closure of place of work;
- Reduced hours;
- Unable to work due to lack of childcare or school closure;
- Developing symptoms or being hospitalized;
- Being quarantined; or
- Caring for a sick family member.

Effective March 19, 2020, the following policies apply to the COVID-19 Hardship Exemptions and the period of applicability is subject to available COVID-19 funding:

- A COVID-19 hardship request will be accepted even if the family was already approved for another hardship exemption within the last twelve months. This may include more than one COVID-19 hardship exemption for two separate events, such as reduction in hours followed by layoff.
- If a family has an approved hardship exemption for loss of income that is expiring between April 1 and July 31, 2020 (unless further extended), the family may request a COVID-19 hardship exemption to extend the existing hardship rent for an additional 6 months if they have been unable to secure new employment or secure new employment but were laid off again due to COVID-19. This “extension” will be processed as a new COVID-19 hardship exemption.
- Approved COVID-19 hardship exemptions may be extended for up to six additional months subject to available funding if the resident’s circumstances have not changed at the end of the first exemption period.
- Rent adjustments will be made the 1<sup>st</sup> of the month following the date of the receipt of the written request with the exception of requests received on the 1<sup>st</sup> of the month immediately following a weekend or holiday. Those requests will be processed effective the 1<sup>st</sup> of that particular month.
- Third party written documentation of a COVID-19 related income loss will be requested. If documentation is not available, the AHS will attempt to obtain a verbal verification. If a verbal verification cannot be obtained, a tenant declaration will be accepted.

# Housing Authority of the County of San Bernardino

## Affordable Housing Programs ACOP

Revised: ~~February~~ **July 2021**

### 14.3 Recertifications

The following paragraph is added to Section 8.4 Over-income Families:

(1) During the COVID-19 emergency, over-income SLA, Tiered Lease Assistance and Transitional assistance for MTW families scheduled to expire between April 1 and September 30, 2020 will be extended six months. (Activity 24: Transition of Over-Income Public Housing/Housing Choice Voucher Families, 2020 MTW Plan Amendment No. 2)

The following paragraph is added to Section 8.4.1 Hardship Exemption for Over-Income Families:

(2) During the COVID-19 emergency, HACSB will extend the grace period for another six months for over-income families whose end of term is scheduled between April 1, 2020 and September 30, 2020. (Activity 24: Transition of Over-Income Public Housing/Housing Choice Voucher, 2020 MTW Plan Amendment No. 2).

The following paragraph is added to Section 8.1.4: Conducting Recertifications:  
During a local disaster, emergency or crisis situation, HACSB will extend deadlines for residents to provide records or documents needed to determine ongoing eligibility for the program. If documents are missing from the recertification packet, a resident will be given at least two (2) notices to submit the requested items. Residents requesting extensions will be granted at least ten (10) additional days or other reasonable extension on a case by case basis.

### 14.4 Lease Terminations and Informal Settlement Conference

The following paragraph is added to Section 12.8 Informal Settlement Conference:

(1) During the COVID-19 emergency, HACSB has the option to conduct remote meetings through different contactless methods such as conference call, video or other methods available. (Activity 18: Property Management Innovation, 2020 MTW Plan Amendment #2).

The following paragraph is added to Section 12.8.4 Request for Informal Settlement Conference (24CFR 966.54):

(2) During the COVID-19 emergency, HACSB has the option to conduct remote meetings through different contactless methods such as conference call, video or other methods

# Housing Authority of the County of San Bernardino

## Affordable Housing Programs ACOP

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available. (Activity 18: Property Management Innovation, 2020 MTW Plan Amendment #2).

### 14.5 Final Eligibility Determination

The following paragraph is added to Section 3.3.10: Final Eligibility Determination:

During a local disaster, emergency or crisis situation, HACSB will extend deadlines for applicants to provide records or documents needed to determine initial eligibility for the program. If documents are missing from the Full Application packet, an applicant will be given at least two (2) notices to submit the requested items. Applicants requesting extensions will be granted at least ten (10) additional days or other reasonable extension on a case by case basis.

### 14.6 Community Service Requirement

During a local disaster, emergency or crisis situation, HACSB will suspend the community service requirement (PIH-Notice 2020-33) for Public Housing families who are unable to comply with this requirement due to a local disaster.

No change to the ACOP, Section 10.1: Community Service Requirement will be necessary since this change is temporarily in place until June 31, 2021.

### 14.7 Annual Self-Inspections

During the COVID-19 emergency, HACSB has the option to suspend annual self-inspections per PIH-Notice 2020-33. This inspection suspension does not alleviate

# Housing Authority of the County of San Bernardino

## Affordable Housing Programs ACOP

Revised: ~~February~~**July 2021**~~0~~

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HACSB of its responsibility to provide safe housing. HACSB is currently addressing urgent and emergency items that could jeopardize life or property.

No change to the ACOP, Section 7.2.3: Annual Inspections will be necessary since this change is temporarily in place until December 31, 2020.

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

February 9, 2021

**FROM**

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

**SUBJECT**

Employer-Employee Relations Resolution

**RECOMMENDATION(S)**

Adopt Resolution No. 108 approving the Employer-Employee Relations Resolution pertaining to communication and labor relations between the Housing Authority of the County of San Bernardino, its employees and their employee organizations.  
(Presenter: Maria Razo, Executive Director, 332-6305)

**GOALS & OBJECTIVES**

**HACSB has secured the resources needed for accomplishing its mission.  
HACSB communication is open, honest and consistent.**

**FINANCIAL IMPACT**

Approval of the proposed Employer-Employee Relations Resolution (EERR) will not have a material net financial impact to the Housing Authority of the County of San Bernardino's (HACSB) approved annual budget.

**BACKGROUND INFORMATION**

On December 8, 2020, (Item No. 13) HACSB's Board of Commissioners approved a contract with Aleshire & Wynder LLP for general legal counsel services. As part of this new legal oversight, Aleshire & Wynder LLP met with HACSB's Executive Director and the Human Resources team to take inventory of key policies and procedures to ensure HACSB is up to date with legal and professional practices in place.

As part of this review, Aleshire & Wynder LLP have recommended the implementation of the Employer-Employee Relations Resolution. This resolution puts in place uniform procedures for the recognition and/or decertification of employee organizations and procedures when working with employee organizations. This Resolution establishes employee rights when organizing along with the Housing Authority's rights and responsibilities.

The document was prepared by legal and reviewed by staff. At this time, HACSB employees are not represented by any employee organizations.

**PROCUREMENT**

Not applicable.

**REVIEW BY OTHERS**

This item has been reviewed by General Legal Counsel, Fred Galante, on February 3, 2021.

## **RESOLUTION NO. 21-108**

### **A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO ADOPTING A COMPREHENSIVE EMPLOYER-EMPLOYEE RELATIONS RESOLUTION PERTAINING TO COMMUNICATIONS AND LABOR RELATIONS BETWEEN THE AUTHORITY, ITS EMPLOYEES AND ITS EMPLOYEE ORGANIZATIONS**

WHEREAS, Chapter 10, Division 4, Title 1 of the Government Code of the State of California (Section 3500 *et seq.*), also referred to as the Meyers-Milias-Brown Act (“MMBA”), was enacted for the purpose of promoting full communication and improved employer-employee relations between public employers and their employees by establishing uniform and orderly methods of communication between employees and the public agencies by which they are employed; and

WHEREAS, Government Code Section 3507 empowers a public agency to adopt reasonable rules and regulations for the administration of employer-employee relations, often referred to as an Employer-Employee Relations Resolution, after consultation in good faith with representatives of its employee organizations regarding such proposed rules and regulations; and

WHEREAS, the Housing Authority of the County of San Bernardino (“Authority”) wishes to enact a Employer-Employee Relations Resolution; and

WHEREAS, there is a need to adopt new and/or updated policies and procedures to, *inter alia*, promote full communication between the Authority and its employees by providing a reasonable method of resolving disputes regarding wages, hours, and other terms of employment, determine appropriate employee units, to recognize employee organizations as representatives of the employees in an employee unit, to provide for changes to appropriate units and/or employee organizations, to establish procedures for the determination of confidential, managerial, and supervisory employees, to account for and incorporate certain statutory impasse rules; and

WHEREAS, the Board of Commissioners of the Authority believes that it is in the best interests of the Authority and its employees to adopt a comprehensive Employer-Employee Relations Resolution.

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

SECTION 1. The Board of Commissioners of the Authority hereby rescinds any other prior similar employer-employee relations resolutions.

SECTION 2. Pursuant to the MMBA, the Authority will administer employer-employee relations according to the following reasonable local rules and regulations:

## **ARTICLE I. GENERAL PROVISIONS**

### **1.1. Title of Resolution**

This Resolution shall be known as the Employer-Employee Relations Resolution of the Housing Authority of the County of San Bernardino (“Authority”).

### **1.2. Statement of Purpose**

This Resolution is adopted as authorized under Chapter 10, Division 4, Title 1 of the California Government Code (Sections 3500 *et seq.*), entitled the Meyers-Milias-Brown Act (“MMBA”), to provide reasonable, uniform and orderly local procedures for the administration of employer-employee relations between the Authority and its employees, procedures for the recognition and/or decertification of employee organizations, procedures for determining appropriate units of representation and/or modifying such units, and a reasonable, uniform and orderly method for the resolution of questions regarding wages, hours, and other terms and conditions of employment of Authority employees. This Resolution rescinds and supersedes all other resolutions pertaining to procedures for the administration of employer-employee relations between the Authority, its employees and its employee organizations.

Nothing in this Resolution shall be construed to restrict any Authority rights with respect to matters of general managerial policy, including but not limited to, the exclusive right to determine the mission of its constituent departments, commissions and boards; set standards of service; determine the procedures and standards of selection for employment and promotion; direct its employees; take disciplinary action; relieve its employees from duty because of lack of work or other legitimate reasons; maintain the efficiency of Authority operations; determine the methods, means, and personnel by which Authority operations are to be conducted; determine the content of job classifications; take all necessary actions to carry out its mission in emergencies; and exercise complete control and discretion over its organization and the technology of performing in its work.

### **1.3. Definitions**

Except as otherwise specifically provided below, the terms used in this Resolution shall be defined the same as such terms are defined in the MMBA. In addition, the following definitions are adopted for terms used in this Resolution.

- A. Appropriate Unit – means a unit established pursuant to Article II of this Resolution.
- B. Board – means the Board of Commissioners of the Authority.
- C. Authority – means the Housing Authority of the County of San Bernardino, and where appropriate herein, refers to the Authority’s Board of Commissioners, the governing body of said Authority, or any duly authorized representative of the Authority.

- D. Consult or Consultation in Good Faith – means to communicate orally or in writing for the purpose of presenting and obtaining views or advising of intended actions in a good faith effort to reach a consensus; and, as distinguished from meeting and conferring in good faith regarding matters within the required scope of the meet and confer process, does not involve an exchange of proposals and counterproposals in an endeavor to reach agreement in the form of a memorandum of understanding, nor is it subject to Article IV hereof.
- E. Employee – means any person employed by the Authority in a position approved in the Authority’s allocated positions and compensation plan, as approved by the Board, except in a position designated in that plan as temporary.
- F. Employee, Confidential – means any employee who is privy to the decisions of Authority management relative to the Authority’s position on matters concerning employer-employee relations and shall include employees in administrative or secretarial support positions to such employees. The Authority may designate confidential positions, subject to the procedures in Section 2.2 of this Resolution. (Note, this is distinct from another common use of the term “confidential employee” in public administration that refers to an employee that handles confidential legal or personnel information.) Positions included in the Authority’s position classification plan to be initially deemed to be confidential for the purpose of this resolution are the Executive Director, Director of Human Resources, with additional positions to be possibly added in the future as provided above.
- G. Employee, Management – includes:
1. An employee having significant responsibility for the formulation and/or administration of program objectives and/ or the development of policies and procedures for their accomplishment. Management Employees include, but are not limited to: the Executive Director, Director of Human Resources, Deputy Executive Director, Director of Operations, Director of Policy and Public Relations, Finance Manager.
  2. Any employee having authority to exercise independent judgment in carrying out Authority policy to hire, transfer, suspend, lay off, recall, promote, discharge, assign, award or discipline other employees, or having the responsibility to direct them, or to adjust their grievances, or effectively to recommend such action if in connection with the foregoing, the exercise of such authority is not a merely routine and clerical nature, but requires the use of independent judgment.
- H. Employee, Professional – means employees engaged in work requiring specialized knowledge and skill attained through completion of a recognized course of instruction, including, but not limited to, attorneys, analysts, engineers, and various types of scientists.

- I. Employee Organization – means any organization which includes employees of the Authority, and which has as one of its primary purposes representing such employees in their employment relations with the Authority.
- J. Employer-Employee Relations – means the relationship between the Authority and its employees and their Employee Organization, or when used in a general sense, the relationship between Authority management and individual employees or Employee Organizations.
- K. Exclusively Recognized Employee Organization – means a sole employee organization certified as the representative of all employees in a unit or units, whether or not those employees are its members, and having the exclusive right and duty to meet and confer in good faith on behalf of said employees concerning statutorily required subjects pertaining to unit employees and thereby assuming the corresponding obligation of fairly representing said employees.
- L. Filing Period – means the period between August 1<sup>st</sup> and September 30<sup>th</sup> of every year following the adoption of this Resolution during which Employee Organizations may submit petitions to be recognized, decertified, or modified, or the period within which an Employee Organization may propose to modify any existing unit of representation.
- M. Fiscal Year – means the Fiscal Year for the Authority which is the period from October 1<sup>st</sup> through and including September 30<sup>th</sup> of every year.
- N. Impasse – means that the representatives of the Authority and an Exclusively Recognized Employee Organization have reached a deadlock or point in their meeting and conferring in good faith at which differences in positions on matters to be included in a memorandum of understanding or on more general mandatory bargaining matters within the scope of representation, and concerning that which they are required to meet and confer, are so substantial or prolonged that future meetings would be futile.
- O. Mediation or Conciliation – means the efforts of an impartial third person or persons, functioning as intermediaries, to assist the Authority and an Exclusively Recognized Employee Organization in reaching a voluntary resolution to an impasse, through interpretation, suggestion, and advice. As used herein, Mediation and Conciliation are interchangeable terms.
- P. Meet and Confer in Good Faith – (sometimes referred to herein as “Meet and Confer” or “Meeting and Conferring”) means performance by duly authorized Authority and Exclusively Recognized Employee Organization representatives of their mutual obligations. The Authority and a representative of an Exclusively Recognized Employee Organization shall have the mutual obligation personally to meet within the time periods established by Section 1.6 of this Resolution upon request, exchange information on matters within the scope of representation,

including wages, hours and other terms and conditions of employment, in a good faith effort to 1) reach agreement on those matters within the authority of such representatives, 2) freely exchange information, opinions and proposals, and 3) reach agreement in the form of a tentative agreement and/or a memorandum of understanding, on what will be recommended to the Board on those matters within the decision making authority of the Board. This does not require either party to agree to a proposal or to make a concession.

- Q. Memorandum of Understanding – means a written document jointly prepared by the Authority’s Employee Relations Officer, or designee(s), and a Recognized Employee Organization or Exclusively Recognized Employee Organization enumerating any agreement reached as the result of meeting and conferring on matters within the scope of representation, and the same signed by the parties involved and ratified by the majority of the relevant bargaining unit and approved by the Board.
- R. Employee Relations Officer – means the Authority’s principal representative in all matters of employer-employee relations designated pursuant to Section 2.1, or his or her duly authorized representative.
- S. Proof of Employee Support – means (1) an authorization card recently signed and personally dated by an employee, provided that the card has not been subsequently revoked in writing by the employee or (2) a verified authorization petition or petitions recently signed and personally dated by an employee.
- T. Resolution – means, unless the context indicates otherwise, this Resolution.
- U. Scope of Representation – means all matters relating to employment conditions, and employer-employee relations, including, but not limited to, wages, hours and other terms and conditions of employment. Authority rights as defined herein in Section 1.5 are excluded from the scope of representation.
- V. Tentative Agreement – means a written agreement reached by the authorized labor relations representatives of the Authority and an Exclusively Recognized Employee Organization that has been ratified by the members of the affected represented employee organization(s) and signed by the labor representatives of the Authority and an Exclusively Recognized Employee Organization, which is intended to be considered by Board at a duly noticed public meeting for acceptance and adoption or rejection.
- W. Days – means calendar days unless otherwise stated.

#### **1.4. Employee Rights**

Employees of the Authority shall have the right to form, join, and participate in the activities of employee organizations of their own choosing for the purpose of representation on matters within the scope of representation. Employees of the Authority shall also have the right to refuse to join

or participate in the activities of employee organizations and shall have the right to represent themselves individually in their employment relations with the Authority. No employee shall be interfered with, intimidated, restrained, coerced, or discriminated against by the Authority or by any employee organization because of the exercise of these rights.

Professional Employees shall not be denied the right to be represented separately from non-professional employees by an employee organization consisting of such Professional Employees.

No Management or Confidential Employee may represent any employee organization, which represents other non-Management, or non-Confidential employees of the Authority, on matters within the scope of representation, unless as permitted by the Authority's Personnel Rules, and no Management or Confidential Employee may engage in any activity with or on behalf of any employee organization which would result in an actual or apparent conflict of interest, as determined by the Authority's Employee Relations Officer, which includes sharing confidential labor relations information derived from their confidential status with anyone outside the Authority's authorized labor representatives and designated confidential employees.

### **1.5. Authority Rights and Responsibilities**

The Authority, on its own behalf and on behalf of its electors, has and will retain all powers, rights, authority, duties and responsibilities conferred and vested in it by the laws and the constitution of the State of California, the Constitution of the United States, the Authority's Rules and Regulations and any modifications made thereto and any resolution passed by Authority officials. Nothing in this Resolution shall be construed to limit or impair the right of the Authority to exercise its own discretion on all of the following matters, whatever may be the effect upon employment, when in its sole discretion it may determine it to be in the public interest to do any or all of the following:

- A. To manage the Authority generally and to determine issues of policy;
- B. To determine the necessity or organization of any service or activity conducted by the Authority and expand or diminish services;
- C. To determine and change the facilities, methods, means and personnel by which Authority operations are to be conducted;
- D. To determine and change the number of locations, relocations, and types of operations, and the processes and materials to be included in carrying out all Authority functions including, but not limited to, the right to contract for or subcontract any work or operation; without prejudice to the right of the employee organization to thereafter meet and confer on the effect thereof;
- E. To determine the size and composition of the work force, to assign work to employees in accordance with requirements as determined by the Authority, and to establish and change work schedules and assignments, and to establish the days and hours when employees shall work;

- F. To relieve employees from duty because of lack of work or similar non-disciplinary reasons;
- G. To discharge, suspend or otherwise discipline employees for proper cause;
- H. To determine job classifications;
- I. To hire, transfer, promote, and demote employees for non-disciplinary reasons;
- J. To determine policies, procedures and standards for selection, training and promotion of employees;
- K. To establish employee performance standards including but not limited to quality and quantity standards;
- L. To maintain order and efficiency of its facilities and operations;
- M. To take any and all necessary actions to carry out its missions in emergency and other situations of unusual or temporary circumstances;
- N. To exercise complete control and discretion over its organization and the technology of performing its work and services; and
- O. To establish reasonable work and safety rules and regulations in order, to maintain the efficiency and economy desirable in the performance of Authority services.

#### **1.6. Meet and Confer**

- A. The Authority, through its representative(s), shall meet and confer in good faith with Employee representative(s) of any Recognized Employee Organization or Exclusively Recognized Employee Organization regarding matters within the scope of representation for its members or for all employees, whichever applies, in the unit for which such organization is recognized.
- B. Where a Recognized Employee Organization or Exclusively Recognized Employee Organization desires to meet and confer with the Authority, through its representative(s), on matters within the scope of representation, said organization shall make a request in writing and specify the subjects to be discussed.
- C. The Recognized Employee Organization or Exclusively Recognized Employee Organization shall submit any and all request(s) to meet and confer on matters within the scope of representation that have a fiscal impact and are not currently accounted for in the current budget in the manner specified below:
  - 1) By December 1 if it intends to have the requested item(s) considered for the budget for the next fiscal year, or, if there is a Memorandum of Understanding in existence between the parties, for the fiscal year following the expiration date of the

Memorandum of Understanding, where December 1<sup>st</sup> immediately precedes the commencement of said fiscal year.

- 2) Written requests submitted by the Recognized Employee Organization or Exclusively Recognized Employee Organization may be changed during the meet and confer process so long as the total cost of the requests as changed does not exceed the cost of the requests made as of December 1<sup>st</sup>, or as of any other extension of time agreed upon by the parties.
- 3) Promptly after such written requests have been made, a meeting shall be arranged at a time and place mutually satisfactory to the parties involved.
- 4) The meet and confer process discussed in this Section 1.6C shall be completed by May 31 immediately preceding the commencement of the fiscal year in which the changes and/or requests are to become effective, or by any other extension of time as agreed upon by the parties in writing. In the event the meet and confer process has not been completed or an agreement is not reached within the time period(s) set forth in this Section 1.6C, either party may declare an Impasse and initiate Impasse procedures in accordance with Article IV.

D. Where the Authority proposes to take action on matters regarding wages, hours, and other terms and conditions of employment within the scope of representation, whether such action be by ordinance, resolution, rule, or regulations, reasonable written notice shall be given to each Recognized Employee Organization or Exclusively Recognized Employee Organization affected thereby, and each shall be given the opportunity to meet and confer with the Authority, through its representative(s), prior to the adoption of same. In cases of emergency when the Board determines that an ordinance, resolution, rule or regulation must be adopted immediately without prior notice or meeting with any Recognized Employee Organization or Exclusively Recognized Employee Organization, the Authority shall provide such notice and opportunity to meet at the earliest practicable time following the adoption of the same.

- 1) In the event the Authority gives notice of an anticipated action pursuant to this Section, the Authority may specify in said notice a reasonable period of time within which the meet and confer process must be completed.
- 2) If a Recognized Employee Organization or Exclusively Recognized Employee Organization fails to deliver to the Authority a written request for a meeting within seven (7) days after receipt of the notice given by the Authority, or within such other noticed time as specified by the Authority due to an emergency, said employee organization(s) shall be deemed conclusively to have waived any right to meet and confer as to any matter noticed by the Authority pursuant to this Section.

E. If a Tentative Agreement is reached by the authorized representatives of the Authority and an Employee Organization and ratified by the Employee Organization, the Board shall vote to accept or reject the tentative agreement within thirty (30) days of the date it is first considered at a duly noticed public meeting. If the Board accepts the Tentative Agreement, then the parties shall jointly prepare a written Memorandum of Understanding, signed by the Authority's

representatives and the duly authorized Employee representatives, which shall be brought back for approval, adoption and implementation by the Board. Said Memorandum of Understanding shall not be binding until approved and adopted by the Board.

F. If a side-letter agreement is reached by the representatives of the Authority and any recognized employee organization, all agreed matters shall be incorporated as joint recommendations to the Board in a written side-letter agreement signed by the Authority's representatives, and the duly authorized employee representatives, and ratified by the members of the recognized employee organization. Said side letter agreement shall not be binding until approved and adopted by the Board.

### **1.7. Consultation in Good Faith**

The Authority, through its representatives, shall consult in good faith with representatives of Recognized Employee Organizations or Exclusively Recognized Employee Organizations prior to the modification of any rules and regulations for the administration of employer-employee relations, including any amendments to this Resolution.

## **ARTICLE II. REPRESENTATION PROCEEDINGS**

### **2.1. Designation of Employee Relations Officer**

Unless otherwise specifically designated by the Board, the Authority's Executive Director or such representative as he or she may designate in writing, is hereby designated the Authorized Employee Relations Officer ("AERO"), who shall be the Authority's principal representative on all matters of employer/employee relations, with authority to meet and confer in good faith on matters within the scope of representation, including wages, hours and other terms and conditions of employment. The AERO may adopt reasonable rules and regulations for the conduct of elections provided for in Section 2.8.

### **2.2. Designation of Confidential and Management Employees**

A. The AERO is authorized to designate, from time to time, and after consultation with any affected recognized employee organization, Confidential Employees and Management Employees, as defined in Section 1.3 of this Resolution, and may at any time revoke such designations. Upon such designation being made, the AERO may assign such Confidential Employee to an appropriate confidential representation unit and such Management Employee to an appropriate management employee unit, if applicable and/or appropriate. Upon revocation of such designation as a Confidential or Management Employee, the AERO shall assign the affected employee to an appropriate representational unit.

B. The AERO may, from time to time, combine, alter or modify confidential employee representation units, and after consultation with any Recognized Employee Organization or Exclusively Recognized Employee Organizations concerned, combine, alter or modify management employee representation units.

C. Any Recognized Employee Organization or Exclusively Recognized Employee Organizations directly affected by an action taken by the AERO in accordance with subsection A or B above may appeal such decision in accordance with Section 2.13 to the AERO from such action. Failure to initiate an appeal within thirty (30) days shall be deemed a waiver of the organization's right to appeal the action of the AERO.

D. No action taken by the AERO in accordance with subsection A or B above shall have force and effect until expiration of the 30-day appeal period prescribed in subsection C above. If an appeal from such action is filed by an employee organization within the thirty (30) day time period prescribed above, such action shall not become effective pending hearing of the appeal and completion of the impasse procedure if invoked.

### **2.3. Employee Unit of Representation**

A. The Authority currently has no Bargaining Units and no Recognized Employee Organizations.

B. New or subsequently different or modified employee units of representation may be created by action of the Board as it deems appropriate, upon the Authority's own written notice given to the appropriate employee organization or upon a petition filed by an employee organization pursuant to Section 2.4 of this Resolution. In making its determination, the Board will investigate and consider the following factors:

- 1) Whether and which employees share a similar community of interests, kinds of work performed, types of qualifications required, and general working conditions;
- 2) The Authority's needs to maintain an efficient operation;
- 3) The units of representation historically recognized by the Authority, except however, that no unit shall be deemed to be an appropriate unit solely on the basis of the extent to which employees in the proposed unit have organized;
- 4) Consistency with the organizational patterns of the Authority;
- 5) Number of employees and classifications, and the effect on the administration of employer-employee relations created by the fragmentation of classifications and proliferation of units; and
- 6) Other matters considered relevant by the Authority to promoting sound employer-employee relations and efficient operation of the Authority.

#### **2.4. Requirements For and Process of Becoming a Recognized or Exclusively Recognized Employee Organization**

A. Only one employee organization shall be recognized as an employee organization representing employees in a unit and, after the effective date of this Resolution, only exclusive recognition on behalf of a unit established in accordance with this Resolution or amendment hereto shall be conferred.

B. Process of Becoming Recognized. An employee organization seeking to become certified as the Exclusively Recognized Employee Organization representing employees in an appropriate unit shall file a petition ("Recognition Petition") with the AERO during the Filing Period. The Recognition Petition shall contain all of the following information and documentation declared by the duly authorized signatory under penalty of perjury to be true, correct, and complete:

- 1) Name and address of the employee organization;
- 2) Names and titles of its officers;
- 3) Names of employee organization representatives who are authorized to speak on behalf of the organization;
- 4) Names and addresses of no more than two (2) employee representatives to whom notices, if sent pursuant to this Resolution, will be deemed sufficient notice to the employee organization for any purpose;
- 5) A copy of the employee organization's current constitution and bylaws, which shall contain a statement that the employee organization has, as one of its primary purposes, the representation of employees in their employment relations with the Authority;
- 6) A statement whether the employee organization is a subordinate body of, or affiliated directly or indirectly in any manner with, any regional or state or international organization and, if so, the name and address of each such regional, state, national, or international organization;
- 7) A statement that the employee organization has no restriction on membership based on race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status of any person;
- 8) The job classifications or position titles of employees in the unit claimed to be appropriate and the approximate number of member employees therein;
- 9) A statement that the employee organization has in its possession Proof of Employee Support to establish that a majority of the employees in the unit claimed to be appropriate have designated the employee organization to represent them in their

employment relations with the Authority. Such written proof shall be submitted for confirmation to the AERO or to a representative of the California State Mediation and Conciliation Service; and

- 10) A request that the AERO formally acknowledge the employee organization as the Exclusively Recognized Employee Organization representing the employees in the unit claimed to be appropriate for the purpose of meeting and conferring in good faith.

#### **2.5. Authority Response to Recognition Petition for an Exclusively Recognized Employee Organization**

A. Upon receipt of the Recognition Petition, the AERO shall determine whether:

- 1) The Recognition Petition satisfies the requirements of Section 2.4B.
- 2) The proposed representation unit is an appropriate unit, in accordance with Section 2.3.

B. If an affirmative determination is made by the AERO on the foregoing matters listed in subsection A above, then the AERO shall inform the petitioning employee organization, give written notice of the Recognition Petition to all the employees in the unit and any other employee organization(s) representing any employee in the same unit, and take no action on said request for thirty (30) days thereafter.

C. If either of the foregoing matters listed in subsection A above are not affirmatively determined, then the AERO shall deny the Recognition Petition and inform the petitioning employee organization of the reasons therefor in writing. The petitioning employee organization shall have seven (7) days to cure any defects in the Recognition Petition. All defaults must be cured, and a valid Recognition Petition must be submitted by the end of the Filing Period, unless the submission deadline is extended by the AERO, who shall not extend the cure period more than fifteen (15) days beyond the end of the Filing Period. Neither the AERO nor the Authority is obligated to assist the petitioning employee organization in curing the alleged defects to the Recognition Petition.

D. The petitioning employee organization may appeal such determination in accordance with Section 2.13.

#### **2.6. Open Period for Filing Challenging Petition to an Exclusively Recognized Employee Organization**

Within thirty (30) days of the date written notice was given to affected employees that a valid Recognition Petition for an appropriate unit has been filed, any other employee organization may file a competing request to be formally acknowledged as the Exclusively Recognized Employee Organization of the employees in the same or in an overlapping unit (one which corresponds with respect to some, but not all the classifications or positions set forth in the Recognition Petition being challenged), by filing a petition evidencing Proof of Employee Support in the unit claimed

to be appropriate of at least thirty (30) percent and otherwise in the same form and manner as set forth in Section 2.4. If such challenging petition seeks establishment of an overlapping unit, the AERO shall call for a meeting on such overlapping Recognition Petitions for the purpose of ascertaining the more appropriate unit, at which time the petitioning employee organizations shall be heard. Thereafter, the Board shall determine the appropriate unit or units in accordance with the standards in Section 2.3. The petitioning employee organizations shall have fifteen (15) days from the date notice of such unit determination is communicated to them by the AERO to amend their petitions to conform to such determination or to appeal such determination pursuant to Section 2.13.

**2.7. Granting Recognition to an Exclusively Recognized Employee Organization Without an Election**

If the Proof of Employee Support shows that a majority of the employees in the appropriate unit have designated the petitioning employee organization to represent them, and if no other employee organization files a challenging petition, the petitioning employee organization and the AERO shall request the California State Mediation and Conciliation Service, or another agreed upon neutral third party, to review the count, form, accuracy, and propriety of the Proof of Employee Support. If the neutral third party makes an affirmative determination, then the AERO shall certify the petitioning employee organization as the Exclusively Recognized Employee Organization for the appropriate unit.

**2.8. Granting Recognition to an Exclusively Recognized Employee Organization Through an Election Process**

A. Upon the submission of valid Recognition Petitions of more than one employee organization for employees in the same or overlapping units, the AERO shall arrange for a secret ballot election to be conducted by the AERO or such other third party agreed to by the AERO and the concerned employee organization(s), in accordance with such party's rules and procedures, subject to the provisions of this Resolution. All employee organizations who have duly submitted Recognition Petitions which have been determined to be in conformance with this Resolution shall be included on the ballot. The ballot shall also reserve to employees the choice of representing themselves individually in their employment relations with the Authority. Employees entitled to vote in such election shall be those persons employed in regular, permanent positions within the designated appropriate unit who were employed during the pay period immediately prior to the date which ended at least fifteen (15) days before the date the election commences, including those who did not work during such period because of illness, vacation or other authorized leaves of absence, and who are employed by the Authority in the same unit on the date of the election. An employee organization shall be formally acknowledged as the Exclusively Recognized Employee Organization for the designated appropriate unit following an election or run-off election, if it received a numerical majority of all valid votes cast in the election. In an election involving three or more choices, where none of the choices receives a majority of the valid votes cast, a run-off election shall be conducted between the two choices receiving the largest number of valid votes cast. The rules governing an initial election are applicable to a run-off election.

B. There shall be no more than one election under this Resolution pursuant to any Recognition Petition in a twelve (12) month period affecting the same unit.

C. In the event that the parties are unable to agree on a third party to conduct the election, the election shall be conducted by the California State Mediation and Conciliation Service. If a third party conducts the election, then the costs of conducting elections shall be borne in equal shares by the Authority and by each employee organization appearing on the ballot.

D. An Exclusively Recognized Employee Organization of the unit for which a decertification election is being conducted shall also appear on the ballot, unless within fourteen (14) days of receipt of the notice of the Decertification or Recognition Petition, or notice of the unit determined by the Board, whichever is later, said employee organization provides written notice to the AERO that it does not intend to participate in the election. Notice of the intention not to participate in the election shall constitute withdrawal from representation of the unit effective the date the notice of intention not to participate in the election is received by the AERO.

E. The AERO shall announce the date of the election and the voting location or locations at least twenty-eight (28) days before the date of such election. Employees shall vote in person.

## **2.9. Procedure for Decertification of Exclusively Recognized Employee Organization**

A. A decertification petition alleging that the incumbent Exclusively Recognized Employee Organization no longer represents a majority of the employees in an established appropriate unit ("Decertification Petition") may be filed with the AERO only during the Filing Period or the twenty-nine (29) day period less than one-hundred twenty (120) days, but more than ninety (90) days, prior to the expiration date of a Memorandum of Understanding then in effect, provided that a Decertification Petition may not be filed within twelve (12) months of initial recognition of an Exclusively Recognized Employee Organization. A Decertification Petition may be filed by two or more employees or their representative, or an employee organization, and shall contain the following information and documentation declared by the duly authorized signatory under penalty of perjury to be true, correct, and complete:

1) The name, address and telephone number of the petitioner and a designated representative authorized to receive notices or requests for further information.

2) The name of the established appropriate unit and the incumbent Exclusively Recognized Employee Organization sought to be decertified as a representative of that unit.

3) An allegation that the incumbent Exclusively Recognized Employee Organization no longer represents a majority of the employees in the appropriate unit, and any other relevant and material facts relating thereto.

4) Proof of Employee Support that at least thirty (30) percent of the employees in the established appropriate unit no longer desire to be represented by the incumbent Exclusively Recognized Employee Organization. Such proof shall be submitted for confirmation to the AERO or to a mutually agreed upon disinterested third party within the time limits specified in the first paragraph of this Section. An employee organization may, in satisfaction of the Decertification Petition requirements hereunder, file a petition under this Section in the form of a Recognition Petition that evidences Proof of Employee Support of at least thirty (30) percent, that includes the

allegation and information required under this Section, and otherwise conforms to the requirements of Section 2.4.

B. The AERO shall initially determine whether the Decertification Petition has been filed in compliance with the applicable provisions of this Resolution.

- 1) If the foregoing matters listed in subsection A above are not affirmatively determined, then the AERO shall deny the Decertification Petition and inform the petitioning employee organization of the reasons therefor in writing. The petitioning employee organization shall have seven (7) days to cure any defects in the Decertification Petition. Neither the AERO nor the Authority is obligated to assist the petitioning employee organization in curing the alleged defects to the Decertification Petition.
- 2) If the foregoing matters listed in subsection A of this section are affirmatively determined by the AERO, or if his/her negative determination is reversed on appeal, then the AERO shall give written notice of such Decertification or Recognition Petition to the incumbent Exclusively Recognized Employee Organization and to unit employees. The AERO shall thereafter arrange for a secret ballot election to be held to determine the wishes of unit employees as to the question of decertification and, if a Recognition Petition was duly filed hereunder, the question of representation. Such election shall be conducted within the same timeframe and under the same procedures as set forth in Section 2.8.
- 3) The petitioning employee organization may appeal such determination in accordance with Section 2.13.

C. During the Filing Period or the twenty-nine (29) day period less than one-hundred twenty (120) days, but more than ninety (90) days, prior to the expiration of a Memorandum of Understanding then in effect, the AERO may give written notice of the Authority's specific intent to the affected employee organization, when the AERO has reason to believe that a majority of unit employees no longer wish to be represented by the incumbent Exclusively Recognized Employee Organization, give notice to said organization and all unit employees that an election will be arranged and held by the AERO to determine that issue. In such event, any other employee organization may, within fifteen (15) days of such notice, file a Recognition Petition in accordance with Section 2.4B, which the AERO shall act on in accordance with this Section.

D. If, pursuant to this Section, a different employee organization is formally acknowledged as the Exclusively Recognized Employee Organization, such organization shall be bound by all the terms and conditions of any Memorandum of Understanding then in effect for its remaining term.

#### **2.10. Procedure for Modification of Established Appropriate Units**

A. Requests by employee organizations for modifications of established appropriate units ("Modification Petition") may be considered by the AERO. The Modification Petition shall be submitted during the Filing Period or the twenty-nine (29) day period less than one-hundred twenty (120) days, but more than ninety (90) days, prior to the expiration of a Memorandum of

Understanding then in effect. The Modification Petition shall be in the form of a Recognition Petition, and, in addition to the requirements set forth in Section 2.4B, shall contain a complete statement of all relevant facts and citations in support of the proposed modified unit in terms of the policies and standards set forth in Section 2.3. The AERO shall process the Modification Petition consistent with the requirements applicable to a Recognition Petition under this Resolution.

B. Proof of Support: When an employee organization requests the addition of classifications or positions to its established unit, and the addition of the positions would increase the existing unit size by ten (10) percent or more, the AERO will require proof of majority support of persons employed in the classifications or positions to be added. The AERO will require proof of at least thirty (30) percent support among the affected employees if a pending representation petition by another employee organization overlaps the positions at issue in the unit modification petition.

C. At any time, the AERO may, by giving written notice of Authority's intent to the affected employee organization, propose that an established unit be modified. The AERO shall give written notice of the proposed modification(s) to any affected employee organization(s), and each employee within said affected unit or units, and shall hold a meeting concerning the proposed modification(s), at which time all affected employee organizations shall be heard. Thereafter the AERO shall determine the composition of the appropriate unit or units in accordance with Section 2.3, and shall give written notice of such determination to the affected employee organizations.

1) The AERO's determination may be appealed in accordance with Section 2.13.

2) If a unit is modified pursuant to the written notice of the AERO hereunder, employee organizations may thereafter file Recognition Petitions seeking to become the Exclusively Recognized Employee Organization for such new appropriate unit or units pursuant to Section 2.4.

### **2.11. Procedure for Processing Severance Requests**

A. An employee organization may file a request to become the Exclusively Recognized Employee Organization of a unit alleged to be appropriate that consists of a group of employees who are already a part of a larger established unit represented by another Exclusively Recognized Employee Organization ("Severance Request"). The timing, form, and processing of the Severance Request shall be as specified in Section 2.10 for a Modification Petition.

B. Proof of Support: When an employee organization requests severance of classifications or positions to its established unit, and the severance of the positions would decrease the existing unit size by ten (10) percent or more, the AERO will require proof of majority support of persons employed in the classifications or positions to be severed. The AERO may require proof of at least thirty (30) percent support among the affected employees. The AERO's determination may be appealed in accordance with Section 2.13.

## **2.12. Amendment of Certification**

### **A. Employee Organization Petition**

- 1) An Exclusively Recognized Employee Organization shall file with the AERO a petition to amend its certification or recognition (“Amendment Petition”) in the event of a merger, amalgamation, change in affiliation, or transfer of jurisdiction.
- 2) The Amendment Petition shall be in writing, signed by an authorized agent of the employee organization, and contain the following information:
  - (a) The name, address and telephone number of the employee organization and the name, address and telephone number of the agent to be contacted;
  - (b) A brief description and the title of the established unit;
  - (c) A clear and concise statement of the nature of the merger, amalgamation, affiliation, or other change in jurisdiction, and the new name of the employee organization. The statement shall include the following information:
    - (i) Whether the new organization has the same structure as the former organization (e.g., eligibility for membership, dues/fees structure, continuation of the manner in which contract negotiations, administration and grievance processing will be effectuated), and if not, an explanation of the change(s) in structure;
    - (ii) Whether the officers and representatives of the new organization are the same as the former organization, and if not, a specification of the changes in officers and/or representatives;
    - (iii) Whether the power of the members to control the organization’s agents is the same as it was in the former organization (e.g., input into contract proposals, contract ratification, frequency of membership meetings, preservation of the former organization’s physical facilities, books, and assets, choosing/oversight of executive board members), and if not, a specification of what changes have been made; and
    - (iv) Whether the organization’s members were given an opportunity to vote on the change in status, and if so, a description of the voting process and results.

B. Review Process

- 1) Upon receipt of a petition filed pursuant to Section 2.12A above, the AERO shall conduct such inquiries and investigations, and hold such meetings as deemed necessary and/or conduct a representation election in order to decide the questions raised by the Amendment Petition.
- 2) The AERO may dismiss the Amendment Petition if the petitioner has no standing to petition for the action requested or if the Amendment Petition is improperly filed.
- 3) In determining whether to grant the Amendment Petition, the AERO will examine the following issues:
  - (a) Whether the new organization has the same or similar structure as the former organization;
  - (b) Whether the officers and representatives of the new organization are substantially the same as the former organization;
  - (c) Whether the power of the members to control the organization's agents are substantially the same; and
  - (d) Whether the organization's members were given an opportunity to vote on the change in status.

C) Determination

- 1) Unless the AERO finds that there is no substantial continuity of identity and representation between the former and new organizations, the AERO will issue an amendment of certification reflecting the new identity of the Exclusively Recognized Employee Organization. Such certification shall not be considered to be a new certification for the purpose of computing time limits pursuant to Section 2.9. The terms and conditions of a Memorandum of Understanding then in effect shall remain in effect until said Memorandum of Understanding expires.
- 2) If the AERO determines that there is no substantial continuity of identity and representation between the former and new organizations, then the AERO shall order an election in conformance with Section 2.9.
- 3) The AERO's determination may be appealed in accordance with Section 2.13.

**2.13. Appeals**

A. Within fifteen (15) days of a final decision of the AERO, (i) an employee organization aggrieved by a determination of an appropriate unit or that a Recognition Petition (Sec. 2.4), Challenging Petition (Sec. 2.6), Decertification Petition (Sec. 2.9), Modification Petition (Sec. 2.10), Severance Request (Sec. 2.11), or Amendment Petition (Sec. 2.12) has not been filed in compliance with Article II; or (ii) employees aggrieved by a determination that a Decertification

Petition (Sec. 2.9) or Severance Request (Sec. 2.11) has not been filed in compliance with Article II, may request to submit the matter to mediation by the State Mediation and Conciliation Service. In lieu thereof, or fifteen (15) days after such mediation proceedings, said employee organization or employees may appeal such determination to the Board for final decision.

B. Appeals to the Board shall be filed in writing with the Executive Director, and a copy thereof served on the AERO. The Board shall commence to consider the matter within thirty (30) days of the filing of the appeal. The Board may, in its discretion, refer the dispute to a third party hearing process. Any decision of the Board on the use of such procedure, and/or any decision of the Board determining the substance of the dispute, shall be final and binding. Any costs for the appeal shall be borne equally by the Authority and the appealing employee organization.

### **ARTICLE III. ADMINISTRATION**

#### **3.1. Submission of Current Information by Employee Organizations**

All Recognized and Exclusively Recognized Employee Organizations shall advise the AERO in writing immediately of any changes in the information enumerated in Section 2.4 C within fourteen (14) days of such change.

#### **3.2. Employee Organization Activities – Use of Authority Resources**

Access to Authority work locations and the use of Authority paid time, facilities, equipment and other resources by employee organizations and those representing them, shall be authorized only to the extent provided for in Memoranda of Understanding and/or administrative procedures, shall be limited to lawful activities consistent with the provisions of this Resolution that pertain directly to the employer-employee relationship and not to such internal employee organization business as soliciting membership, campaigning for office, or organization meetings and elections, and shall not interfere with the efficiency, safety, and security of Authority operations.

### **ARTICLE IV. IMPASSE PROCEDURES**

#### **4.1. Initiation of Impasse Procedures**

If the meet and confer process has reached an Impasse, then either party to the negotiations may initiate the Impasse procedure by filing with the other party a written request for an Impasse meeting together with a statement of its position on all remaining disputed issues. An Impasse meeting shall then be scheduled by the AERO forthwith after the date of filing of the written request for such meeting. The purpose of the impasse meeting is two-fold:

- (a) To review the position of the parties in a final effort to reach agreement on the negotiable subjects at hand, including but not limited to a Memorandum of Understanding; and
- (b) If the Impasse cannot be not resolved, then to discuss arrangements for the utilization of the Impasse procedures provided herein.

#### **4.2. Impasse Procedures**

Impasse procedures may be invoked if the matters remaining in dispute are so substantial or prolonged that future meetings would be futile and/or the possibility of a settlement by direct discussion have been reasonably exhausted. The Impasse procedures are as follows:

- (a) If the parties agree to submit the dispute to mediation, then mediation will be conducted by a mediator from the California State Mediation and Conciliation Service, unless the parties agree to use another mediator. All mediation proceedings shall be private. The mediator shall make no public recommendation, nor take any public position at any time concerning the issues. If there is a cost for the services of a mediator, then such costs shall be borne equally by the Authority and the involved employee organization.
- (b) If the parties, having so agreed to mediation, fail to resolve the dispute within thirty (30) days after the appointment of the mediator, then the employee organization thereafter may request to submit the Impasse to factfinding, as provided by state law. The parties are free to mutually extend the time limit if confirmed in writing.
- (c) If the parties do not agree to mediation, then the employee organization may request to submit the Impasse to factfinding, as provided in Section 4.3 below.
- (d) If the Impasse has not been resolved through factfinding, or the employee organization fails to request factfinding, then the Impasse will be sent to the Board, which shall hold a public hearing on the Impasse and take such action regarding the Impasse as it, in its discretion, deems appropriate as in the public interest, including but not limited to, unilaterally implementing its last, best, and final offer or such terms as must be reasonably comprehended from the last, best, and final offer. Any legislative action by the Board on the Impasse shall be final and binding.

#### **4.3. Factfinding Procedures**

A. Upon failure to agree to, or upon failure to reach an agreement through, mediation, the employee organization may submit a written request to the AERO and the Public Employment Relations Board for a factfinding panel in accordance with state law:

- 1) If the dispute was submitted to mediation, then the written request for a factfinding panel must be submitted not sooner than thirty (30) days, but not more than forty-five (45) days, after the appointment of the mediator.
- 2) If the dispute was not submitted to mediation, then the written request for a factfinding panel must be submitted not later than thirty (30) days following the date that either party provided the other with a written notice of an Impasse and request for an Impasse meeting.

B. The request for fact-finding shall be filed with the Public Employment Relations Board - Los Angeles Regional Office (which, at the time of adoption of this resolution, is located at 700 N. Central Ave., Glendale, California 91203-3219), with a proof of service, containing a declaration signed under penalty of perjury with the following information: (1) the name of the declarant; (2) the county and state in which the declarant is employed or resides; (3) a statement that the declarant is over the age of 18 years and not a party to the case; (4) the address of the declarant; (5) a description of the documents served; (6) the method of service and a statement that any postage or other costs were prepaid; (7) the name(s), address(es) and, if applicable, fax number(s) used for service on the party(ies); and (8) the date of service. Approval or disapproval of all requests for factfinding shall be in the discretion of the Public Employment Relations Board.

C. Within five (5) working days after notification from the Public Employment Relations Board that the factfinding request has been approved, each party shall select a person to serve as its member of the factfinding panel and notify the Public Employment Relations Board of its selection. The parties shall then select the chairperson by utilizing a strike procedure whereby each side strikes a member of the list provided by PERB until one is selected. Within five (5) working days after a chairperson is selected through this procedure, the parties may alternatively mutually agree upon another person to serve as chairperson. The strike procedure will be initiated by a coin toss by a representative of the Authority, who shall flip the coin and call the chosen side, witnessed by the employee organization, with the winning party having the election to strike first or second. The costs for the services of the chairperson, including per diem fees, if any, and actual and necessary travel and subsistence expenses, shall be divided equally between the parties. Any other mutually incurred costs shall be divided equally between the parties. Any separately incurred costs for the panel member selected by each party shall be borne by that party. The parties are free to mutually extend the time limit if confirmed in writing.

D. Within ten (10) days of its appointment, the factfinding panel shall meet with the parties or their representatives, either jointly or separately, and may make inquiries and investigations, hold hearings, and take any other steps it deems appropriate, including issuance of subpoenas requiring attendance and testimony and production of evidence. The parties are free to mutually extend the time limit if confirmed in writing.

E. Within thirty (30) days of its appointment, or upon agreement by the parties for a longer period, and if the dispute is not settled by the parties within said time period, the factfinding panel shall make findings of fact and recommend terms of settlement, which shall be advisory only. In making its findings and recommendations, the fact-finding panel shall consider the following criteria:

- 1) State and federal laws that are applicable to the Authority;
- 2) Local rules, regulations, or ordinances;
- 3) Stipulations of the parties;
- 4) The interests and welfare of the public and the financial ability of the Authority;

- 5) Comparison of the wages, hours, and conditions of employment to employees performing similar services in comparable public agencies;
- 6) The consumer price index for goods and services, commonly known as the cost of living;
- 7) The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays, and other excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment and all other benefits received; and
- 8) Any other facts which are normally or traditionally taken into consideration in making the findings and recommendations.

F. The factfinding panel shall submit its findings and recommendations in writing to the parties prior to making them available to the public for the purpose of resolving the impasse. The Authority shall make the findings and recommendations available to the public within ten (10) calendar days after its receipt. If the Impasse has not been resolved within ten (10) calendar days after the Authority's receipt of the factfinding panel findings and recommendations, then the Impasse shall be sent to the Board, which shall then hold a hearing on the Impasse and take such action regarding the Impasse as it, in its discretion, deems appropriate as in the public interest, including but not limited to unilaterally implementing its last, best, and final offer or such terms as may be reasonably comprehended therefrom. Any legislative action by the Board on the Impasse shall be final and binding, including but not limited to unilaterally implementing its last, best, and final offer or such terms as may be reasonably comprehended therefrom.

## **ARTICLE V. MISCELLANEOUS PROVISIONS**

### **5.1. Peaceful Performance of Authority Services**

Participation by an employee in any manner, in any strike, work stoppage, slow down, sick-in, or other concerted refusal to work by employees of the Authority or participation in any manner in any picketing or support of any such strike, work stoppage, slow down, sick-in, or other concerted refusal to work or impediment to work by employees of the Authority, or participation or inducing other employees of the Authority to engage in such activities shall subject the employee to disciplinary action up to and including termination. If an Exclusively Recognized Employee Organization, its representatives, or members, engage in, cause, instigate, encourage, or condone, in any manner, any strike, work stoppage, slow down, sick-in, or any other concerted refusal to work by employees of the Authority or any picketing in support thereof or any other form of interference with or of the peaceful performance of the Authority services in addition to any other lawful remedies or disciplinary actions, the Executive Director may suspend or revoke the recognition granted such employee organization, may suspend or cancel any or all payroll deductions payable to such organization and prohibit the use of bulletin boards, prohibit the use of Authority facilities, and prohibit access to former work or duty stations by such organization.

Any decision of the Executive Director made under provisions of this section may be appealed to the Board by filing a written notice of appeal with the Executive Director accompanied by a complete statement setting forth all the grounds upon which the appeal is based. Such notice of appeal must be filed within seven (7) days after the Executive Director provides to the affected employee organization notice of the decision upon which its complaint is based. If a written notice of appeal is not filed with the Executive Director within seven (7) days, then the decision of the Executive Director shall be deemed final and not subject to any other appeal.

### **5.2. Rules and Regulations**

The Board may from time to time adopt such additional rules and regulations necessary or convenient to implement the provisions of this Resolution and provisions of the MMBA after meeting and consulting with all recognized employee organizations.

### **5.3. Construction**

Nothing in this Resolution shall be construed to deny any person the rights granted by federal and state laws and any policies or provisions of the Authority's rules and regulations.

The rights, power and authority of the Board on all matters, including the right to maintain any legal action, shall not be modified or restricted by this Resolution.

Provisions of this Resolution are not intended to conflict with the provisions of the MMBA or the provisions of the Authority's personnel system which provides for other methods of administering employee relations.

### **5.4. Severability**

If any provision of this Resolution or the application of such provision to any person or circumstance, shall be held invalid, then the remainder of this Resolution or the application of such provision to persons to circumstances other than those to which it is held invalid, shall not be affected thereby.

SECTION 3. This Resolution shall take effect immediately upon adoption.

**PASSED, APPROVED AND ADOPTED** on this \_\_ day of \_\_\_\_\_ 2021 by the Board of Commissioners of the Housing Authority of the County of San Bernardino.

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Tim Johnson, Chair  
Board of Commissioners  
Housing Authority of the County of San Bernardino

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Mari Razo, Executive Director

Housing Authority of the County of San Bernardino

APPROVED AS TO FORM:

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Aleshire & Wynder. LLP  
Fred Galante, Authority General Legal Counsel

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

**February 9, 2021**

## **FROM**

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

## **SUBJECT**

**Uncollectible Portability Accounts for the Housing Choice Voucher Program to be Written Off**

## **RECOMMENDATION(S)**

Approve the write-off of portability accounts for the Housing Choice Voucher Program that have been deemed uncollectible in the amount of \$16,244.22.

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

## **GOALS & OBJECTIVES**

**HACSB communication is open, honest and consistent.**

**HACSB has secured the resources needed for accomplishing its mission.**

## **FINANCIAL IMPACT**

The total cost of the write-off loss is \$16,244.22. The loss will be charged to the Housing Authority of the County of San Bernardino (HACSB) operating budget of the Housing Choice Voucher program.

## **BACKGROUND INFORMATION**

In the public housing industry, portability is a term used when a family/individual wants to transfer or “port” their housing assistance to an area outside of the jurisdiction of the housing authority that first issued them their voucher. Porting in or out of a jurisdiction is an option for eligible households in order to move throughout the United States. When a program participants ports, the receiving public housing authority (PHA) may use one of their vouchers to absorb the participant or bill the initial PHA for Housing Assistance Payments (HAP) and administrative fees. A portability account is established when a participant transfers to HACSB and leases a unit. HACSB bills the initial PHA for the HAP and administrative fee. Such billings must be received by the initial PHA within 90 days of the expiration date on the initial PHA’s voucher. If the billing is received late, the initial PHA may refuse to reimburse the receiving PHA. In 2020, the Housing Services Department assigned a Housing Services Specialist to investigate and collect a growing number of outstanding portability balances. This was attributed to the funding uncertainty in the Housing Choice Voucher program and the reluctance of many PHA’s to absorb participants that moved into their jurisdiction. Approval of this item, will write-off the portability accounts that have been determined to be uncollectible after numerous efforts were made to collect from the initial PHA.

Additionally, the initial PHA may question the accuracy of the billing. This has resulted in HACSB not receiving full reimbursement from the initial PHA for the HAP. Furthermore, HACSB has created a staff position to specifically deal with portability billing and discrepancy. This is expected to significantly reduce portability write-off’s in the future. Since 2017, HACSB has collected \$269,214 owed by other PHAs in portability payments. It has been determined that a fraction of the amounts due are uncollectible despite escalation at the other PHAs.

Uncollectible Portability Accounts for the Housing Choice Voucher Program to be Written Off  
February 9, 2021

The total write-off amount is \$16,244.22 as detailed in the table below.

Initial PHA	Period	Number of accounts	Notes	Amount owed
Baldwin Park	2014, 2019, 2020	4	Proration discrepancy	\$94.00
Chandler City	2018	1	Proration discrepancy	\$17.00
Colorado Springs	2020	1	Proration discrepancy	\$9.00
Community Teamwork	2020	1	Proration discrepancy	\$25.00
Contra Costa	2020	1	Proration discrepancy	\$0.17
Denver	2020	1	Proration discrepancy	\$14.00
Fulton County	2015-2016	1	Lack of timely billing	\$8,012.95
Honolulu	2014-2015	1	Lack of timely billing	\$7,355.91
Inglewood	2016, 2017	2	Proration discrepancy	\$33.00
Lucas	2017	1	Proration discrepancy	\$19.00
Monterey	2020	1	Proration discrepancy	\$32.00
National City	2016	1	Proration discrepancy	\$16.00
New Orleans	2020	1	Proration discrepancy	\$31.00
Pasadena	2019	1	Proration discrepancy	\$50.00
Pomona	2019	1	Proration discrepancy	\$48.00
River Rouge	2012	1	Lack of timely billing	\$424.19
Sacramento	2017	1	Proration discrepancy	\$9.00
San Diego Commission	2019	1	Proration discrepancy	\$17.00
San Diego County	2019	1	Proration Discrepancy	25.00
Southern Nevada	2019	1	Proration Discrepancy	12.00
<b>Total</b>				<b>\$16,244.22</b>

**PROCUREMENT**

Not applicable.

**REVIEW BY OTHERS**

This item has been reviewed by General Legal Counsel, Fred Galante, on January 23, 2021.

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

February 9, 2021

**FROM**

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

**SUBJECT**

Amended Conflict of Interest Code

**RECOMMENDATION(S)**

Approve of an amended Conflict of Interest Code pursuant to the Political Reform Act of 1974.  
(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 State of California enacted the Political Reform Act of 1974 (Act), Government Code section 81000 et seq., which contains provisions relating to conflicts of interest which potentially affect all offices, employees, and consultants. Pursuant to the Act, the HACSB Board of Commissioners adopted a Conflict of Interest Code of which was last amended on February 11, 2020. Since the last amendment, there has been updates to personnel positions and titles based on the needs of the agency. As a result, the Conflict of Interest Code is being amended to accurately reflect staff titles and to add positions that fall within the reporting requirements.

**PROCUREMENT**

Not applicable.

**REVIEW BY OTHERS**

This item has been reviewed by General Legal Counsel, Fred Galante, on January 28, 2021.

# **CONFLICT OF INTEREST CODE    OF THE**

## **HOUSING AUTHORITY OF THE COUNTY OF SAN**

### **BERNARDINO**

**(Amended February 9, 2021)**

The Political Reform Act (Gov. Code § 81000, et seq.), requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. § 18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency’s code. After public notice and hearing Regulation 18730 may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This incorporation page, Regulation 18730 and the attached Appendix designating positions and establishing disclosure categories, shall constitute the conflict of interest code of the **Housing Authority of the County of San Bernardino (the “Authority”)**.

All officials and designated positions required to submit a Statement of Economic Interests shall file their statement with the **Executive Assistant** as the Authority’s Filing Officer. The **Executive Assistant** shall retain the originals of such statements. The **Executive Assistant** shall retain the statements of all other designated positions and make the statements available for public inspection and reproduction during regular business hours. (Gov. Code § 81008.)

**APPENDIX**  
**CONFLICT OF INTEREST CODE OF THE HOUSING**  
**AUTHORITY OF THE COUNTY OF SAN BERNARDINO**  
**(Amended February 9, 2021)**

**EXHIBIT “A”**

**OFFICIALS WHO MANAGE PUBLIC INVESTMENTS**

Authority Officials who manage public investments, as defined by 2 Cal. Code of Regs. § 18701(b), are NOT subject to Authority’s Code, but must file disclosure statements under Government Code section 87200 et seq. [Regs. § 18730(b)(3)] These positions are listed here for informational purposes only.

It has been determined that the positions listed below are officials who manage public investments:<sup>1</sup>

Members of the Board of Commissioners for the Housing Authority of the County of San Bernardino  
Executive Director  
Deputy Executive Director  
Financial Consultant

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<sup>1</sup> Individuals holding one of the above-listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by § 87200.

## **DESIGNATED POSITIONS**

### **GOVERNED BY THE CONFLICT OF INTEREST CODE**

<b>Designated Positions' Title or Function</b>	<b>Disclosure Categories Assigned</b>
Accounting Supervisor	5
Assistant Director of Housing Services	2,5
Community Manager	2,5
Director of Human Resources	2,5
Director of Operations	2,5
Director of Policy & Public Relations	2,5
Family Empowerment Services Manager	2,5
Finance Manager	1,2
Homeownership Specialist	1,2
Housing Services Manager	2,3,4
Housing Services Supervisor	2,3
Information Services Manager	2,5
Legal Counsel	5
Management Analyst	1,2
Procurement & Contracts Supervisor	1,2
Procurement Officer	4
Project Manager	2,3,5
Property Manager	2,5
Real Estate Development Manager	1,2

Real Estate Services Manager	1,2
Sr. Regional Communities Manager	5
Sr. Management Analyst	1,2
Rehab Project Coordinator	2,3,5
Sr. Rehab Project Coordinator	2,3,5
Consultants and New Positions <sup>2</sup>	

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<sup>2</sup> Individuals providing services as a Consultant defined in Regulation 18701 or in a new position created since this Code was last approved that makes or participates in making decisions shall disclose pursuant to the broadest disclosure category in this Code subject to the following limitation:

The Executive Director may determine that, due to the range of duties or contractual obligations, it is more appropriate to assign a limited disclosure requirement. A clear explanation of the duties and a statement of the extent of the disclosure requirements must be in a written document. (Gov. Code Sec. 82019; FPPC Regulations 18219 and 18734.) The Executive Director's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code. (Gov. Code Sec. 81008.)

## EXHIBIT “B”

The disclosure categories listed below identify the types of economic interests the designated position must disclose for each disclosure category to which he or she is assigned.<sup>3</sup>

CATEGORY 1: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are located in, do business in, or own real property within the jurisdiction of the Authority.

CATEGORY 2: All interests in real property which is located in whole or in part within, or not more than two (2) miles outside, the jurisdiction of the Authority.

CATEGORY 3: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are engaged in land development, construction or the acquisition or sale of real property within the jurisdiction of the Authority.

CATEGORY 4: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the Authority.

CATEGORY 5: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the designated position’s department, unit, or division.

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<sup>3</sup> This Conflict of Interest Code does not require the reporting of gifts from outside this agency’s jurisdiction if the source does not have some connection with or bearing upon the functions or duties of the position. (Reg. 18730.1)

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

**February 9, 2021**

## **FROM**

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

## **SUBJECT**

**Contract with Intergraded Security Management Group for Armed Guard Services.**

## **RECOMMENDATION(S)**

1. Award Contract No. PC1203, effective March 1, 2021, to Intergraded Security Management Group for Armed Guard Services for an amount not to exceed \$327,551 for a two-year base period through February 28, 2023, with three single-year options to extend the contract until no later than February 28, 2026.
  2. Authorize and direct the Executive Director to execute and deliver the contract to Intergraded Security Management Group 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 is a leading developer and provider of affordable housing in the County of San Bernardino.**

**HACSB communication is open, honest and consistent.**

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

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

## **FINANCIAL IMPACT**

This contract is not expected to exceed \$327,551 for the two-year base contract period through February 23, 2023 and is funded by the Housing Authority of the County of San Bernardino's (HACSB) property operations budget. The amount for fiscal year ending 2021 is included in the current budget and will be included in subsequent fiscal year budgets.

## **BACKGROUND INFORMATION**

HACSB currently contracts with third party contractors for armed security guard services at some of its properties. The guard services are generally used at low density high acreage and scattered site properties. The services are primarily for the overnight and weekend hours and the properties receiving service are in the cities of San Bernardino and Victorville. The security services primarily include routine patrols with a marked patrol vehicle and armed guards who patrol by foot at random and rotating times of the day and night. The services provided are crime prevention and reporting, lease enforcement, vacant unit checks and general site monitoring services. These services have been in place for several years and the approval of this item will continue the existing scope of services. Intergraded Security Management Group is the incumbent contractor providing security services.

## **PROCUREMENT**

The Procurement and Contracts Department advertised a "Request for Proposal" (RFP) for Armed Guard Services (RFP PC1203) on November 17, 2020 which resulted in the receipt of ten proposals. Outreach efforts included email invitations via Planet Bids, our eBidding website to eleven vendors as well as posting on the agency's external website. The proposals were evaluated per the requirements of the RFP. Intergraded Security Management Group was deemed the most responsive, reasonably priced, and determined qualified to provide this service to HACSB.

<b>Responses were received by the deadline from the following organizations:</b>		
<b><u>Firm:</u></b>	<b><u>Location:</u></b>	<b><u>Evaluation Score:</u></b>
Absolute Security International, Inc.	El Monte, CA	227
Alltech Industries	Monterey Park, CA	254
American Guard Services, Inc.	Los Angeles, CA	203
CEED Security	Los Angeles, CA	223
Command International Security Services	Van Nuys, CA	223
Intergraded Security Management Group	Rancho Cucamonga, CA	273
Patrol Solutions, LLC	Concord, CA	207
Power Security Group, Inc.	Corona, CA	238
Starblast Inc.	Visalia, CA	164
Ultimate Security Services, Inc.	Los Angeles, CA	165

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

## **REVIEW BY OTHERS**

This item has been reviewed by our General Legal Counsel, Fred Galante, On January 27, 2021.

**THIS CONSULTING, SERVICES, AND NON-ROUTINE MAINTENANCE RELATED SERVICES AGREEMENT (NON-CONSTRUCTION)** ("Agreement") (PC1203) is made as of the **1st day of March, 2021** ("Effective Date") by and between **Intergraded Security Management Group (ISMG)** ("Contractor"), a California Corporation (if applicable) and the Housing Authority of the County of San Bernardino, a California public entity ("HACSB").

#### **RECITALS**

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

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

#### **OPERATIVE PROVISIONS**

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

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

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

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

**ARTICLE 3. Term; Time of Completion.** Contractor shall commence work under this agreement for a **Two (2) year base period with the option to extend up to an additional three (3) single-year year terms** beginning on or about **March 1, 2021** and expiring on **February 28, 2023** unless for any reason funds which have been appropriated for the provision of these services are no longer available, or until such time as terminated per the terms of the agreement in accordance with contract provisions in Article 19 Contractor shall not commence work prior to the date of issuance by HACSB of a work authorization in the form set forth on Exhibit "D", attached hereto and incorporated herein by reference ("Work Authorization"). HACSB shall have the option to extend the engagement for up to an additional two (2) year term. The optional years shall be exercised by written amendments executed by each party with board approval for additional funding on option years if needed. Option years will begin on or about **March 1, 2023** and expire no later than **February 28, 2026**. Following issuance of a Work Authorization, Contractor shall timely

complete the Work in accordance with the schedule requirements specified in Exhibit "A", and within the term of this Agreement.

**ARTICLE 4. Price.** Unless otherwise specified in the Statement of Work, HACSB agrees to pay Contractor a not-to-exceed amount of **\$327,551.00** for the provision of work per the fee schedule **for the Two (2) base year contract period.** Details defined in Exhibit A – Scope of Services – Fee Schedule. Price as set forth herein, is in consideration for and provides full and complete compensation for the Work and the performance by Contractor of all of its obligations hereunder. Terms are defined in the Additional Provisions and includes a guarantee of task completion.

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

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

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

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

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

**ARTICLE 10. Additional Work.**

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

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

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

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

- a. The number of Deliverables provided to HACSB divided by the total number of Deliverables required to be delivered to HACSB, less a ten percent (10%) withhold, less any amounts previously invoiced; or
- b. The number of work-hours expended by Contractor in the performance of the Work divided by the number of work hours scheduled for the Work, less a ten percent (10%) withhold, less any amounts

previously invoiced; provided that the Statement of Work may specify a withhold of more than ten percent (10%).

- c. For those Milestones which do not involve delivery to HACSB of identified Deliverables, but which are of a continuing nature, Contractor may submit invoices reflecting a pro-rata cost of the Milestone, less a ten percent (10%) withhold, less any amount previously invoiced. Actual progress payment amounts for such Milestones must be based on at least equivalent services rendered, and to the extent practicable, will be keyed to clearly identifiable stages of progress as reflected in written reports submitted with the invoices.
- d. Upon completion of a Milestone in accordance with the acceptance criteria set forth herein, the full charge for such Milestone, less amounts previously invoiced to HACSB, may be submitted for payment.
- e. In the event that Additional Work is performed pursuant to a Work Authorization, such Additional Work shall be paid by HACSB according to the same procedure set forth above with respect to the Work, unless a different method for payment is specified in such Work Authorization.
- f. Invoices prepared in accordance with this provision will not be submitted more frequently than monthly to HACSB.
- g. In the aggregate, invoices reflecting progress payments will not exceed ninety percent (90%) of the Agreement Price, with the balance to be invoiced upon completion of the Agreement, in accordance with the acceptance criteria set forth herein.
- h. No charge for transportation, delivery, express, parcel post, packing, cartage, insurance, license fees, permits, cost of bonds, or for any other purpose will be paid by HACSB unless expressly included and itemized in the Statement of Work or Work Authorization.
- i. Payments for all any and all invoices or other obligations are satisfied electronically through the Automated Clearing House (ACH) system. The Contractor hereby authorizes the HACSB to initiate payment electronically to any bank account maintained by the contractor wherever located. Contractor shall promptly comply with directions and accurately complete forms provided by HACSB required to process ACH payments.

**ARTICLE 13. Return of HACSB Property.** All reports, plans, designs, specifications, field data, construction documents, and other documents and instruments, including electronic files, but excluding Contractor's notes, relating to the Work shall be and remain the property of HACSB and shall be turned over to HACSB promptly upon the completion of the Work, or upon the earlier termination of this Agreement. Contractor hereby waives and assigns to HACSB all intellectual property or common law rights Contractor may develop in the Work. Contractor shall not use any trademarks owned by HACSB without HACSB's prior written authorization.

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

Confidential Information to any third parties, except those individuals employed by Contractor and who are specifically authorized by Contractor to perform the Work contemplated in this Agreement.

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

**ARTICLE 16. Compliance with Contract Documents.** Contractor shall comply with all of the Contract Documents in connection with the performance of the Work hereunder. In the event of any conflict between this Agreement and the Contract Documents, the Contract Documents shall control. Contractor shall also comply with all agreements, representations, warranties, covenants, and certifications of Contractor made in connection with the procurement of this Agreement, provided that in the case of a conflict between the foregoing and the Contract Documents and this Agreement, the Contract Documents and this Agreement shall control.

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

**ARTICLE 18. Rights and Remedies of HACSB for Default.**

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

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

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

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

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

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

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

**If to HACSB:**

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

**If to Contractor:**

Emilio Olguin, Vice President  
Intergraded Security Management Group (ISMG)  
10201 Trademark Street, Suite C  
Rancho Cucamonga, CA 91730  
[Emilio@ismg.co](mailto:Emilio@ismg.co)

Notices will be deemed effective upon receipt or rejection only.

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

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

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

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

the negotiation and preparation of this Agreement. The language in all parts of this Agreement shall be in all cases construed simply, fairly, equitably and reasonably, according to its plain meaning and not strictly for or against any of the parties.

**ARTICLE 27. Counterparts.** This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same Agreement. The parties shall be entitled to sign and transmit an electronic signature of this Agreement (whether by facsimile, PDF or other email transmission), which signature shall be binding on the party whose name is contained therein. Each party providing an electronic signature agrees to promptly execute and deliver to the other party an original signed Agreement upon request.

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

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

**ARTICLE 30. Attorney's Fees.** If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and costs of such actions.

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

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

[END – SIGNATURES ON NEXT PAGE]

**SIGNATURE PAGE TO**  
**CONSULTING, SERVICES, AND NON-ROUTINE MAINTENANCE RELATED SERVICES AGREEMENT**  
**(NON-CONSTRUCTION)**  
**PC1203 – ARMED GUARD SERVICES**

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

Date: \_\_\_\_\_

**Intergraded Security Management Group (ISMG)**

By: \_\_\_\_\_ (Affix seal if a corporation)

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**CERTIFICATE OF CORPORATE AUTHORITY**

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

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

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

By: \_\_\_\_\_

Name: Maria Razo

Its: Executive Director

Date: \_\_\_\_\_

## **Exhibit A – Scope of Work**

All work is to be performed according to industry standards, according to federal, state, and local legal requirements, and to the satisfaction of HACSB. The Contractor will provide security patrol services with market patrol vehicles, utilizing armed guards.

***The repeated failure of any Contractor to provide satisfactory service shall result in termination of Contractor's contract for nonperformance. The HACSB shall document failure to respond, and the Contractor may not be permitted to participate in future contracts for these services.***

These services shall include the following:

Contractor shall provide patrol service with a marked patrol vehicle, armed security officers, and provide amounts of visits contracted. Contractor's officers shall provide heavy visibility and patrols (foot patrols are required behind buildings and dark areas where any activity is noticed) of all common areas of Housing Authority properties. For each location identified below, the Contractor will provide a detailed report on the activities and incidents of each serviced day by no later than 10am the following morning.

**The coverage for Waterman Gardens is:** (see page 9 for service locations)

Routine patrols seven days a week from 5pm-7am Monday-Sunday. Also includes 24-hour call response, seven days a week. All patrol visits shall be on a rotating random basis (including foot patrol). Patrols should not be at the same time on any given evening or day of the week. Each patrol visit should include a foot patrol around the two-standing unit/Head Start/vacant lot and maintenance shop.

**The coverage for Maplewood Homes is:** (see page 9 for service locations)

Five patrol visits, (including foot patrols) seven nights a week. Also, 24-hour call response seven days a week. All patrol visits shall be on a rotating random basis. Patrols should not be at the same time on any given evening or day of the week. Each patrol visit should include a foot patrol around community buildings and offices.

**The coverage for the scattered sites:** (see page 9 for service locations)

Four patrol visits, (including foot patrols) seven nights a week. Also, 24-hour call response seven days a week. All patrol visits shall be on a rotating random basis. Patrols should not be at the same time on any given evening or day of the week. Each patrol visit should include a foot patrol of the entire site.

**The coverage for Andalusia Apartments is:** (see page 9 service locations)

Patrol services shall be performed seven (7) nights per week, three (3) times each night after sunset and before sunup (includes foot patrols). Patrols should not be at the same time on any given evening or day of the week. All patrol visits shall be on a rotating random basis Organizations shall have a 24-hour call response. Each patrol visit should include a foot patrol of the entire site.

Services for the complexes shall at a minimum include:

### **Communication System**

Contractor shall provide daily reports of all patrols and activities for each site within 24 hours of patrol noting condition of properties, any actions taken, etc. Also, in the event of illegal activities, a full report will be made available to property manager within 12 hours of event. Photos are also to be included in reports.

Contractor shall have and maintain a staffed central dispatch station on a 24-hour basis. Guards shall be able to communicate directly with the dispatch station at all times.

Contractor shall provide a toll free or local telephone contact number. Also, must maintain a data base for historical retrieval of information.

### **Order**

Contractor shall provide a plan to combat trespassing, loitering and substance abuse.

### **Parking Enforcement**

### **Inoperable Vehicles**

Contractor shall provide a system to document, photograph, notify vehicle owner/residents, and keep track of problem vehicles and provide and issue citations for inoperable vehicles. Also, will contract with HACSB approved towing service and with approval from HACSB remove previously identified inoperable vehicles or vehicles that are in an unsafe condition and/or parked in red fire lanes according to local codes.

### **Servicing of Notices**

Contractor shall provide, on an as-needed basis the service of notices. Service of notices shall be initiated within a minimum of 24 hours from receipt of request for service and submit copy of proof of service no later than 48 hours from date of service.

### **Maintenance Requests**

Contractor shall, during their patrol, notate in writing any possible maintenance problems within the community to the property manager the following business day during normal business hours. Items to be included in this are broken windows, burned out lights, burned out security lighting, broken gates, etc. Emergency items should be called in to the On-Call Maintenance Person as needed.

### **Vacant Apartment Inspections**

HACSB will provide a list of vacant apartment/units for inspection to the contractor. The contractor shall conduct a **nightly** inspection of the vacant units. Contractor shall look for

instances of vandalism, forced entry or other maintenance related issues and provide documentation to the property manager.

### **Service Locations**

Services are to be provided at the following locations:

#### **Service Sites:**

<p>Waterman Gardens (Arrowhead Grove site) 425 Crestview San Bernardino, CA 92410</p> <p>Service Site also includes: Head Start Facility/ 2 standing vacant units/partial vacant lot and Central Maintenance Shop/warehouse at 660 E Orange Street.</p>	<p>Maplewood Homes (299 units) 1738 West 9<sup>th</sup> St. San Bernardino, CA 92411</p> <p>Service Site also includes: Management Office, Community Centers and all other common area buildings within the Maplewood Community (Whitney Young Clinic and Garage)</p>
<p>Andalusia Apartments (168 units) 13520 Third Ave. Victorville, CA 92395 (includes the entire site)</p>	

#### **Scattered Sites:**

740-756 W. 7 <sup>th</sup> St. (6 units) San Bernardino, CA 92410	755-765 W. 8 <sup>th</sup> St. (6 units) San Bernardino, CA 92410
4181 N. E Street (24 units) San Bernardino, CA 92407	2165 W. Mill St. (10 units) San Bernardino, CA 92410
1470 E. Lynwood (15) San Bernardino, CA 92404	

If additional sites are added at a future date or additional services are needed, a separate cost proposal will be obtained for the additional site or service.

### Scope of Services – Fee Schedule:

<b>Location:</b>	<b>Year 21-22</b>	<b>Year 22-23</b>	<b>Option Year 1 23-24</b>	<b>Option Year 2 24-25</b>	<b>Option Year 3 25-26</b>
Waterman Gardens	\$2,750.00	\$2,860.00	\$2,974.40	\$3,093.38	\$3,217.12
Maplewood Homes	\$5,782.76	\$6,014.07	\$6,254.63	\$6,504.81	\$6,765.60
Andalusia Apartments	\$1,050.00	\$1,092.00	\$1,136.00	\$1,182.00	\$1,230.00
740-756 W. 7th St.	\$655.00	\$681.50	\$709.36	\$737.74	\$767.24
755-765 W. 8th St.	\$655.00	\$681.50	\$709.36	\$737.74	\$767.24
2165 Mill St.	\$655.00	\$681.50	\$709.36	\$737.74	\$767.24
4181 N. E St.	\$1,047.38	\$1,088.77	\$1,133.32	\$1,178.76	\$1,226.91
1470 E. Lynwood	\$785.00	\$816.40	\$849.06	\$883.03	\$918.35
<b>Total Monthly:</b>	<b>\$13,380.14</b>	<b>\$13,915.74</b>	<b>\$14,475.49</b>	<b>\$15,055.20</b>	<b>\$15,659.70</b>

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

**Document on Following Page**

# General Conditions for Non-Construction Contracts

## Section I – (With or without Maintenance Work)

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

Office of Public and Indian Housing

Office of Labor Relations

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

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

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

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

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

#### 1. Definitions

The following definitions are applicable to this contract:

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

#### 2. Changes

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

proposal submitted before final payment of the contract.

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

#### 3. Termination for Convenience and Default

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

#### 4. Examination and Retention of Contractor's Records

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

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

## 5. Rights in Data (Ownership and Proprietary Interest)

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

## 6. Energy Efficiency

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

## 7. Disputes

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

## 8. Contract Termination; Debarment

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

## 9. Assignment of Contract

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

## 10. Certificate and Release

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

## 11. Organizational Conflicts of Interest

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

## 12. Inspection and Acceptance

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

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

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

### 13. Interest of Members of Congress

No member of or delegate to the Congress of the United States of America or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit to arise there from, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

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

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

### 15. Limitation on Payments to Influence Certain Federal Transactions

(a) Definitions. As used in this clause:

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

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

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

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

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

"Influencing or attempting to influence" means making, with the intent to influence, any communication to or appearance before an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any covered Federal action.

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

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

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

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

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

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

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

(b) Prohibition.

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

(1) Agency and legislative liaison by Own Employees.

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

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

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

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

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

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

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

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

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

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

(2) Professional and technical services.

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

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

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

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

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

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

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

(iii) Selling activities by independent sales representatives.

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

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

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

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

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

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

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## 16. Equal Employment Opportunity

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

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

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

## 17. Dissemination or Disclosure of Information

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

## 18. Contractor's Status

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

## 19. Other Contractors

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

## 20. Liens

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

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

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

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

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

## **22. Procurement of Recovered Materials**

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

**Exhibit C**  
**Additional General Provisions**

**Document on Following Page**

## ADDITIONAL GENERAL PROVISIONS

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

specified herein, HACSB shall not be required to make any payment for the excess goods, and may return them to Contractor, at Contractor's expense, or utilize any other rights available to HACSB at law or in equity.

7. **SUBSTITUTIONS:** Substitution of goods may not be tendered, without advance written consent of HACSB. Contractor shall not use any specification in lieu of those contained in the Agreement, without written consent of HACSB.

8. **INSPECTION, ACCEPTANCE AND REJECTION:**

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

9. **SAMPLES:**

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

10. **WARRANTY:** Unless otherwise specified, the warranties contained in this Agreement begin after acceptance has occurred.

- a. Contractor warrants that goods and services furnished hereunder will conform to the requirements of this Agreement (including all descriptions, specifications and drawings made a part hereof), and such goods will be merchantable, fit for their intended purposes, free from all defects in materials and workmanship and to the extent not manufactured pursuant to detailed designs furnished by HACSB, free from defects in design. HACSB's approval of designs or specifications furnished by Contractor shall not relieve Contractor of its obligations under this warranty.
- b. All warranties, including special warranties specified elsewhere herein, shall inure to HACSB, its successors, assigns, customer agencies and users of the goods or services.

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

12. **ACCIDENT PREVENTION:** Precaution shall be exercised at all times for the protection of persons (including employees) and property. The safety provisions of applicable laws, building and construction codes shall be observed. Machinery, equipment, and other hazards shall be guarded or eliminated in accordance with the safety provisions issued by the Industrial Accident Commission of the State of California.
13. **INSURANCE:** Contractor shall not commence Work under this Agreement until all insurance required under this paragraph has been obtained and such insurance has been approved by HACSB, nor shall Contractor allow any subcontractor to commence work on a subcontract until all similar insurance required of the subcontractor has been so obtained and approved. Contractor shall furnish HACSB with satisfactory proof of the carriage of insurance required, and there shall be a specific contractual liability endorsement extending Contractor's coverage to include the contractual liability assumed by Contractor pursuant to this Agreement. Any policy of insurance required of Contractor under this Agreement shall also contain an endorsement providing that thirty (30) days' notice must be given in writing to HACSB of any pending change in the limits of liability or of any cancellation or modification of the policy. All insurance required hereunder shall be issued by a California admitted insurance carrier.

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

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

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

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

- b. Commercial General Liability Insurance. Contractor, at its own cost and expense, shall maintain personal injury liability and property damage insurance for the entire term of this Agreement in the amount of Three Million and No/100 Dollars (\$3,000,000.00) per occurrence for Bodily Injury, Personal Injury, and Property Damage which shall include coverage under the policy for the armed operations of all security guard personnel. If the use of firearms is covered under a special insurance policy, the Housing Authority of the County of San Bernardino will be named as an additional Insured on the policy – attached endorsement required. Such coverage shall include, but shall not be limited to, protection against claims arising from, and damage to property resulting from, activities contemplated under this Agreement. Such insurance shall be with insurers and under forms of policies satisfactory in all respects to HACSB and shall provide that notice must be given to HACSB at least thirty (30) days prior to cancellation or material change. The following endorsements shall be attached to the policy:

Policy shall cover on an "occurrence" basis. Policy must cover personal injuries as well as bodily injuries. Exclusion of contractual liability must be eliminated from personal injury endorsement.

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

- c. Automobile Liability. Contractor, at its own cost and expense, shall maintain automobile insurance for the period covered by the Contract in the amount of One Million and No/100 Dollars (\$1,000,000.00) per accident for Bodily Injury and Property Damage. Contractor shall be named as an additional insured with respect to such automobile liability insurance policy.
- d. Professional Errors and Omissions Liability insurance for armed security guards: limit not less than \$3,000,000 general aggregate.

- e. Worker's Compensation. A state approved Workers Compensation and Employers Liability Insurance policy providing benefits as required by law with employer's liability limits no less than One Million and No/100 Dollars (\$1,000,000) per accident or disease, which covers all employees of the contractor and each and every contractor.
14. **FORCE MAJEURE:** Contractor shall be excused for performing the Work hereunder in the event that Contractor is unable to perform the Work for one of the following reasons:
- a. Acts of God or of the public enemy, and
  - b. Acts of the federal, state or local government in either its sovereign or contractual capacity.
- Such delay shall be for the period of time that Contractor is delayed from performing the Work as a direct result of one of the foregoing reasons. Contractor shall provide HACSB notice within three (3) days of any such force majeure event.
15. **CONTRACTOR'S LIABILITY FOR INJURY TO PERSONS OR DAMAGE TO PROPERTY:**
- a. Contractor shall be liable for damages arising out of injury to the person and/or damage to the property of HACSB, employees of HACSB, persons designated by HACSB for training, or any other person(s) other than agents or employees of Contractor, designated by HACSB for any purpose, prior to, during, or subsequent to delivery, installation, acceptance, and use of the goods either at Contractor's site or at HACSB's place of business, provided that the injury or damage was caused by the fault or negligence of Contractor.
  - b. Contractor shall not be liable for damages arising out of or caused by an alteration or an attachment not made or installed by Contractor, or for damage to alterations or attachments that may result from the normal operation and maintenance of the goods provided by Contractor during the Agreement.
16. **INVOICES:** Unless otherwise specified, invoices shall be sent to the address set forth herein. Invoices shall be submitted in triplicate and shall include the contract number; release order number (if applicable); item number; unit price, extended item price and invoice total amount. The State of California and other sales tax and/or use tax shall be itemized separately and added to each invoice as applicable.
17. **REQUIRED PAYMENT DATE:** Payment will be made in accordance with the provisions of the Agreement for work completed through the date of invoice. HACSB will pay properly submitted, undisputed invoices not more than thirty (30) days after (i) the date of acceptance of goods or performance of services; or (ii) receipt of an undisputed invoice, whichever is later.
18. **TAXES:** HACSB will only pay for any state or local sales or use taxes on the services rendered or goods supplied to HACSB pursuant to this Agreement.
19. **NEWLY MANUFACTURED GOODS:** All goods furnished under this contract shall be newly manufactured goods; used or reconditioned goods are prohibited, unless otherwise specified.
20. **NEWS RELEASES:** Unless otherwise exempted, news releases pertaining to this Agreement shall not be made without prior written approval of HACSB.
21. **PATENT, COPYRIGHT and TRADE SECRET INDEMNITY:**
- a. Contractor shall hold HACSB, its officers, agents and employees, harmless from liability of any nature or kind, including costs and expenses, for infringement or use of any copyrighted or un-copyrighted composition, secret process, patented or unpatented invention, article or appliance furnished or used in connection with the Agreement.
  - b. Contractor may be required to furnish a bond to HACSB against any and all loss, damage, costs, expenses, claims and liability for patent, copyright and trade secret infringement.
  - c. Contractor, at its own expense, shall defend any action brought against HACSB to the extent that such action is based upon a claim that the goods or software supplied by Contractor or the operation of such goods pursuant to a current version of Contractor supplied operating software infringes a United States patent or copyright or violates a trade secret. Contractor shall pay those costs and damages finally awarded against HACSB in any such action. Such defense and payment shall be conditioned on the following:
    - i. That Contractor shall be notified within a reasonable time in writing by HACSB of any notice of such claim; and,

- ii. That Contractor shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise, provided, however, that when principles of government or public law are involved, HACSB shall have the option to participate in such action at its own expense.
- d. Should the goods or software, or the operation thereof, become, or in Contractor's opinion are likely to become, the subject of a claim of infringement of a United States patent or copyright or a trade secret, HACSB shall permit Contractor at its option and expense either to procure for HACSB the right to continue using the goods or software, or to replace or modify the same so that they become non-infringing. If none of these options can reasonably be taken, or if the use of such goods or software by HACSB shall be prevented by injunction, Contractor agrees to take back such goods or software and make every reasonable effort to assist HACSB in procuring substitute goods or software. If, in the sole opinion of HACSB, the return of such infringing goods or software makes the retention of other goods or software acquired from Contractor under this Agreement impractical, HACSB shall then have the option of terminating such Agreement, or applicable portions thereof, without penalty or termination charge. Contractor agrees to take back such goods or software and refund any sums HACSB has paid Contractor.
- e. Contractor shall have no liability to HACSB under any provision of this clause with respect to any claim of patent, copyright or trade secret infringement which is based upon:
  - i. The combination or utilization of goods furnished hereunder with equipment or devices not made or furnished by Contractor; or,
  - ii. The operation of equipment furnished by Contractor under the control of any operating software other than, or in addition to, the current version of Contractor-supplied operating software; or
  - iii. The modification by HACSB of the equipment furnished hereunder or of the software; or
  - iv. The combination or utilization of software furnished hereunder with non-Contractor supplied software.
- f. Contractor certifies that it has appropriate systems and controls in place to ensure that HACSB funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.
- g. The foregoing states the entire liability of Contractor to HACSB with respect to infringement of patents, copyrights or trade secrets.

## **22. STOP WORK:**

- a. HACSB may, at any time, by written Stop Work order ("Stop Work Order") to Contractor, require Contractor to stop all, or any part, of the Work called for by this Agreement for a period up to ninety (90) days after the Stop Work Order is delivered to Contractor, and for any further period to which the parties may agree. The Stop Work Order shall be specifically identified as such and shall indicate it is issued under this clause. Upon receipt of the Stop Work Order, Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the Stop Work Order during the period of work stoppage. Within a period of ninety (90) days after a Stop Work Order is delivered to Contractor, or within any extension of that period to which the parties shall have agreed, HACSB shall either:
  - i. Cancel the Stop Work Order; or
  - ii. Terminate the Work covered by the Stop Work Order as provided for in the termination for default or the Termination for Convenience and Default provision of this Agreement.
  - iii. If a Stop Work Order issued under this clause is canceled or the period of the Stop Work Order or any extension thereof expires, Contractor shall resume work. HACSB shall make an equitable adjustment in the delivery schedule, the price, or both, and the Agreement shall be modified, in writing, accordingly, if:
    - 1. The Stop Work Order results in an increase in the time required for, or in Contractor's cost properly allocable to the performance of any part of this Agreement; and
    - 2. Contractor asserts its right to an equitable adjustment within thirty (30) days after the end of the period of work stoppage; provided that if HACSB decides the facts

justify the action, HACSB may receive and act upon a proposal submitted at any time before final payment under this Agreement.

- b. If a Stop Work Order is not canceled and the Work covered by the Stop Work Order is terminated in accordance with the provision entitled Termination for Convenience and Default HACSB shall allow reasonable costs resulting from the Stop Work Order in arriving at the termination settlement.
- c. HACSB shall not be liable to Contractor for loss of profits because of a Stop Work Order issued under this clause.

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

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

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

**25. CALIFORNIA PREVAILING WAGE (IF AGREEMENT PRICE IS LESS THAN \$2,000):** In the event the Agreement Price is less than \$2,000, Contractor agrees to comply with all prevailing rate requirements of the California Labor Code. HACSB shall have the right to audit and inspect Contractor's books and records, and interview Contractor's employees, contractors and subcontractors, all according to the same provisions set forth in Section 26 above.

**26. EQUAL EMPLOYMENT OPPORTUNITY:** For all construction agreements in excess of \$10,000, Contractor certifies its compliance with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR Chapter 60).

**27. NONDISCRIMINATION CLAUSE:**

- a. During the performance of this Agreement, Contractor and its subcontractors shall not unlawfully discriminate, harass or allow harassment, against any employee or applicant for employment because of sex, sexual orientation, race, color, ancestry, religious creed, national origin, disability (including HIV and AIDS), medical condition (cancer), age, marital status, and denial of family care leave. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12990 et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
  - b. Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.
- 28. NATIONAL LABOR RELATIONS BOARD CERTIFICATION:** Contractor swears under penalty of perjury that no more than one final, unappealable finding of contempt of court by a federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of the National Labor Relations Board. This provision is required by, and shall be construed in accordance with, Public Contract Code Section 10296.
- 29. DRUG-FREE WORKPLACE CERTIFICATION:** Contractor certifies under penalty of perjury under the laws of the State of California that Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350 et seq.) and will provide a drug-free workplace by taking the following actions:
- a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355(a).
  - b. Establish a Drug-Free Awareness Program as required by Government Code Section 8355(b) to inform employees about all of the following:
    - i. the dangers of drug abuse in the workplace;
    - ii. the person's or organization's policy of maintaining a drug-free workplace;
    - iii. any available counseling, rehabilitation and employee assistance programs; and,
    - iv. penalties that may be imposed upon employees for drug abuse violations.
  - c. Provide, as required by Government Code Section 8355(c), that every employee who works on the proposed or resulting agreement:
    - i. will receive a copy of the company's drug-free policy statement; and,
    - ii. will agree to abide by the terms of the company's statement as a condition of employment on the agreement.
- 30. RECYCLING:** Contractor shall certify in writing under penalty of perjury, compliance with Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to HACSB regardless of whether the product meets the requirements of Section 12209.
- 31. COMPLIANCE WITH CONTRACT WORK HOURS AND SAFETY STANDARDS ACT:** For agreements in excess of \$2,000, and in excess of \$2500 for other agreements which involve the employment of mechanics or laborers, Contractor certifies that it complies with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR Part 5).
- 32. CHILD SUPPORT COMPLIANCE ACT:** For any contract in excess of \$100,000, Contractor acknowledges in accordance with Public Contract Code Section 7110, that:
- a. Contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable State of California and Federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings

assignment orders, as provided in Chapter 8 (commencing with Section 5200) of Part 5 of Division 9 of the Family Code; and

- b. Contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
33. **ELECTRONIC WASTE RECYCLING ACT OF 2003:** Contractor certifies that it complies with the requirements of the Electronic Waste Recycling Act of 2003, Chapter 8.5, Part 3 of Division 30, commencing with Section 42460 of the Public Resources Code, relating to hazardous and solid waste. Contractor shall maintain documentation and provide reasonable access to its records and documents that evidence compliance.
34. **ENVIRONMENTAL REGULATIONS:** For agreements in excess of \$100,000, Contractor certifies that it complies with the requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (3 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 C.F.R. part 15).
35. **USE TAX COLLECTION:** In accordance with PCC Section 10295.1, Contractor certifies that it complies with the requirements of Section 7101 of the Revenue and Taxation Code. Contractor further certifies that it will immediately advise HACSB of any change in its retailer's seller's permit or certification of registration or applicable affiliate's seller's permit or certificate of registration as described in subdivision (a) of PCC Section 10295.1.
36. **DOMESTIC PARTNERS:** For agreements over \$100,000 executed or amended after January 1, 2007, Contractor certifies that Contractor is in compliance with Public Contract Code Section 10295.3.

## **Exhibit D**

### **Work Authorization**

**Schedule Dates:**

Start Date: March 1, 2021

Completion Date: February 28, 2023

**Total Contract Cost: \$327,551.00 per Fee Schedule Located in Exhibit A**

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

General Conditions for Non-construction work (“Exhibit B”)

Additional General Provisions (“Exhibit C”)

Work Authorization (“Exhibit D”)

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

**February 9, 2021**

## **FROM**

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

## **SUBJECT**

Extension of Project-Based Voucher Program Housing Assistance Payments Contract with Housing Partners I, Inc. for 27 Scattered Site Units for the Continuum of Care Program

## **RECOMMENDATION(S)**

### **CONTINUED FROM TUESDAY, JANUARY 12, 2021, ITEM NO. 9**

1. Approve a contract extension of the Project-Based Voucher Program Housing Assistance Payments Contract with Housing Partners I, Inc. at 27 scattered site units for the Continuum of Care Program, for a five-year period from February 1, 2021 through January 31, 2026.
  2. Authorize and direct the Executive Director to execute and deliver the contract extension 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 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 Project-Based Voucher Program 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 Continuum of Care (CoC) program, which is administered by HACSB on behalf of the United States Department of Housing and Urban Development (HUD).

## **BACKGROUND INFORMATION**

HACSB administers seven CoC grants. The grants provide rental assistance to chronically homeless individuals and families with mental disabilities. Four of the grants provide tenant-based rental assistance to approximately 231 households. The other three grants provide rental assistance at 55 units under a Project-Based Voucher contract. All CoC participants receive services from the Department of Behavioral Health (DBH).

On February 9, 2011, (Item No. 7) HACSB's Housing Commission (Board) authorized entering into the 10-year contract with Housing Partners I, Inc. for 27 scattered site units. The units had been selected due to their proximity to Department of Behavioral Health (DBH) facilities for the purpose of housing the chronically homeless with mental health disabilities. At that time, the maximum allowable contract term was ten years due to planned rehabilitation of the units.

The maximum allowable contract term under CoC regulations is five years if no unit rehabilitation is planned. Therefore, the extension of the proposed contract is for additional five years effective retroactive to February 1, 2021 through January 31, 2026 and is subject to continued funding from

Extension of Project-Based Voucher Program Housing Assistance Payments Contract with Housing Partners I, Inc. for the Continuum of Care Program  
February 9, 2021

HUD. Although the Commission considered this item at its January 12, 2021 meeting, former Commissioner Tarango participated in making the motion to approve the vote. However, it was later discovered that Mr. Tarango's term ended on January 6, 2021. As such, this matter is being rescheduled for consideration by the Commission for today's February 9, 2021 meeting and a new approval action.

**PROCUREMENT**

Not applicable.

**REVIEW BY OTHERS**

This item has been reviewed by General Legal Counsel, Fred Galante, on February 2, 2021.

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

**CONTINUUM OF CARE PROJECT-BASED VOUCHER PROGRAM  
PBV 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:  
The initial term was February 1, 2011 through January 31, 2021. This HAP Contract ~~extension is for five (5) years through January 31, 2026.~~\_\_\_\_\_
- b. The initial term of the HAP contract may not be less than one year, nor more than five 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.~~

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**EXECUTION OF HAP CONTRACT FOR EXISTING HOUSING**

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

**CONTINUUM OF CARE PROJECT-BASED VOUCHER PROGRAM**

**PBV HOUSING ASSISTANCE PAYMENTS CONTRACT  
EXISTING HOUSING**

**PART 2 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. 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 rental assistance program assistance.

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

**HUD requirements.** HUD requirements which apply to the project-based rental assistance 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 rental assistance program (see authorization for project-based rental assistance at 24 CFR 578).

**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.
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 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 annually during the term of the HAP contract, the PHA must inspect all 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 annual 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.
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.

**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 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 rental 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 may 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. 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.

**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 Continuum of Care program or project-based rental assistance 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 27 fixed units covered by this HAP Contract at the locations detailed in the chart below.

<b>Address</b>	<b>City/State/Zip</b>	<b>Apt #</b>	<b>Bedroom Size</b>	<b>Bathroom Count</b>	<b>Contract Rent</b>
8148 Cypress Ave.	Fontana / CA / 92335	1	1	1	\$1350
8148 Cypress Ave.	Fontana / CA / 92335	2	1	1	\$1350
8148 Cypress Ave.	Fontana / CA / 92335	3	3	1	\$1500
8148 Cypress Ave.	Fontana / CA / 92335	4	2	1	\$1450
8148 Cypress Ave.	Fontana / CA / 92335	5	2	1	\$1450
16015 Juniper St.	Hesperia / CA / 92345	1	2	1	\$950
16015 Juniper St.	Hesperia / CA / 92345	2	2	1	\$950
16015 Juniper St.	Hesperia / CA / 92345	3	3	1.5	\$1200
16015 Juniper St.	Hesperia / CA / 92345	4	3	1.5	\$1200
16015 Juniper St.	Hesperia / CA / 92345	5	1	1	\$800
16015 Juniper St.	Hesperia / CA / 92345	6	1	1	\$800
4649 Oakdale St.	Montclair / CA / 91763	N/A	2	1	\$1250
4659 Oakdale St.	Montclair / CA / 91763	N/A	2	1	\$1250
4651 Oakdale St.	Montclair / CA / 91763	N/A	2	1	\$1250
4661 Oakdale St.	Montclair / CA / 91763	N/A	2	1	\$1250
9395 La Grande St.	Rancho Cucamonga / CA / 91701	A	1	1	\$1200
9395 La Grande St.	Rancho Cucamonga / CA / 91701	B	2	1	\$1500
9395 La Grande St.	Rancho Cucamonga / CA / 91701	C	2	1	\$1500
9405 La Grande St.	Rancho Cucamonga / CA / 91701	A	1	1	\$1200
9405 La Grande St.	Rancho Cucamonga / CA / 91701	B	2	1	\$1500
9405 La Grande St.	Rancho Cucamonga / CA / 91701	C	2	1	\$1500
7441 Cherokee Trail	Yucca Valley / CA / 92284	1	2	1	\$1,000
7441 Cherokee Trail	Yucca Valley / CA / 92284	2	2	1	\$1,000
7441 Cherokee Trail	Yucca Valley / CA / 92284	3	2	1	\$1,000
7441 Cherokee Trail	Yucca Valley / CA / 92284	4	2	1	\$1,000
7441 Cherokee Trail	Yucca Valley / CA / 92284	5	2	1	\$1,000
7441 Cherokee Trail	Yucca Valley / CA / 92284	6	2	1	\$1,000

**EXHIBIT B**

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

**8148 Cypress Ave.**

- Stove
- Balcony/patio
- Onsite Laundry
- Carports – 1 assigned per tenant

**16015 Juniper St.**

- Garbage Disposal
- Stove
- Onsite Laundry
- Fenced Backyard

**4649, 4651, 4659, and 4661 Oakdale St.**

- Garbage Disposal
- Washer and Dryer Hookups
- Stove
- Covered Parking

**9395 & 9405 La Grande St.**

- Garbage Disposal
- Stove
- Central air and heat
- Onsite Laundry

**7441 Cherokee Trail**

- Stove
- Onsite Laundry
- Swamp Cooler
- Front Fenced Patio

**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**

**8148 Cypress Ave.**

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

- Water
- Sewer
- Trash
- Stove

Utilities to be Paid by the Tenants:

- Gas
- Electricity
- Refrigerator

**16015 Juniper St.**

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

- Water
- Sewer
- Trash
- Stove

Utilities to be Paid by the Tenants:

- Gas
- Electricity
- Refrigerator

**4649, 4651, 4659, and 4661 Oakdale St.**

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

- Water
- Sewer
- Trash
- Stove

Utilities to be Paid by the Tenants:

- Gas
- Electricity
- Refrigerator

**EXHIBIT C**  
**(Continued)**

**9395 & 9405 La Grande St.**

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

- Water
- Sewer
- Trash
- Stove

Utilities to be Paid by the Tenants:

- Gas
- Electricity
- Refrigerator

**7441 Cherokee Trail**

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

- Water
- Sewer
- Trash
- Stove

Utilities to be Paid by the Tenants:

- Gas
- Electricity
- Refrigerator

## **EXHIBIT D**

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

#### **8148 Cypress Ave.**

- Van accessible parking spaces
- Grab bars in bathroom in unit #2

#### **16015 Juniper St.**

- Accessible path or travel
- Handicap parking spaces
- Van accessible parking spaces
- Accessible mailboxes
- Accessible trash enclosure
- 2 Adaptable ground level units

#### **4649, 4651, 4659, and 4661 Oakdale St.**

- Accessible path or travel
- Accessible washer and dryers in unit
- Accessible mailboxes
- Accessible trash enclosure
- Adaptable ground level units

#### **9395 & 9405 La Grande St.**

- Path to front door is accessible

#### **7441 Cherokee Trail**

- Accessible path or travel
- Handicap parking spaces
- Van accessible parking spaces
- Accessible mailboxes
- Accessible trash enclosure
- 4 Adaptable ground level units

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

**February 9, 2021**

**FROM**

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

**SUBJECT**

Regular Meeting Minutes for Meeting Held on December 8, 2020

**RECOMMENDATION(S)**

**CONTINUED FROM TUESDAY, JANUARY 12, 2021, ITEM NO. 13**

Approve the meeting minutes for the Board of Commissioners of the Housing Authority of the County of San Bernardino Regular Meeting held on December 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 December 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 General Legal Counsel, Fred Galante, on February xx, 2021.

**MINUTES OF A REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF  
THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO  
December 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 818 8471 1680, Password 051513) at 3:03 p.m. on December 8, 2020.

The meeting was called to order, and upon roll call, the following were present:

Commissioner Johnson  
Commissioner MacDuff  
Commissioner Cooper  
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; Nicole Beydler, Sr. Management Analyst; Renee Kangas, Management Analyst; Clifford Goss, Procurement Officer; Jesse Diaz, Finance Manager; Ron Ruhl, Real Estate Development Manager; Kristin Maithonis, Assistant Director of Housing Services; Perlie Liu, Asset Management Analyst; John Borgardt, Maintenance Manager; 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 December 8, 2020 agenda. The Secretary of the Board requested 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 November 10, 2020, to be pulled from the agenda as the item will be presented to the board at the January 12, 2021 Board of Commissioners meeting.

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

Commissioner Tarango joined the Board of Commissioners meeting at 3:05 p.m.

The Executive Director's Report was requested.

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

Commissioner MacDuff asked about the California HomeKey awards that are funded for \$12 million. Commissioner MacDuff also asked if this funding was for the County of San Bernardino or the Housing Authority. Executive Director explained HACSB received \$1.1 million dollars in a joint application with the Mountain Homeless Coalition, which is included as discussion Item No. 8 on today's agenda. The Executive Director also explained the County of San Bernardino received two grants, and the City of Victorville received one grant and provided some general information on those proposed projects.

Commissioner Cooper asked about the overall budget as it relates to how the COVID-19 pandemic has impacted the agency overall. Executive Director explained that the Housing Choice Voucher program comprises of 80% of the agency's revenue and the remainder from the Authority Owned Portfolio. For the HCV program, the fiscal year 19/20 the budget revision approved in August 2020, included a \$1.8 million shortfall, which included \$1.8 million of the \$2.4 million CARES Act funding to help balance the budget. Finance Manager is currently working on closing the books, for FYE September 30, 2020 and working on the unaudited financials for a preliminary update of where we stand for the end of the fiscal year. Future Executive Director reports can include a breakout of the amounts that applied to the FY 19/20 and what is applied to FY 20/21. Due to lack of a federal budget for FY 20/21, the impact cannot yet be fully projected. It is anticipated that we will receive the budget in early Spring of 2021. Executive Director reminded the board, once Congress approves the federal budget, HUD will provide information to the Housing Authority to determine if it has enough funding or additional funding is needed. The Executive Director also shared prior strategies that could be used if allocated funding is not sufficient.

The Board Building Presentation for December 8, 2020 regarding an overview of the Housing Authority of the County of San Bernardino's new website, was requested.

The Board Building Presentation regarding the Housing Authority of the County of San Bernardino's new website was presented by Director of Policy & Public Relations, Ana Gamiz.

Approval for discussion calendar item number 6, to discuss the Local Payment Standards for the Moving to Work Housing Choice Voucher program and provide direction to staff on next steps, was requested.

Nicole Beydler, Sr. Management Analyst provided the presentation to explain and discuss the Local Payment Standards for the Moving to Work Housing Choice Voucher program.

Commissioner MacDuff inquired about the process for reducing the number of families served. Executive Director responded that it is completed by attrition. An estimated 300 families a year leave the program. If HUD's shortfall comes through and with increases on the contract rents, attrition would not be enough. Therefore, we may need to dip into reserves. Commissioner MacDuff explained that the contract rents in our area outweigh the HUD inflation factor and understands the difficult situation this is presenting. She also inquired if the Board needed to decide on the matter today, of which the Executive Director responded that staff would need feedback and direction from the Board on next steps.

Commissioner Cooper agreed with the scenario of the right-sized unit requirement, but also does not want to create a situation where all over-housed residents move at once, or possibly apply to new residents and handling it through attrition, but may not be an immediate action. The Executive Director explained that it could apply to new lease ups and for movers. Commissioner MacDuff asked how quickly it would take to implement a strategy if decided today. The Executive Director provided insight that it would depend on the scenario chosen and, if it required a policy change, it would come back to the board, MTW authority, and/or if we receive the federal budget. Commissioner Johnson recommended to implement the right-sized unit requirement, disallow larger unit size at lease-up, increase tenant rent portion to 36%, and cap

HAP for over-housed families to the average for right sized families. Commissioner Miller inquired if these scenarios would include senior and disabled residents, of which the Executive Director mentioned, typically changes would happen across the board, but will include additional analysis on the impact.

Executive Director requested for the board to select a scenario to recommend. The agency will also provide more budget information and financial analysis of the scenarios at the January 12, 2020 Board of Commissioners meeting to help provide a clearer view and help the board make a recommendation on which scenario would be recommended to implement.

Legal Counsel recommended to make a motion due to the item's recommendation to provide direction to staff regarding the Local Payment Standards.

Commissioner Johnson made the motion for staff to move forward with additional analysis of scenario two (2) regarding the Local Payment Standards for the Moving to Work Housing Choice Voucher program, including analysis on HUD's inflation factor, increasing the tenant rent portion to 33% and restricting the over-housing component of the program, which motion was duly seconded by Commissioner MacDuff, and upon roll call, the Ayes and Nays were as follows:

Ayes

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

Nays

Approval of discussion calendar item number 7, to adopt Resolution No. 101 declaring the COVID-19 pandemic a local disaster under the Housing Authority of the County of San Bernardino Local Disaster Short-Term Rental Assistance Program Moving to Work Activity, was requested.

Executive Director explained the item.

Commissioner MacDuff moved to approve the discussion calendar item number 7, to adopt Resolution No. 101 declaring the COVID-19 pandemic a local disaster under the Housing Authority of the County of San Bernardino Local Disaster Short-Term Rental Assistance Program Moving to Work Activity, which motion was duly seconded by Commissioner Miller, and upon roll call, the Ayes and Nays were as follows:

Ayes

Commissioner Johnson  
Commissioner MacDuff  
Commissioner Cooper  
Commissioner Tarango

Nays

Commissioner Miller  
Commissioner Muñoz

Approval of discussion calendar item number 8, to 1) Adopt Resolution No. 102: a. Authorizing an amendment of the funding request in the joint application with the Mountain Homeless Coalition to the California Department of Housing and Community Development for Homekey grant funds to an amount not to exceed \$1,101,678 for capital expenditures and capitalized operating subsidy, b. Authorize and direct the Executive Director, upon consultation with Legal Counsel, to execute and deliver all documents and agreements necessary to implement the Homekey project including the Standard Agreement with the State of California, and other ancillary documents necessary to carry out and close the acquisition of the multifamily rental property at 402 Georgia Street in Big Bear Lake, California in collaboration with the Mountain Homeless Coalition, and to approve any non-substantive revisions necessary to complete the transaction, was requested.

Executive Director explained the item.

Commissioner MacDuff commented by stating she is pleased to hear about the minimal cost for two additional units to the project and appreciates the innovation of the Housing Authority of the County of San Bernardino.

Commissioner Miller moved to approve discussion calendar item number 8, to 1) Adopt Resolution No. 102: a. Authorizing an amendment of the funding request in the joint application with the Mountain Homeless Coalition to the California Department of Housing and Community Development for Homekey grant funds to an amount not to exceed \$1,101,678 for capital expenditures and capitalized operating subsidy, b. Authorize and direct the Executive Director, upon consultation with Legal Counsel, to execute and deliver all documents and agreements necessary to implement the Homekey project including the Standard Agreement with the State of California, and other ancillary documents necessary to carry out and close the acquisition of the multifamily rental property at 402 Georgia Street in Big Bear Lake, California in collaboration with the Mountain Homeless Coalition, and to approve any non-substantive revisions necessary to complete the transaction, which motion was duly seconded by Commissioner MacDuff, and upon roll call, the Ayes and Nays were as follows:

Ayes

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

Nays

Approval of discussion calendar item number 9, to 1) Adopt Resolution No. 103 extending authorization of the Executive Director and designees to waive internal policies and modify operations as necessary in response to the COVID-19 global pandemic, as proclaimed in a State of Emergency by the Governor of the State of California until December 31, 2021, 2) Direct the Executive Director to create and deliver to the Board of Commissioners a summary report of all

instances where this waiver is utilized, including specifying policies waived, the reason for the waiver and the estimated financial impact. The report shall be included in each Board of Commissioners regular meeting agenda for the duration of the State of California emergency declaration, was requested.

Executive Director explained the item.

Commissioner Tarango moved to approve discussion calendar item number 9, to 1) Adopt Resolution No. 103 extending authorization of the Executive Director and designees to waive internal policies and modify operations as necessary in response to the COVID-19 global pandemic, as proclaimed in a State of Emergency by the Governor of the State of California until December 31, 2021, 2) Direct the Executive Director to create and deliver to the Board of Commissioners a summary report of all instances where this waiver is utilized, including specifying policies waived, the reason for the waiver and the estimated financial impact. the report shall be included in each Board of Commissioners regular meeting agenda for the duration of the State of California emergency declaration, which motion was duly seconded by Commissioner Miller, and upon roll call, the Ayes and Nays were as follows:

Ayes

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

Nays

Approval of discussion calendar item number 10, to 1) Approve a data use agreement, retroactive to June 1, 2020, between the Housing Authority of the County of San Bernardino, Inland Empire Health Plan, San Bernardino County Department of Behavioral Health, Valley Star Behavioral Health, Inc., Step Up on Second Street, Inc., Brilliant Corners, Jewish Family Service of San Diego, and Lighthouse Social Service Centers for the permanent supportive housing development, Desert Haven Apartments, for a five-year term through May 31, 2025, 2) Authorize and direct the Executive Director to execute and deliver the agreement to Inland Empire Health Plan, San Bernardino County Department of Behavioral Health, Valley Star Behavioral Health, Inc., Step Up on Second Street, Inc., Brilliant Corners, Jewish Family Service of San Diego, and Lighthouse Social Service Centers 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 10, to 1) Approve a data use agreement, retroactive to June 1, 2020, between the Housing Authority of the County of San Bernardino, Inland Empire Health Plan, San Bernardino County Department of Behavioral Health, Valley Star Behavioral Health, Inc., Step Up on Second Street, Inc., Brilliant Corners, Jewish Family Service of San Diego, and Lighthouse Social Service Centers for the permanent supportive housing development, Desert Haven Apartments, for a five-year term through May 31, 2025, 2) Authorize and direct the Executive Director to execute and deliver the agreement to

Inland Empire Health Plan, San Bernardino County Department of Behavioral Health, Valley Star Behavioral Health, Inc., Step Up on Second Street, Inc., Brilliant Corners, Jewish Family Service of San Diego, and Lighthouse Social Service Centers and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction, which motion was duly seconded by Commissioner Tarango, and upon roll call, the Ayes and Nays were as follows:

Ayes

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

Nays

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

Ayes

Commissioner Johnson  
Commissioner MacDuff

Nays

Commissioner Cooper  
Commissioner Tarango  
Commissioner Miller  
Commissioner Muñoz

Approval of discussion calendar item number 12, to 1) Approve the First Amendment to the lease agreement, effective February 1, 2021, with the County of San Bernardino for the premises located at 1151 N. Crestview Avenue, Buildings A and B, in the City of San Bernardino for the County of San Bernardino Preschool Services Department, 2) Authorize and direct the Executive Director to execute and deliver the First Amendment to the lease agreement to the County of San Bernardino Preschool Services Department, 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 Tarango moved to approved discussion calendar item number 12, to 1) Approve the First Amendment to the lease agreement, effective February 1, 2021, with the County of San Bernardino for the premises located at 1151 N. Crestview Avenue, Buildings A and B, in the City of San Bernardino for the County of San Bernardino Preschool Services Department, 2) Authorize and direct the Executive Director to execute and deliver the First Amendment to the lease agreement to the County of San Bernardino Preschool Services Department, and upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction, which motion was duly seconded by Commissioner MacDuff, and upon roll call, the Ayes and Nays were as follows:

Ayes

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

Nays

Approval of discussion calendar item number 13, to 1) Approve Contract No. PC1180, effective December 9, 2020, with Aleshire & Wynder LLP for General Legal Counsel Services for an amount not to exceed \$130,000 for a two-year base period through December 8, 2022, with three single-year options to extend the contract until no later than December 8, 2025, 2) Authorize and direct the Executive Director to execute and deliver the contract to Aleshire & Wynder LLP 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 MacDuff moved to approve discussion calendar item number 13, to 1) Approve Contract No. PC1180, effective December 9, 2020, with Aleshire & Wynder LLP for General

Legal Counsel Services for an amount not to exceed \$130,000 for a two-year base period through December 8, 2022, with three single-year options to extend the contract until no later than December 8, 2025, 2) Authorize and direct the Executive Director to execute and deliver the contract to Aleshire & Wynder LLP and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction, which motion was duly seconded by Commissioner Tarango, and upon roll call, the Ayes and Nays were as follows:

Ayes

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

Nays

Approval of discussion calendar item number 14, to 1) Terminate the construction contract with Nobel E&C, Inc., effective immediately, for concrete and masonry work at the Barstow Affordable Housing Community that was awarded on March 10, 2020, 2) Award a construction contract, effective December 9, 2020, to J. Cardenas Inc. for concrete and masonry work at the Barstow Affordable Housing Community located in the City of Barstow in an amount not to exceed \$298,910, 3) Authorize and direct the Executive Director to execute and deliver the contract to J. Cardenas Inc. and, upon consultation with Legal Counsel, to approve any non-financial revisions necessary to complete the transaction, was requested.

Executive Director explained the item.

Commissioner Tarango moved to approve discussion calendar item number 14, to 1) Terminate the construction contract with Nobel E&C, Inc., effective immediately, for concrete and masonry work at the Barstow Affordable Housing Community that was awarded on March 10, 2020, 2) Award a construction contract, effective December 9, 2020, to J. Cardenas Inc. for concrete and masonry work at the Barstow Affordable Housing Community located in the City of Barstow in an amount not to exceed \$298,910, 3) Authorize and direct the Executive Director to execute and deliver the contract to J. Cardenas Inc. and, upon consultation with Legal Counsel, to approve any non-financial revisions necessary to complete the transaction, which motion was duly seconded by Commissioner MacDuff, and upon roll call, the Ayes and Nays were as follows:

Ayes

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

Nays

Approval of discussion calendar item number 15, to 1) Award a construction contract, effective December 9, 2020, to Commercial Waterproofing Systems, Inc. dba ERC Roofing & Waterproofing for roofing and insulation work at the Williams Senior Affordable Housing

complex located in the City of Barstow in an amount not to exceed \$305,927.69, 2) Authorize and direct the Executive Director to execute and deliver the contract with Commercial Waterproofing Systems, Inc. dba ERC Roofing & Waterproofing and, upon consultation with Legal Counsel, to approve any non-financial revisions necessary to complete the transaction, was requested.

Executive Director explained the item.

Commissioner Tarango moved to approve discussion calendar item number 15, 1) Award a construction contract, effective December 9, 2020, to Commercial Waterproofing Systems, Inc. dba ERC Roofing & Waterproofing for roofing and insulation work at the Williams Senior Affordable Housing complex located in the City of Barstow in an amount not to exceed \$305,927.69, 2) Authorize and direct the Executive Director to execute and deliver the contract with Commercial Waterproofing Systems, Inc. dba ERC Roofing & Waterproofing and, upon consultation with Legal Counsel, to approve any non-financial revisions necessary to complete the transaction, which motion was duly seconded by Commissioner MacDuff, and upon roll call, the Ayes and Nays were as follows:

Ayes

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

Nays

Approval of discussion calendar item number 16, to approve an increase in appropriations for agency-wide office supplies with Staples Advantage by \$187,726 for a total not to exceed \$622,726 through September 30, 2021, was requested.

Executive Director explained the item.

Commissioner Muñoz moved to approve discussion calendar item number 16, to an increase in appropriations for agency-wide office supplies with Staples Advantage by \$187,726 for a total not to exceed \$622,726 through September 30, 2021, which motion was duly seconded by Commissioner Tarango, and upon roll call, the Ayes and Nays were as follows:

Ayes

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

Nays

Approval of consent calendar items number 19 - 20, to 1) Approve vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month ending in September 2020, 2) Approve and file Agency-wide Financial Statements through August 2020, was requested.

Commissioner Muñoz moved to approve consent calendar item number 19 - 20, to 1) Approve vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month ending in September 2020, 2) Approve and file Agency-wide Financial Statements through August 2020, which motion was duly seconded by Commissioner Tarango, and upon roll call, the Ayes and Nays were as follows:

Ayes

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

Nays

Chairman provided an opportunity for individual Board member comments. Board members proceeded to congratulate Ana Gamiz, on her new employment outside of the Housing Authority of the County of San Bernardino, and also to show gratitude to Julie Surber for her services as legal counsel.

There being no other business, Commissioner Miller moved for the regular meeting of Tuesday, December 8, 2020 to be adjourned, which motion was duly seconded by Commissioner Muñoz, and upon roll call, the Ayes and Nays were as follows:

Ayes

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

Nays

The meeting adjourned at 4:53 p.m.

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

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\_\_\_\_\_  
Cassie MacDuff

\_\_\_\_\_  
Sylvia Miller

\_\_\_\_\_  
Jessie Muñoz

\_\_\_\_\_  
Absent  
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**

**February 9, 2021**

**FROM**

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

**SUBJECT**

Regular Meeting Minutes for Meeting Held on November 10, 2020

**RECOMMENDATION(S)**

**CONTINUED FROM TUESDAY, December 8, 2020, ITEM NO. 18**

Approve the meeting minutes for the Board of Commissioners of the Housing Authority of the County of San Bernardino Regular Meeting held on November 10, 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 November 10, 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 General Legal Counsel, Fred Galante, on January 6, 2021.

**MINUTES OF A REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF  
THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO  
November 10, 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 871 8983 1045, Password 171529) at 3:02 p.m. on November 10, 2020.

The meeting was called to order, and upon roll call, the following were present:

Commissioner Johnson  
Commissioner MacDuff  
Commissioner Pinedo  
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, Family Empowerment Services Manager; Nicole Beydler, Sr. Management Analyst; Renee Kangas, Management Analyst; Angie Lardapide, Procurement and Contracts Supervisor; Jesse Diaz, Finance Manager; Ron Ruhl, Real Estate Development Manager; Kristin Maithonis, Assistant Director of Housing Services; Perlle Liu, Asset Management Analyst, and Claudia Hurtado, Executive Assistant.

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

The Chairman called for additions or deletions to the November 10, 2020 agenda. There were none.

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.

Commissioner Tarango joined the Board of Commissioners meeting, at 3:04 p.m.

The Executive Director's Report was requested.

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

Commissioner MacDuff, regarding the Potomac Partners report, expressed appreciation of the information provided in the report regarding the U.S. Interagency Council on Homelessness and HUD's new report on expanding the toolbox for addressing homelessness.

The Board Building Presentation for November 10, 2020 regarding an overview of the Housing Authority of the County of San Bernardino's pilot homeless programs, was requested.

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

Approval for discussion calendar item number 6, to Adopt Resolution No. 100 approving revisions to the Administrative Plan governing the Housing Authority of the County of San Bernardino's rental assistance programs, was requested.

Executive Director explained the item.

Commissioner Miller moved to approve discussion calendar item number 6, to Adopt Resolution No. 100 approving revisions to the Administrative Plan governing the Housing Authority of the County of San Bernardino's rental assistance programs, which motion was duly seconded by Commissioner MacDuff, and upon roll call, the Ayes and Nays were as follows:

Ayes

Commissioner Johnson  
Commissioner MacDuff  
Commissioner Pinedo  
Commissioner Tarango  
Commissioner Miller

Nays

Commissioner Muñoz was not available for the roll call vote.

Commissioner MacDuff asked what the phrase "Sponsor based project based program" meant, as shown on page 23, item 6.5.1 of the Administrative Plan revision. Executive Director explained it is a HUD term, where there is required supportive services component.

Commissioner MacDuff asked, what the policy meant by a Remote Video Inspection (RVI) live audio by a proxy inspector inspection, as it is stated on page 39. Director of Operations, Rishad Mitha, answered by stating the proxy inspector, is either the actual resident, a property management company or the landlord, that will have the video device and perform the inspection.

Commissioner MacDuff inquired about the protocol regarding determinations on a case by case basis as referenced in the Housing Services Administrative Plan. Legal Counsel partially deferred to HACSB to answer; however, explained case by case decisions are to be made by the same set of facts. The Executive Director, Maria Razo, and Director of Operations, Rishad Mitha, concurred and added that these are reviewed by a committee.

Approval for the discussion calendar item number 7, to 1) Approve Amendment No. 2 to Contract No. PC973 with Kimball, Tirey & St. John LLP, for Eviction and Non-Eviction services increasing the current contract amount by \$66,000 for a total contract amount not to exceed \$266,000 through December 31, 2021, 2) Authorize and direct the Executive Director to execute and deliver the contract amendment to Kimball, Tirey & St. John LLP, 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 MacDuff moved to approve the discussion calendar item number 7, to 1) Approve Amendment No. 2 to Contract No. PC973 with Kimball, Tirey & St. John LLP, for Eviction and Non-Eviction services increasing the current contract amount by \$66,000 for a total contract amount not to exceed \$266,000 through December 31, 2021, 2) Authorize and direct the Executive Director to execute and deliver the contract amendment to Kimball, Tirey & St. John LLP, and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction, which motion was duly seconded by Commissioner Tarango, and upon roll call, the Ayes and Nays were as follows:

Ayes

Commissioner Johnson  
Commissioner MacDuff  
Commissioner Pinedo  
Commissioner Tarango  
Commissioner Miller

Nays

Commissioner Muñoz was not available for the roll call vote.

Commissioner MacDuff asked if the contract amount is the maximum the vendor could receive? Executive Director, Maria Razo, explained the amount paid to the vendor is based on services requested not exceeding the maximum amount.

Approval for the discussion calendar item number 8, to 1) Approve Amendment No. 2 to Contract No. PC1041, Effective December 1, 2020, with Reliant Asset Management Solutions for Housing Quality Standards inspection services, increasing the current contract amount by \$404,000, for a total contract amount not to exceed \$1,212,000 and extending the contract by one year through November 30, 2021, 2) Authorize and direct the Executive Director to execute and deliver the contract amendment to Reliant Asset Management Solutions 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 MacDuff moved to approve the discussion calendar item number 8, to 1) Approve Amendment No. 2 to Contract No. PC1041, Effective December 1, 2020, with Reliant Asset Management Solutions for Housing Quality Standards inspection services, increasing the current contract amount by \$404,000, for a total contract amount not to exceed \$1,212,000 and extending the contract by one year through November 30, 2021, 2) Authorize and direct the Executive Director to execute and deliver the contract amendment to Reliant Asset Management Solutions and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction, which motion was duly seconded by Commissioner Tarango, and upon roll call, the Ayes and Nays were as follows:

Ayes

Commissioner Johnson  
Commissioner MacDuff

Nays

Commissioner Pinedo  
Commissioner Tarango  
Commissioner Miller

Commissioner Muñoz was not available for the roll call vote.

Commissioner MacDuff asked how a rent reasonableness survey can be completed remotely. Director of Operations, Rishad Mitha answered by explaining that there are several avenues such as Gosection8.com which is a website that does rent comparables, specifically Section 8 units. The purpose of Reliant providing services is to make sure HACSB does not conduct its own inspection as it does own several properties which then would create a conflict of interest.

Approval of consent calendar item numbers 10 - 14, 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 September 8, 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 October 13, 2020, 3) Approve vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month ending in August 2020, 4) Approve the vacated tenant account for the Affordable Housing Program to be written off as collection loss for the month ending in August 2020 5) Approve and file Agency-wide Financial Statements through July 2020, was requested.

Commissioner MacDuff moved to approve consent calendar item numbers 10 - 14, 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 September 8, 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 October 13, 2020, 3) Approve vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month ending in August 2020, 4) Approve the vacated tenant account for the Affordable Housing Program to be written off as collection loss for the month ending in August 2020 5) Approve and file Agency-wide Financial Statements through July 2020, which motion was duly seconded by Commissioner Tarango, and upon roll call, the Ayes and Nays were as follows:

Ayes

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

Nays

Commissioner MacDuff asked if we could amend the meeting minutes of October 13, 2020, top of page 5 of the minutes, page 77 of the agenda. Making the correction that she asked how the City of San Bernardino plans to publicize the availability of funds. Commissioner MacDuff also provided a correction of the word “continued” versus “continue” regarding HACSB’s partnership with the County of San Bernardino.

Minutes of a Regular Meeting of the Board of Governors of the Housing Authority of the County of San Bernardino for November 10, 2020

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Chairman provided an opportunity for individual Board member comments. There were no comments.

There being no other business, Commissioner MacDuff moved for the regular meeting of Tuesday, November 10, 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 MacDuff  
Commissioner Pinedo  
Commissioner Tarango  
Commissioner Miller  
Commissioner Muñoz

Nays

The meeting adjourned at 4:09 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**

**February 9, 2021**

**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 October 2020

**RECOMMENDATION(S)**

**CONTINUED FROM TUESDAY, JANUARY 12, 2021, ITEM NO. 14**

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

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

**GOALS & OBJECTIVES**

**HACSB communication is open, honest and consistent.**

**HACSB has secured the resources needed for accomplishing its mission.**

**FINANCIAL IMPACT**

The accounts receivable losses for the month ending October 31, 2020 is \$18,478.84. 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., and also include public housing developments converted through the United States Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration (RAD) program. 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. Please note that due to the rental eviction moratorium, all of the losses during this time period are for voluntary move outs and skips, with the exception of one eviction which was served on January 30, 2020. The total write off for the month of October 2020 is \$18,478.84 as delineated in the table below. Attached is a worksheet that itemizes the individual accounts.

<b>SUMMARY BY PROPERTY MANAGEMENT</b>		
<b>PROPERTY</b>	<b>NO. VACATED</b>	<b>TOTAL</b>
206 – Colton	1	\$2,373.36
207 – Barstow	2	\$1,928.78

Vacated Tenant Accounts for the Authority Owned Portfolio to be Written Off as Collection Loss  
for the Month Ending October 2020  
February 9, 2021

<b>SUMMARY BY PROPERTY MANAGEMENT</b>		
<b>PROPERTY</b>	<b>NO. VACATED</b>	<b>TOTAL</b>
401 – Wall Avenue	0	\$1,540.00
402 – Summit Place	0	-
403 – Summit Walk	0	-
407 – Sunset Pointe	2	\$3,114.54
408 – Sunrise Vista	5	\$1,670.38
Concessions Write Off		-
<b>TOTAL RENT WRITE OFF</b>	10	\$10,627.06
Miscellaneous Charges		\$1,025.00
Maintenance Charges		\$9,411.78
Legal Charges		\$2,450.00
Security Deposits Applied		(\$5,035.00)
<b>NET TOTAL WRITE OFF</b>		\$18,478.84

**PROCUREMENT**

Not applicable.

**REVIEW BY OTHERS**

This item has been reviewed by General Legal Counsel, Fred Galante, on December 28, 2020.

# Housing Authority County of San Bernardino

COLLECTION WRITE-OFFS - Authority Owned Portfolio

Month End: 10/31/20

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
--------	-----------	------------	--------	--------	--------------	-----------------	----------------	-----------------	-------------	------------	------------	--------------	---------

<b>206- Colton</b>													
1	H.	G.		E	325.00	2,373.36			2,735.74	650.00	5,759.10	1,000.00	4,759.10
2													
3													
4													
<b>TOTALS:</b>						<b>2,373.36</b>	<b>-</b>	<b>-</b>	<b>2,735.74</b>	<b>650.00</b>	<b>5,759.10</b>	<b>1,000.00</b>	<b>4,759.10</b>

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	01/30/20	Posted and Mailed	08/27/20	10/09/20	NA		NA	NA	10/13/20
2										
3										
4										

<b>207 - Barstow</b>													
1	M.	C.		S	\$ 280.00	\$616.00		50.00	390.00	-	\$1,056.00	635.00	\$421.00
2	T.	C.		V	\$375.00	\$1,312.78		150.00	1,229.00	-	\$2,691.78	1,000.00	1,691.78
3													
4										-	-		-
<b>TOTALS:</b>						<b>1,928.78</b>	<b>-</b>	<b>200.00</b>	<b>1,619.00</b>	<b>-</b>	<b>3,747.78</b>	<b>1,635.00</b>	<b>2,112.78</b>

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	Notice of Abandonment	09/15/20	Posted and Mailed	N/A	N/A	N/A		N/A	N/A	10/06/20
2	30 Day Notice to Pay or Quit	08/13/20	Posted and Mailed	N/A	N/A	N/A		N/A	N/A	10/15/20
3										
4										

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

# Housing Authority County of San Bernardino

COLLECTION WRITE-OFFS - Authority Owned Portfolio

Month End: 10/31/20

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
--------	-----------	------------	--------	--------	--------------	-----------------	----------------	-----------------	-------------	------------	------------	--------------	---------

<b>401 - Wall Avenue</b>													
1	A.	D.		S		1,540.00					1,540.00		1,540.00
							-				-		-
<b>TOTALS:</b>						<b>1,540.00</b>	-	-	-	-	<b>1,540.00</b>	-	<b>1,540.00</b>

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	HAP/Rent split correction received in 10/20 for previous month write off									

<b>402 - Summit Place</b>													
1	S.	A.							(841.19)		(841.19)		(841.19)
2	S.	M.					-		66.20		66.20		66.20
<b>TOTALS:</b>						-	-	-	<b>(774.99)</b>	-	<b>(774.99)</b>	-	<b>(774.99)</b>

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	Collection on bad debt (collected by the Collection agency)									
2	Collection fee paid on bad debt									

<b>403 - Summit Walk</b>													
3	R.	J.					-		(342.00)		(342.00)		(342.00)
							-		-		-		-
<b>TOTALS:</b>						-	-	-	<b>(342.00)</b>	-	<b>(342.00)</b>	-	<b>(342.00)</b>

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
3	Payment on bad debt (collected by Beacon)									

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

# Housing Authority County of San Bernardino

COLLECTION WRITE-OFFS - Authority Owned Portfolio

Month End:

10/31/20

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
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## 407 - Sunset Pointe

4	B.	C.					-		(218.41)		(218.41)		(218.41)
5	J.	S.					-		(1,251.00)		(1,251.00)		(1,251.00)
6	M.	J.					-		(60.00)		(60.00)		(60.00)
7	J.	F.		V	825.00	1,305.12	-		401.00		1,706.12	100.00	1,606.12
8	C.	A.		T	875.00	1,809.42	-		945.00		2,754.42	600.00	2,154.42
							-				-		-
<b>TOTALS:</b>						<b>3,114.54</b>	-	-	<b>(183.41)</b>	-	<b>2,931.13</b>	<b>700.00</b>	<b>2,231.13</b>

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
4	Collection on bad debt (collected by the Collection agency)									
5	Collection on bad debt (collected by the Collection agency)									
6	Collection on bad debt (collected by the Collection agency)									
7	30 Day Notice	09/04/20								10/06/20
8	30 Day Notice	09/10/20	Hand							09/30/20

## 408 - Sunrise Vista

9	J.	A.		T	825.00	19.00	-		660.34		679.34	400.00	279.34
10	R.	A.		E	825.00	72.00	-		746.50	900.00	1,718.50	400.00	1,318.50
11	B.	P.		E	825.00	875.13	-		379.00	900.00	2,154.13	400.00	1,754.13
12	B.	A.		S	825.00	(357.00)	-	825.00	1,967.60		2,435.60	400.00	2,035.60
13	R.	M.		V	825.00	1,061.25	-		2,604.00	-	3,665.25	100.00	3,565.25
<b>TOTALS:</b>						<b>1,670.38</b>	-	<b>825.00</b>	<b>6,357.44</b>	<b>1,800.00</b>	<b>10,652.82</b>	<b>1,700.00</b>	<b>8,952.82</b>

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
9	30 Day Notice	09/10/20	Hand							09/30/20
10	Eviction	08/25/20	Hand	08/25/20	N/A					10/12/20
11	Eviction	08/25/20	Hand	08/25/20	N/A					10/02/20
12	Skip									10/12/20
13	60 Day Notice	07/20/20								10/16/20

<b>ALL PROPERTY TOTALS:</b>					<b>10,627.06</b>	-	<b>1,025.00</b>	<b>9,411.78</b>	<b>2,450.00</b>	<b>23,513.84</b>	<b>5,035.00</b>	<b>18,478.84</b>
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Submitted by: \_\_\_\_\_ Date: \_\_\_\_\_ Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

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

**February 9, 2021**

## **FROM**

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

## **SUBJECT**

Agency-wide Financial Statements through September 2020

## **RECOMMENDATION(S)**

**CONTINUED FROM TUESDAY, JANUARY 12, 2021, ITEM NO. 15**

Approve and file Agency-wide Financial Statements through September 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 September 2020 for Federal Fiscal Year (FFY) 2019-20 is \$9,298,997. It should be noted that these are unaudited pre-closing financial statements. The net income is currently greater than the anticipated \$(806,519) net loss, with a variance of \$10.1 million, primarily due to physical needs assessment work that was budgeted, but not completed in the amount of \$11.6 million (reflected in the extraordinary maintenance expenses line item).

We expect to break even in the HCV program, largely due to the CARES Act supplemental funds used to balance the budget (\$1.8 million), which were included in the latest approved budget revision. On the Authority Owned Portfolio, we are expecting a net income due to the aforementioned deferred capital work. We are currently assessing what work will continue given the expected loss of rental income in that portfolio. However, we will not have a full picture until after the eviction moratoriums expire in early 2021.

<b>Financial Summary</b>	<b>FY 2020 YTD</b>
Revenues	\$165,563,619
Expenses	\$150,308,668
Operating Gain	\$15,254,951
Operating Transfers/Non-Operating Items	\$(5,955,954)
<b>Net Income/(Loss)</b>	<b>\$9,298,997</b>

## **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 through the challenges presented by the pandemic. FFY 2020-21 is expected to be another challenging year due to the following:

- Anticipated federal funding cuts to the Housing Choice Voucher (HCV) program, Public Housing Subsidy and Capital Funds.
- Continued increases in housing assistance payment costs in the Housing Choice Voucher Program related to families income decreasing, which causes a corresponding increase on the portion that the agency pays the landlord on behalf of the program participating family.
- Continued increases in housing assistance payment costs in the Housing Choice Voucher Program related to increases in the total contract rent, which causes a corresponding increase on the portion that the agency pays the landlord.
- Additional rental income losses related to the eviction moratorium in the Authority Owned portfolio.
- The need to continue to address the physical needs assessment identified repairs within the Authority Owned Portfolio. Maintenance of aging properties is extremely costly, but it is needed to preserve our affordable housing developments.

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 General Legal Counsel, Fred Galante, on December 28, 2020.

## HACSB Budget Comparison

Period = Oct 2019-Sep 2020 (Unaudited Pre-Closing)

	YTD Actual	YTD Budget	Variance	% Var	Annual
INCOME					
TENANT INCOME					
Total Rental Income	26,632,881	25,890,742	742,139	2.87	25,890,742
Total Other Tenant Income	581,568	578,752	2,816	0.49	578,752
NET TENANT INCOME	27,214,449	26,469,494	744,954	2.81	26,469,494
GRANT INCOME					
TOTAL GRANT INCOME	131,716,894	129,799,833	1,917,061	1.48	129,799,833
OTHER INCOME					
TOTAL OTHER INCOME	6,632,275	5,639,874	992,401	17.60	5,639,874
TOTAL INCOME	165,563,619	161,909,202	3,654,417	2.26	161,909,202
EXPENSES					
GRANT EXPENSES					
TOTAL GRANT EXPENSES	6,387,659	6,102,222	-285,437	-4.68	6,102,222
ADMINISTRATIVE					
Total Administrative Salaries	14,666,056	13,511,215	-1,154,841	-8.55	13,511,215
Total Legal Expense	313,080	345,727	32,647	9.44	345,727
Total Other Admin Expenses	5,407,544	5,646,658	239,114	4.23	5,646,658
Total Miscellaneous Admin Expenses	2,180,150	2,938,056	757,906	25.80	2,938,056
TOTAL ADMINISTRATIVE EXPENSES	22,566,830	22,441,656	-125,174	-0.56	22,441,656
TENANT SERVICES					
TOTAL TENANT SERVICES EXPENSES	224,350	389,453	165,103	42.39	389,453
UTILITIES					
TOTAL UTILITY EXPENSES	3,720,906	3,640,484	-80,422	-2.21	3,640,484
MAINTENANCE AND OPERATIONS					
Total General Maint Expense	2,836,604	2,869,153	32,549	1.13	2,869,153
Total Materials	831,624	871,275	39,651	4.55	871,275
Total Contract Costs	3,310,612	4,485,145	1,174,532	26.19	4,485,145
TOTAL MAINTENANCE EXPENSES	6,978,841	8,225,573	1,246,732	15.16	8,225,573
GENERAL EXPENSES					
TOTAL GENERAL EXPENSES	1,102,622	1,241,332	138,710	11.17	1,241,332
EXTRAORDINARY MAINTENANCE EXPENSES					
TOTAL EXTRAORDINARY MAINTENANCE EXPENSES	3,177,101	14,767,546	11,590,445	78.49	14,767,546
HOUSING ASSISTANCE PAYMENTS					
TOTAL HOUSING ASSISTANCE PAYMENTS	104,590,636	103,993,788	-596,848	-0.57	103,993,788
FINANCING EXPENSE					
TOTAL FINANCING EXPENSES	1,559,723	1,627,884	68,160	4.19	1,627,884
TOTAL OPERATING EXPENSES	150,308,668	162,429,938	12,121,270	7.46	162,429,938
<b>OPERATING NET INCOME</b>	<b>15,254,951</b>	<b>-520,736</b>	<b>15,775,687</b>	<b>3,029.50</b>	<b>-520,736</b>
NET OPERATING TRANSFER IN/OUT	0	285,783	285,783	100.00	285,783
NON-OPERATING ITEMS					
TOTAL NON-OPERATING ITEMS	5,955,954	0	-5,955,954	N/A	0
NET INCOME	9,298,997	-806,519	10,105,516	1,252.98	-806,519

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

**February 9, 2021**

**FROM**

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

**SUBJECT**

Regular Meeting Minutes for Meeting Held on January 12, 2021

**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 January 12, 2021.  
(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 January 12, 2021 and attached are the comprehensive minutes for review and approval by the Board. In attendance was former Commissioner Tarango who participated in the meeting as a Commissioner. However, it was later discovered that Mr. Tarango's term ended on January 6, 2021. As such, items where Mr. Tarango participated in making a motion or second are being rescheduled for consideration by the Commission for today's February 9, 2021 meeting. Any item where Mr. Tarango participated in a vote, but did not make a motion or the second to a motion or where the item was routine such as for adjournment of the meeting, need not be re-scheduled because sufficient Commissioner votes were garnered to approve the item, without counting Mr. Tarango's vote.

**PROCUREMENT**

Not applicable.

**REVIEW BY OTHERS**

This item has been reviewed by General Legal Counsel, Fred Galante, on February 2, 2021.

**MINUTES OF A REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF  
THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO  
January 12, 2021**

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 869 2447 9858, Password 810045) at 3:00 p.m. on January 12, 2021.

The meeting was called to order, and upon roll call, the following were present:<sup>1</sup>

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

Also in attendance were: Maria Razo, Executive Director; Gus Joslin, Deputy Executive Director; Rishad Mitha, Director of Operations; Jennifer Dawson, Director of Human Resources; Nicole Beydler, Sr. Management Analyst; Renee Kangas, Management Analyst; Jesse Diaz, Finance Manager; Angie Lardapide, Procurement and Contracts Supervisor; Ron Ruhl, Real Estate Development Manager; Kristin Maithonis, Assistant Director of Housing Services; Amanda Tower, Housing Services Supervisor; Perlie Liu, Asset Management Analyst; Evan Miles, Project Manager; Remy Gaither, Family Empowerment Services Manager; and Claudia Hurtado, Executive Assistant.

Also present, Fred Galante, Legal Counsel to the Housing Authority.

The Chairman called for additions or deletions to the January 12, 2021 agenda. The Secretary of the Board requested for board agenda item number 10, to 1) Approve Amendment No. 3 to Contract No. PC963, effective February 1, 2021, with Wells Fargo Bank N.A. for Banking Services, increasing the current contract amount by \$95,000 for a total contract amount not to exceed \$308,400 and extending the contract by one year through January 31, 2022, 2) Authorize and direct the Executive Director to execute and deliver the contract amendment to Wells Fargo Bank N.A. and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction, to be continued to the February Board of Commissioners meeting, due to the vendor having substantives changes to the contract.

Secretary of the Board also requested for board agenda item number 12) **CONTINUED FROM TUESDAY, December 8, 2020, ITEM NO. 18**, Approve the meeting minutes for the Board of Commissioners of the Housing Authority of the County of San Bernardino Regular

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<sup>1</sup> Also in attendance was former Commissioner Tarango who participated in the meeting as a Commissioner. However, it was later discovered that Mr. Tarango's term ended on January 6, 2021. As such, items where Mr. Tarango participated in making a motion or second are being rescheduled for consideration by the Commission at its February 9, 2021 meeting. Any item where Mr. Tarango participated in a vote, but did not make a motion or the second to a motion or where the item was routine such as for adjournment of the meeting, need not be re-scheduled because sufficient Commissioner votes were garnered to approve the item, without counting Mr. Tarango's vote.

Meeting held on November 10, 2020, to be corrected. Correction on page 120 of the board packet, correction being, crossing out sentence, “versus the County of San Bernardino as it pertains to publicizing” and making the correction to, “plans to publicize”. Per Fred Galante, Legal Counsel, the changes are good to place on record and incorporate on motion to approve.

The Chairman provided an opportunity for members of the public to address the Board of Commissioners. The 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 January 12, 2021 regarding an overview of the Housing Authority of the County of San Bernardino’s general legal counsel services, was requested.

The Board Building Presentation regarding the Housing Authority of the County of San Bernardino’s general legal counsel services was presented by Legal Counsel to the Housing Authority, Fred Galante.

Commissioner MacDuff requested information regarding ongoing litigation the board should be informed about. Fred Galante, legal counsel, described the litigation communication process that will be provided to the board.

Approval of discussion calendar agenda item number 6, to 1) Joint Memorandum of Understanding with the County of San Bernardino Department of Children and Family Services and Office of Homeless Services for referral and supportive services for the Family Unification Program for three years effective February 1, 2021 through January 31, 2024, 2) Authorize and direct the Executive Director to execute and deliver Memorandum of Understanding to the County of San Bernardino Department of Children and Family Services and Office of Homeless Services, and to approve any non-substantive revisions necessary to complete the transaction upon consultation with Legal Counsel, 3) Authorize the Executive Director to execute any subsequent amendments which may be required by a Notice of Funding Availability issued by the United States Department of Housing and Urban Development, subject to review of Legal Counsel, was requested.

Executive Director explained the item.

Commissioner MacDuff moved to approve the discussion calendar agenda item number 6, to 1) Joint Memorandum of Understanding with the County of San Bernardino Department of Children and Family Services and Office of Homeless Services for referral and supportive services for the Family Unification Program for three years effective February 1, 2021 through January 31, 2024, 2) Authorize and direct the Executive Director to execute and deliver Memorandum of Understanding to the County of San Bernardino Department of Children and Family Services and Office of Homeless Services, and to approve any non-substantive revisions necessary to complete the transaction upon consultation with Legal Counsel, 3) Authorize the Executive Director to execute any subsequent amendments which may be required by a Notice of

Funding Availability issued by the United States Department of Housing and Urban Development, subject to review of Legal Counsel, which motion was duly seconded by Commissioner Muñoz, and upon roll call, the Ayes and Nays were as follows:<sup>2</sup>

Ayes

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

Nays

Commissioner MacDuff requested more information regarding the Family Unification Program as it pertains to foster care youth, is the program to assist the individual to transition into independent living or to reunite the individual to the birth families. Executive Director explained, the Family Unification Program is for young adults who left foster care, or will leave foster care within 90 days, and are homeless or at risk of becoming homeless, to provide rental assistance to live independently.

Approval of discussion calendar agenda item number 7, to 1) Approve a Memorandum of Understanding with the San Bernardino County Workforce Development Board as a Workforce Innovation & Opportunity Act One-Stop America's Job Centers of California Partner, retroactive to the effective date of January 2, 2021 through June 30, 2022, 2) Authorize and direct the Executive Director to execute and deliver the Memorandum of Understanding to the San Bernardino County Workforce Development Board and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction, was requested.

Executive Director explained the item.

Commissioner Miller moved to approve the discussion calendar agenda item number 7, to 1) Approve a Memorandum of Understanding with the San Bernardino County Workforce Development Board as a Workforce Innovation & Opportunity Act One-Stop America's Job Centers of California Partner, retroactive to the effective date of January 2, 2021 through June 30, 2022, 2) Authorize and direct the Executive Director to execute and deliver the Memorandum of Understanding to the San Bernardino County Workforce Development Board and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction, which motion was duly seconded by Commissioner Muñoz, and upon roll call, the Ayes and Nays were as follows:<sup>3</sup>

Ayes

Nays

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<sup>2</sup> Former Commissioner Tarango participated, but his affirmative vote is not counted as his term had expired.

<sup>3</sup> Former Commissioner Tarango participated, but his affirmative vote is not counted as his term had expired.

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

Commissioner MacDuff requested more information on page 25 of the board packet, regarding cross-training with all AJCC partners and staff. Executive Director explained that cross-training will include sharing information on HACSB services, which will include presentations on our programs and how families can apply for HACSB programs.

Commissioner MacDuff asked for more information regarding the relocation of the East Valley AJCC office, as referenced on page 30. Executive Director answered by stating the move is to a shopping mall located in the City of San Bernardino.

Approval of discussion calendar agenda item number 8, 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 retroactive from July 1, 2020 through June 30, 2022 for the remaining amount not to exceed \$77,883.50 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 agenda item number 8, 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 retroactive from July 1, 2020 through June 30, 2022 for the remaining amount not to exceed \$77,883.50 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 Muñoz, and upon roll call, the Ayes and Nays were as follows:<sup>4</sup>

Ayes

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

Nays

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<sup>4</sup> Former Commissioner Tarango participated, but his affirmative vote is not counted as his term had expired.

Approval of discussion calendar agenda item number 9, to 1) Approve a contract extension of the Project-Based Voucher Program Housing Assistance Payments Contract with Housing Partners I, Inc. at 27 scattered site units for the Continuum of Care Program, for a five-year period from February 1, 2021 through January 31, 2026, 2) Authorize and direct the Executive Director to execute and deliver the contract extension to Housing Partners I, Inc., and upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction, was requested.

Executive Director explained the item.

Commissioner Miller moved to approve discussion calendar agenda item number 9, to 1) Approve a contract extension of the Project-Based Voucher Program Housing Assistance Payments Contract with Housing Partners I, Inc. at 27 scattered site units for the Continuum of Care Program, for a five-year period from February 1, 2021 through January 31, 2026, 2) Authorize and direct the Executive Director to execute and deliver the contract extension to Housing Partners I, Inc., and upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction, which motion was duly seconded by former Commissioner Tarango, and upon roll call, the Ayes and Nays were as follows:<sup>5</sup>

Ayes

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

Nays

Commissioner Cooper asked whether the OMB approval number and expiration date of July 31, 2022 are relevant to the extension HACSB is granting. Executive Director answered by stating that date applies to the expiration of the HUD form.

Commissioner MacDuff asked in reference to page 89 why the paragraph B-4 is lined out, regarding if 20% of the units fail inspection, then 100% of the unit must be re-inspected.

Kristin Maithonis answered by stating that HACSB inspects 100 percent of the units on a yearly basis under the CoC program; therefore, that section is not applicable.

Commissioner Johnson asked why HACSB is recommending a five-year term contract extension of the Project-Based Voucher Program Housing Assistance Payment Contract with HPI, Inc. instead of a tired approach. Executive Director answered by stating, the units are under the CoC program grants and HACSB currently receives full funding for this program.

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<sup>5</sup> Former Commissioner Tarango participated in making the second to the motion. However, given the expiration of his term on January 6, 2021, his participation in this matter will be corrected by rescheduling the matter for consideration by the Commission at its February 9, 2021 meeting.

Commissioner Johnson also asked if participants could exercise mobility after one-year with these vouchers and the potential impact it could have financially.

Executive Director explained that due to the requirements of the CoC grant, , mobility is not an option.

Commissioner MacDuff requested clarification of Hosing Partners I, Inc. being an HACSB non-profit affiliate, and the Board's role of providing oversight for the affiliates, also, inquired if HPI has their own Board of Directors.

Executive Director answered by stating the Executive Director of the Housing Authority sits on the Board as Secretary/Treasurer for each of the affiliate's boards.

Approval of consent calendar agenda items numbers 12 - 15, to 1) **CONTINUED FROM TUESDAY, December 8, 2020, ITEM NO. 18**, Approve the meeting minutes for the Board of Commissioners of the Housing Authority of the County of San Bernardino Regular Meeting held on November 10, 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 December 8, 2020, 3) Approve vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month ending in October 2020, 4) Approve and file Agency-wide Financial Statements through September 2020, was requested.

Former Commissioner Tarango moved to approve consent calendar agenda items numbers 12 - 15, to 1) **CONTINUED FROM TUESDAY, December 8, 2020, ITEM NO. 18**, Approve the meeting minutes for the Board of Commissioners of the Housing Authority of the County of San Bernardino Regular Meeting held on November 10, 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 December 8, 2020, 3) Approve vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month ending in October 2020, 4) Approve and file Agency-wide Financial Statements through September 2020, which motion was duly seconded by Commissioner Miller, and upon roll call, the Ayes and Nays were as follows:<sup>6</sup>

Ayes

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

Nays

Chairman provided an opportunity for individual Board member comments. No comments were provided.

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<sup>6</sup> Former Commissioner Tarango participated in making the motion. However, given the expiration of his term on January 6, 2021, his participation in this matter will be corrected by rescheduling the matter for consideration by the Commission at its February 9, 2021 meeting.

There being no other business, former Commissioner Tarango moved for the regular meeting of Tuesday, January 12, 2021 to be adjourned, which motion was duly seconded by Commissioner Miller, and upon roll call, the Ayes and Nays were as follows:<sup>7</sup>

Ayes

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

Nays

The meeting adjourned at 3:49 p.m.

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Tim Johnson, Chair

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Beau Cooper, Vice Chair

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Cassie MacDuff

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Sylvia Miller

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Jessie Muñoz

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Dr. Ciriaco “Cid” Pinedo

Attest:

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Secretary

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<sup>7</sup> Former Commissioner Tarango’s participation in making the motion to adjourn does not require corrective action as this was a routine matter for adjournment of the meeting and the Commissioners unanimously approved the adjournment.

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

**February 9, 2020**

## **FROM**

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

## **SUBJECT**

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

## **RECOMMENDATION(S)**

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

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

## **GOALS & OBJECTIVES**

**HACSB communication is open, honest and consistent.**

**HACSB has secured the resources needed for accomplishing its mission.**

## **FINANCIAL IMPACT**

The accounts receivable losses for the month ending November 30, 2020 is \$16,723.76. 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 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., and also include public housing developments converted through the United States Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration (RAD) program. Despite HACSB'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 HACSB'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. Please note that due to the rental eviction moratorium, all of the losses during this time period are for terminated tenancy, voluntary move outs and skips, with the exception of one eviction which was served on August 8, 2020. The total write off for the month of November 2020 is \$16,723.76 as delineated in the table below. Attached is a worksheet that itemizes the individual accounts.

<b>SUMMARY BY PROPERTY MANAGEMENT</b>		
<b>PROPERTY</b>	<b>NO. VACATED</b>	<b>TOTAL</b>
203 – Maplewood	1	\$1,703.00
206 – Colton	1	\$2,984.00
207 – Barstow	1	\$1,459.00

Vacated Tenant Accounts for the Authority Owned Portfolio to be Written Off as Collection Loss  
for the Month Ending November 2020  
February 9, 2021

<b>SUMMARY BY PROPERTY MANAGEMENT</b>		
<b>PROPERTY</b>	<b>NO. VACATED</b>	<b>TOTAL</b>
407 – Sunset Pointe	1	\$21.03
408 – Sunrise Vista	0	-
409 – Andalusia	3	\$7,970.00
423 – Mesa Gardens	0	-
426 – Sunnyside	1	\$374.00
439 – Hampton	1	\$0.40
Concessions Write Off		-
<b>TOTAL RENT WRITE OFF</b>	9	\$14,511.43
Miscellaneous Charges		\$100.00
Maintenance Charges		\$6,825.33
Legal Charges		\$1,700.00
Security Deposits Applied		(\$6,413.00)
<b>NET TOTAL WRITE OFF</b>		\$16,723.76

**PROCUREMENT**

Not applicable.

**REVIEW BY OTHERS**

This item has been reviewed by General Legal Counsel, Fred Galante, on January 29, 2020.

# Housing Authority County of San Bernardino

COLLECTION WRITE-OFFS - Authority Owned Portfolio

Month End: 11/30/20

Item #	Last Name	First Name	ID No.	REASON	MONTHLY RENT	UNPAID RENT (*)	CONC. REVERSAL	UNPAID MISC (*)	MAINT. FEES	LEGAL FEES	TOTAL OWED	LESS DEPOSIT	NET DUE
<b>203 - Maplewood</b>													
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
1	H	J		V	225.00	1,703.00		100.00	385.00	-	2,188.00	650.00	1,538.00
2													
3													
4													
<b>TOTALS:</b>						<b>1,703.00</b>	<b>-</b>	<b>100.00</b>	<b>385.00</b>	<b>-</b>	<b>2,188.00</b>	<b>650.00</b>	<b>1,538.00</b>
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	Notice of Abandonment	10/28/20	Posted & Mailed	N/A		N/A		N/A	N/A		11/17/20		
2													
3													
4													

<b>206- Colton</b>													
1	K	A		S	685.00	2,984.00			390.00		3,374.00	1,265.00	2,109.00
2													
3													
4													
<b>TOTALS:</b>						<b>2,984.00</b>	<b>-</b>	<b>-</b>	<b>390.00</b>	<b>-</b>	<b>3,374.00</b>	<b>1,265.00</b>	<b>2,109.00</b>
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	None -skipped	NA	NA	NA	NA	NA		NA	Na		11/03/20		
2													
3													
4													

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

# Housing Authority County of San Bernardino

COLLECTION WRITE-OFFS - Authority Owned Portfolio

Month End: 11/30/20

Item #	Last Name	First Name	ID No.	REASON	MONTHLY RENT	UNPAID RENT (*)	CONC. REVERSAL	UNPAID MISC (*)	MAINT. FEES	LEGAL FEES	TOTAL OWED	LESS DEPOSIT	NET DUE
<b>207 - Barstow</b>													
1	O	D		T	286.00	1,459.00			1,377.36	850.00	3,686.36	300.00	3,386.36
2													
3													
4										-	-		-
<b>TOTALS:</b>						<b>1,459.00</b>	<b>-</b>	<b>-</b>	<b>1,377.36</b>	<b>850.00</b>	<b>3,686.36</b>	<b>300.00</b>	<b>3,386.36</b>
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 to Quit	04/09/20	Posted & Mailed	07/06/20	09/17/20	N		N/A	11/03/20		11/03/20		
2													
3													
4													

<b>407 - Sunset Pointe</b>													
1	J	S					-		(600.00)		(600.00)		(600.00)
2	R	N		T	925.00	21.03	-		1,800.00		1,821.03	900.00	921.03
							-				-		-
<b>TOTALS:</b>						<b>21.03</b>	<b>-</b>	<b>-</b>	<b>1,200.00</b>	<b>-</b>	<b>1,221.03</b>	<b>900.00</b>	<b>321.03</b>
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	Collection on bad debt												
2	Resident 60-Day Notice to vacate	09/01/20	Delivered								11/02/20		

<b>408 - Sunrise Vista</b>													
3	F	S					-		(100.00)		(100.00)		(100.00)
							-			-	-		-
<b>TOTALS:</b>						<b>-</b>	<b>-</b>	<b>-</b>	<b>(100.00)</b>	<b>-</b>	<b>(100.00)</b>	<b>-</b>	<b>(100.00)</b>
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		
3	Payment on bad debt												

# Housing Authority County of San Bernardino

COLLECTION WRITE-OFFS - Authority Owned Portfolio

Month End: 11/30/20

Item #	Last Name	First Name	ID No.	REASON	MONTHLY RENT	UNPAID RENT (*)	CONC. REVERSAL	UNPAID MISC (*)	MAINT. FEES	LEGAL FEES	TOTAL OWED	LESS DEPOSIT	NET DUE
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<b>409 - Andalusia</b>													
1	T	R		E	11/9/2020	6,310.00			395.00	850.00	7,555.00	1,100.00	6,455.00
2	W	B		V	11/25/2020	1,660.00			320.00	-	1,980.00	599.00	1,381.00
3	D	C		V	11/30/2020	-			395.00	-	395.00	599.00	(204.00)
4													-
5													-
<b>TOTALS:</b>						<b>7,970.00</b>	<b>-</b>	<b>-</b>	<b>1,110.00</b>	<b>850.00</b>	<b>9,930.00</b>	<b>2,298.00</b>	<b>7,632.00</b>

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	3-day notice for criminal	08/08/20	Posted	09/17/20	11/02/20	N	NA	NA	NA	11/09/20
2	Resident 30-day notice to vacate	10/21/20	Delivered	N/A	N/A	N/A	N/A	N/A	NA	11/25/20
3	Resident 30-day notice to vacate	10/13/20	Delivered	N/A	N/A	N/A	N/A	N/A	NA	11/30/20
4										
5										

423 - Mesa Gardens												
4	F	K					-	-	(16.00)		(16.00)	(16.00)
TOTALS:						-	-	-	(16.00)	-	(16.00)	(16.00)
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	
4	Payment on bad debt											

426 - Sunnyside													
5	L	A		S	1,346.00	374.00			1,217.00		1,591.00	500.00	1,091.00
											-		-
TOTALS:						374.00	-	-	1,217.00	-	1,591.00	500.00	1,091.00
Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date		Vacate Date		
5	Skip										11/10/20		

# Housing Authority County of San Bernardino

COLLECTION WRITE-OFFS - Authority Owned Portfolio

Month End: 11/30/20

Item #	Last Name	First Name	ID No.	REASON	MONTHLY RENT	UNPAID RENT (*)	CONC. REVERSAL	UNPAID MISC (*)	MAINT. FEES	LEGAL FEES	TOTAL OWED	LESS DEPOSIT	NET DUE
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<b>439 - Hampton</b>													
6	Y	L		V	1,350.00	0.40	-		1,261.97		1,262.37	500.00	762.37
							-				-		-
<b>TOTALS:</b>					<b>0.40</b>		-	-	<b>1,261.97</b>	-	<b>1,262.37</b>	<b>500.00</b>	<b>762.37</b>

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	
6	Resident 60-Day Notice to vacate	07/06/20	Delivered									10/17/20	
ALL PROPERTY TOTALS:						14,511.43	-	100.00	6,825.33	1,700.00	23,136.76	6,413.00	16,723.76

Submitted by: Lieslie Date: 12/14/2020 Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

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

**February 9, 2021**

## **FROM**

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

## **SUBJECT**

**Agency-wide Financial Statements through October 2020**

## **RECOMMENDATION(S)**

Approve and file Agency-wide Financial Statements through October 2020.  
(Presenter: Maria Razo, Executive Director, 332-6305)

## **GOALS & OBJECTIVES**

**We have a healthy organization marked by financial stability and a culture of respect, empowerment, and passion for the mission.**

## **FINANCIAL IMPACT**

The Housing Authority of the County of San Bernardino's (HACSB) year-to-date agency-wide net income through October 2020 for Federal Fiscal Year (FFY) 2020-21 is \$1,112,699. The net income is currently greater than the anticipated \$(546,558) net loss, with a variance of \$1.7 million, primarily due to physical needs assessment work that was budgeted, but not completed in the amount of \$1.2 million (reflected in the extraordinary maintenance expenses line and the grant expense item). There were also lower than anticipated costs in administrative and maintenance expenses mainly due to pending computer equipment and software purchases as well as lower maintenance and contract costs due to deferred internal maintenance as a result of the pandemic.

<b>Financial Summary</b>	<b>FY 2021 YTD</b>
Revenues	\$12,859,268
Expenses	\$11,258,912
Operating Gain	\$1,600,356
Operating Transfers/Non-Operating Items	\$(487,658)
<b>Net Income/(Loss)</b>	<b>\$1,112,699</b>

## **BACKGROUND INFORMATION**

HACSB administers multiple housing programs and is the largest provider of affordable housing in the County of San Bernardino. The FFY 2020-21 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 through the challenges presented by the pandemic. FFY 2020-21 is expected to be another challenging year due to the following:

- COVID-19 pandemic related:
  - Continued increases in housing assistance payment costs in the Housing Choice Voucher Program related to families income decreasing, which causes a

- corresponding increase on the portion that the agency pays the landlord on behalf of the program participating family.
- Increases in agency costs (i.e. Office modifications, cleaning costs, etc.)
- Rental income losses rental income losses related to the eviction moratorium in the Authority Owned portfolio.
- Inconsistent staffing levels due to childcare and health issues
- Continued increases in housing assistance payment costs in the Housing Choice Voucher Program related to increases in the total contract rent, which causes a corresponding increase on the portion that the agency pays the landlord.
- The need to continue to address the physical needs assessment identified repairs within the Authority Owned Portfolio. Maintenance of aging properties is extremely costly, but it is needed to preserve our affordable housing developments. Some of this work has been deferred to account for rental income losses resulting from the pandemic.
- Increases to employer paid medical, dental and pension benefits.

Despite these challenges, we continue to focus on maintaining the agency's fiscal stability, customer service, innovation, enhancing partnerships that will assist our staff and families, and a continued passion for our agency's mission.

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 General Legal Counsel, Fred Galante, on January 28, 2021.

## HACSB Budget Comparison

Period = Oct 2020

	YTD Actual	YTD Budget	Variance	% Var	Annual
INCOME					
TENANT INCOME					
Total Rental Income	2,228,951	2,056,185	172,766	8.40	24,674,224
Total Other Tenant Income	41,694	50,277	-8,583	-17.07	600,191
NET TENANT INCOME	2,270,646	2,106,463	164,183	7.79	25,274,415
GRANT INCOME					
TOTAL GRANT INCOME	10,200,805	10,851,259	-650,455	-5.99	130,215,112
OTHER INCOME					
TOTAL OTHER INCOME	387,818	378,505	9,313	2.46	5,541,077
TOTAL INCOME	12,859,268	13,336,227	-476,959	-3.58	161,030,604
EXPENSES					
GRANT EXPENSES					
TOTAL GRANT EXPENSES	342,769	1,149,774	807,005	70.19	13,797,290
ADMINISTRATIVE					
Total Administrative Salaries	791,449	1,227,957	436,508	35.55	14,734,032
Total Legal Expense	42,525	23,090	-19,435	-84.17	277,685
Total Other Admin Expenses	588,099	493,358	-94,741	-19.20	5,685,778
Total Miscellaneous Admin Expenses	61,108	596,029	534,921	89.75	2,428,595
TOTAL ADMINISTRATIVE EXPENSES	1,483,180	2,340,434	857,254	36.63	23,126,090
TENANT SERVICES					
TOTAL TENANT SERVICES EXPENSES	12,620	43,259	30,639	70.83	519,252
UTILITIES					
TOTAL UTILITY EXPENSES	132,018	317,882	185,863	58.47	3,825,949
MAINTENANCE AND OPERATIONS					
Total General Maint Expense	157,625	211,141	53,516	25.35	2,535,690
Total Materials	49,727	84,684	34,957	41.28	1,015,965
Total Contract Costs	79,724	366,277	286,553	78.23	4,401,221
TOTAL MAINTENANCE EXPENSES	287,076	662,102	375,026	56.64	7,952,877
GENERAL EXPENSES					
TOTAL GENERAL EXPENSES	90,206	125,834	35,628	28.31	1,141,404
EXTRAORDINARY MAINTENANCE EXPENSES					
TOTAL EXTRAORDINARY MAINTENANCE EXPENSES	28,700	385,344	356,644	92.55	5,468,747
HOUSING ASSISTANCE PAYMENTS					
TOTAL HOUSING ASSISTANCE PAYMENTS	8,714,684	8,731,058	16,374	0.19	104,772,691
FINANCING EXPENSE					
TOTAL FINANCING EXPENSES	167,658	127,098	-40,561	-31.91	1,525,172
TOTAL OPERATING EXPENSES	11,258,912	13,882,785	2,623,873	18.90	162,129,472
<b>OPERATING NET INCOME</b>	<b>1,600,356</b>	<b>-546,558</b>	<b>2,146,914</b>	<b>392.81</b>	<b>-1,098,868</b>
NET OPERATING TRANSFER IN/OUT	0	0	0	N/A	0
NON-OPERATING ITEMS					
TOTAL NON-OPERATING ITEMS	487,658	0	-487,658	N/A	0
NET INCOME	1,112,699	-546,558	1,659,256	303.58	-1,098,868