

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

TO BE HELD TELEPHONICALLY
May 11, 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: 845 1154 2998
Password: 197544

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 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. 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 May 11, 2021. (Page 1)
- 5) Receive the board building presentation for May 11, 2021, regarding an overview of the Federal and State of California Emergency Housing Voucher programs. (Page 2)
- 6)
 - 1 – Approve Amendment No. 1 to Memorandum of Understanding with Foothill AIDS Project for the Housing Opportunities for Persons with AIDS program, extending the term one additional year, effective July 1, 2021 through June 30, 2022.
 - 2 – Authorize and direct the Executive Director to execute and deliver the contract amendment to Foothill AIDS Project, and upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction. (Pages 3-6)
- 7)
 - 1 – Approve Amendment No. 1 to Contract No. PC979, effective May 29, 2021 with Partners in Diversity, Inc. for temporary maintenance staffing services, exercising the two-year extension option through May 28, 2023 in the amount not to exceed of \$142,500 for an overall contract amount of \$285,000.
 - 2 – Approve Amendment No. 1 to Contract No. PC979, effective May 29, 2021 with HB Staffing Services for temporary maintenance staffing services, exercising the two-year extension option through May 28, 2023 in the amount not to exceed of \$142,500 for an overall contract amount of \$285,000.
 - 3 – Authorize and direct the Executive Director to execute and deliver the contract amendments to Partners in Diversity, Inc. and HB Staffing Services, and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction. (Pages 7-20)
- 8)
 - 1 – Adopt Resolution No. 111 to:
 - a. Authorize the transfer of the remainder parcels of land at the former Waterman Gardens public housing site pursuant to Rental Assistance Demonstration Restrictive Covenants.
 - b. Authorize to have non-profit affiliate Housing Partners I, Inc. to be added as the managing member of the limited liability company, Arrowhead Grove LLC.
 - 2 – Authorize and direct the Executive Director to negotiate and execute agreement(s) as necessary to effectuate the transfer of the remainder parcels of land at the former Waterman Gardens public housing site pursuant to Rental Assistance Demonstration Restrictive Covenants recorded against the property as mandated by the United States Department of Housing and Urban Development, upon consultation with Legal Counsel. (Pages 21-61)

CONSENT CALENDAR

APPROVAL OF CONSENT ITEMS: # 9 - 11

- 9) Approve the meeting minutes for the Board of Commissioners of the Housing Authority of the County of San Bernardino Regular Meeting held on April 13, 2021. (Pages 62-71)
- 10) Approve and file Agency-wide Financial Statements through January 2021. (Pages 72-74)
- 11) Approve vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month ending in February 2021. (Pages 75-79)
- 12) Individual Board member Comments
- 13) 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**

May 11, 2021

FROM

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

SUBJECT

Executive Director's Report for May 11, 2021

RECOMMENDATION(S)

Receive the Executive Director's Report for May 11, 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 April 29, 2021.

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

May 11, 2021

FROM

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

SUBJECT

Board Building Presentation for May 11, 2021

RECOMMENDATION(S)

Receive the board building presentation for May 11, 2021, regarding an overview of the Federal and State of California Emergency Housing Voucher programs.
(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 the Federal and State of California Emergency Housing Voucher programs.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

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

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

May 11, 2021

FROM

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

SUBJECT

Amendment No. 1 to Memorandum of Understanding with Foothill AIDS Project for the Housing Opportunities for Persons with AIDS program

RECOMMENDATION(S)

1. Approve Amendment No. 1 to Memorandum of Understanding with Foothill AIDS Project for the Housing Opportunities for Persons with AIDS program, extending the term one additional year, effective July 1, 2021 through June 30, 2022.
2. Authorize and direct the Executive Director to execute and deliver the contract amendment to Foothill AIDS Project, and upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.
(Presenter: Maria Razo, Executive Director, 332-6305)

GOALS & OBJECTIVES

HACSB has secured the resources needed for accomplishing its mission.

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

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

FINANCIAL IMPACT

Under the Memorandum of Understanding (MOU), Foothill AIDS Project (FAP) will provide up to \$546,100 annually to the Housing Authority of the County of San Bernardino (HACSB) which will fund the rental assistance payments for the Housing Opportunity for Persons with AIDS (HOPWA) program for approximately 62 households and all other costs including administrative costs related the program. The revenue and expenses are included in the FYE 2021 and the proposed FYE 2022 budgets.

BACKGROUND INFORMATION

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

FAP contracts with HACSB to administer the HOPWA grant in San Bernardino County. This partnership provides housing assistance and personal stability for HOPWA participants so they can achieve and maintain an enriched quality of life. HACSB provides housing assistance payments to private market landlords on behalf of 50 eligible families and housing assistance under a project-based voucher contract for up to 12 units. The funding amount also covers the administrative duties related to the housing assistance component. FAP provides ongoing case management and supportive services for HOPWA participants. This MOU amendment will ensure continued provision of rental assistance administered by HACSB for up to 62 households.

Amendment to the Memorandum of Understanding with Foothill AIDS Project
for the Housing Opportunities for Persons with AIDS program
May 11, 2021

On June 9, 2020, the Board of Commissioners approved an MOU with FAP for the period of July 1, 2020 through June 30, 2021. The MOU included the option of extending the MOU for one-year periods.

The recommended amendment to the MOU will extend the contract termination date from July 1, 2021 through June 30, 2022.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

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

AMENDMENT NO. 1

MEMORANDUM OF UNDERSTANDING

Between

Housing Authority of the County of San Bernardino

and

Foothill AIDS Project

for

Housing Opportunities for Persons with AIDS Program

July 1, 2021 – June 30, 2022

THIS AMENDMENT NO. 1 TO MEMORANDUM OF UNDERSTANDING, dated as of July 1, 2021 (this Amendment), is entered into by and between the HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO, a public corporation (HACSB) and the FOOTHILL AIDS PROJECT, a California nonprofit corporation (FAP).

WHEREAS, the HACSB and FAP entered into that certain Memorandum of Understanding, dated July 1, 2020 (the "MOU"); and

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

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

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

This MOU is effective as of July 1, 2020 and expires June 30, 2022 but may be terminated earlier in accordance with the Early Termination Section of this MOU.

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

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

[END OF AMENDMENT]

IN WITNESS WHEREOF, the Housing Authority of the County of San Bernardino and the Foothill AIDS Project have entered into this Amendment No. 1 as of the date first set forth above.

FOOTHILL AIDS PROJECT

HOUSING AUTHORITY OF THE COUNTY
OF SAN BERNARDINO

By: _____
Maritza Tona, Executive Director

By: _____
Maria Razo, Executive Director

Date: _____

Date: _____

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

May 11, 2021

FROM

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

SUBJECT

Contract Amendment with Partners in Diversity, Inc. and HB Staffing for the Temporary Maintenance Staffing Services

RECOMMENDATION(S)

1. Approve Amendment No. 1 to Contract No. PC979, effective May 29, 2021 with Partners in Diversity, Inc. for temporary maintenance staffing services, exercising the two-year extension option through May 28, 2023 in the amount not to exceed of \$142,500 for an overall contract amount of \$285,000.
2. Approve Amendment No. 1 to Contract No. PC979, effective May 29, 2021 with HB Staffing Services for temporary maintenance staffing services, exercising the two-year extension option through May 28, 2023 in the amount not to exceed of \$142,500 for an overall contract amount of \$285,000.
3. Authorize and direct the Executive Director to execute and deliver the contract amendments to Partners in Diversity, Inc. and HB Staffing Services, 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 is a leading developer and provider of affordable housing in the County of San Bernardino.

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

HACSB has secured the resources needed for accomplishing its mission.

FINANCIAL IMPACT

The increase of these amendments are not expected to exceed \$285,000 for each contract with a total combined amount of \$570,000 through May 28, 2023, which is included within the Housing Authority of the County of San Bernardino (HACSB) approved property budgets and will be included for the subsequent fiscal years included in this contract.

BACKGROUND INFORMATION

The use of temporary maintenance staffing services has been necessary to cover projects and work tasks requiring additional assistance, along with covering for staff absences on approved leaves and/or employment separations.

On May 8, 2018, the San Bernardino County's Housing Commission approved two contracts for temporary maintenance staffing services with Partners in Diversity, Inc. and HB Staffing, both for a three year base term beginning May 29, 2018 through May 28, 2021 with a two year extension option through May 28, 2023, in an amount not to exceed \$142,500, for a total collective amount of \$285,000 for the three year base term.

Contract Amendment with Partners in Diversity, Inc. and HB Staffing for
Temporary Maintenance Staffing Services
May 11, 2021

PROCUREMENT

HACSB previously issued Request for Proposal (RFP) PC979 on January 5, 2018, which resulted in the receipt of three proposals. Proposals were evaluated per the requirements of the RFP in which Partners in Diversity, Inc. and HB Staffing was the most qualified and most responsive vendor selected to provide these services to the agency.

REVIEW BY OTHERS

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



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

**AMENDMENT #1 TO CONTRACT FOR TEMPORARY MAINTENANCE STAFFING SERVICES
(PC979)**

BETWEEN

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

And

HB STAFFING

This Amendment No. 1, dated May 11, 2021 ("First Amendment"), to Contract for Temporary Maintenance Staffing Services (PC979), is entered into by and between the Housing Authority of the County of San Bernardino, a California public body ("Authority") and HB Staffing, a California Corporation ("Contractor").

RECITALS

WHEREAS, the Authority and Contractor entered into that certain Consulting, Services, and Non-Routine Maintenance Related Services Agreement (Non-Construction), dated February 23, 2018, relating to Temporary Maintenance Staffing Services ("Agreement") with an Agreement Price of \$142,500.00;

WHEREAS, the Authority and Contractor now wish to enter into this Amendment No. 1 to the Agreement to exercise the two-year extension option and increase the contract by \$142,500 for a total amount not-to-exceed \$285,000.

OPERATIVE PROVISIONS

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

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

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

of the Work, Contractor shall comply with all of the Contract Documents (as hereinafter defined)."

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

Section 3. Pursuant to Article 3 of the Agreement, the Agreement is extended through May 28, 2023.

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

"Article 4. Price. HACSB agrees to pay Contractor for the provision of the Work the total not-to-exceed sum as shown in the Agreement Price set forth on Exhibit "A-2", and as may be amended by the Parties from time to time (the "Agreement Price"). The Agreement Price 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."

Section 5. The effective date of this amendment is May 29, 2021.

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Housing Authority of the County of San Bernardino and HB Staffing have signed the amendment.

HB STAFFING

By: _____

Name: _____

Title: _____

Date: _____

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

By: _____

Name: Maria Razo

Title: Executive Director

Date: _____

Exhibit A-1

Original Statement of Work

1. **Technical Specifications**-The HACSB has the need from time to time to provide temporary maintenance employees to work in various HACSB offices/facilities, on an as-needed basis as detailed below. The descriptions are not intended to be all inclusive. The HACSB may require additional similar duties, skills, abilities and/or knowledge; which may be detailed at the time of retention or once the temporary employee is on the job site.
2. **Typical Categories of Employees needed:**
 - ☐ **General Laborer/Porter** – Painting, clean-up of grounds, etc.
 - ☐ **Maintenance Technician** – Basic electrical, plumbing duties, etc.
3. **Typical Duties**
 - General Laborer/Porter**
 - Duties
 - ☐ General grounds maintenance (raking leaves, cleaning debris, etc.)
 - ☐ Provides support by loading and unloading light trucks of materials/trash
 - ☐ Provides assistance by moving and arranging large objects
 - ☐ Provides assistance with maintenance duties such as cleaning, repairing and painting units as needed.
 - Knowledge Skills, Abilities
 - ☐ Ability to perform heavy manual work for extended periods of time in all types of weather
 - ☐ Good oral communication skills.
 - ☐ Ability to communicate with co-workers.
 - ☐ Ability to lift up to 50 lbs
 - Education and Experience
 - ☐ High school diploma or equivalent
 - ☐ At least 1 year performing basic grounds maintenance with basic maintenance knowledge
 - Maintenance Technician**
 - Duties
 - ☐ Provides maintenance duties such as cleaning, repairing and painting units as needed.
 - ☐ Patches and repairs walls
 - ☐ Replaces and repairs window panes, screens, counter tops, doors, locks, etc.
 - ☐ Basic electrical and plumbing duties
 - Knowledge Skills, Abilities
 - ☐ Knowledge and ability to perform plumbing, electrical and dry wall maintenance and repair.
 - ☐ Ability to operate a variety of equipment and tools required for maintenance
 - ☐ Good oral communication skills.
 - ☐ Ability to communicate with co-workers.
 - ☐ Ability to lift up to 50lbs
 - Education and Experience
 - ☐ High school diploma or equivalent
 - ☐ At least 2 years performing apartment maintenance and repair work.
4. **ADDITIONAL SERVICES** - If the need for other temporary staffing services arises during the contract period, the HACSB expects to be able to negotiate with the selected contractor(s) to obtain the additional services and staff needed.
5. **SERVICE LOCATIONS** - The services detailed above may be provided at any or all of the following locations. The HACSB shall retain the right to make award to separate firms for each location. Additionally the HACSB retains the right for all facilities/maintenance positions to have the temps work at sites and/or individual units that are geographically situated in the area of the noted offices.

Location	Address	Wage Requirement
Colton, CA	Parkside Pines, (office: 772 Pine Street), Colton, CA 92324	HUD Determined Wages
San Bernardino, CA	Maplewood Homes Complex, 1738 W. Ninth Street, San Bernardino, CA 92411	HUD Determined Wages
Redlands, CA	SW Corner of Texas & Brockton (office: 803 W Brockton Ave.), Redlands, CA 92374	HUD Determined Wages
Chino, CA	Chino Public Housing Office: 13088 Monte Vista, Chino, CA 91710	HUD Determined Wages
Barstow, CA	Barstow Public Housing Office: 421 S. 7 th Street, Barstow, CA 92311	HUD Determined Wages
Upland, CA	Upland Office: 1200 N. Campus Ave Upland, CA 91786	HUD Determined Wages
Victorville, CA	Andalusia Apartments 13520 3rd Avenue, Victorville, CA 92395	HUD Determined Wages

Wage Rates for Maintenance Workers:

HUD has determined that, for non-construction work (work not covered by Davis-Bacon requirements), that HACSB must ensure that contractors do not pay its employees that perform such work for HACSB at a rate less than listed on the HUD Maintenance Wage Rates Determination (MWRD). All proposers, by submitting a bid, agree to and verify they will not pay their employees to do work at the HACSB at rates less than the following:

Classification	HUD Determined Wage	HUD Determined Fringe
General Laborer/Porter	\$ 14.00	\$ 5.71
Maintenance Technician	\$ 21.19	\$ 8.68

These rates are valid through September 30, 2021.

Regular Time vs. Overtime:

Regular-time rates shall apply for work during the HACSB's "9/80" work schedule, as detailed following, which each temporary employee will be required to work. The "9/80" schedule occurs over a 2 week period:

Week 1: 7:30 am – 5:00 pm, Thursday – Thursday and 7:30 am – 4:00 pm on Friday;

And

Week 2: 7:30 am – 5:00 pm, Thursday – Thursday.

The HACSB office will be closed during certain legal holidays. During those days the HACSB will not pay for the temporary employees.

The HACSB does not typically retain temporary employees to work overtime rates, if the HACSB chooses to do so, overtime rates shall apply for work that is performed at any time over those listed above for the "9/80" schedule. All overtime shall be at the specific request of HACSB and must have prior approval for the overtime work. The Contractor shall not independently make the decision to work and charge the HACSB for overtime. Overtime rates shall be 1.5 times the regular wage rate.

Payments by the HACSB for quoted hourly work shall include all other related costs, such as benefits; clerical; required materials; required equipment and tools, other than this detailed herein; overhead; etc and profit. In addition, the Contractor will be required to obtain any necessary permits and to ensure the completion of any governmental-required inspections, though the HACSB will reimburse, at cost the permit fees.

Exhibit A-2
Work Authorization

Schedule Dates:

Start Date: May 29, 2021

Completion Date: May 28, 2023

Total Agreement Price: Not to exceed \$285,000.00

Position Title	Description of Duties	Vendor Position Title	Pay Rate (per hour)	Bill Rate (per hour)
General Labor/Porter	Painting, clean-up of grounds, etc.	General Labor	\$19.71/hr. includes fringe	\$30.55
Maintenance Technician	Basic electrical, plumbing duties, etc.	Maintenance Technician	\$29.87/hr. includes fringe	\$46.30

Statement of Work ("Exhibit A-1")

Work Authorization ("Exhibit A-2")



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

**AMENDMENT #1 TO CONTRACT FOR TEMPORARY MAINTENANCE STAFFING SERVICES
(PC979)**

BETWEEN

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

And

PARTNERS IN DIVERSITY, INC.

This Amendment No. 1, dated May 11, 2021 ("First Amendment"), to Contract for Temporary Maintenance Staffing Services (PC979), is entered into by and between the Housing Authority of the County of San Bernardino, a California public body ("Authority") and Partners In Diversity, Inc., a California Corporation ("Contractor").

RECITALS

WHEREAS, the Authority and Contractor entered into that certain Consulting, Services, and Non-Routine Maintenance Related Services Agreement (Non-Construction), dated February 23, 2018, relating to Temporary Maintenance Staffing Services ("Agreement") with an Agreement Price of \$142,500.00;

WHEREAS, the Authority and Contractor now wish to enter into this Amendment No. 1 to the Agreement to exercise the two-year extension option and increase the contract by \$142,500 for a total amount not-to-exceed \$285,000.

OPERATIVE PROVISIONS

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

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

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

of the Work, Contractor shall comply with all of the Contract Documents (as hereinafter defined)."

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

Section 3. Pursuant to Article 3 of the Agreement, the Agreement is extended through May 28, 2023.

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

"Article 4. Price. HACSB agrees to pay Contractor for the provision of the Work the total not-to-exceed sum as shown in the Agreement Price set forth on Exhibit "A-2", and as may be amended by the Parties from time to time (the "Agreement Price"). The Agreement Price 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."

Section 5. The effective date of this amendment is May 29, 2021.

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Housing Authority of the County of San Bernardino and Partners in Diversity, Inc. have signed the amendment.

PARTNERS IN DIVERSITY, INC.

By: _____

Name: _____

Title: _____

Date: _____

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

By: _____

Name: Maria Razo

Title: Executive Director

Date: _____

Exhibit A-1

Original Statement of Work

1. **Technical Specifications**-The HACSB has the need from time to time to provide temporary maintenance employees to work in various HACSB offices/facilities, on an as-needed basis as detailed below. The descriptions are not intended to be all inclusive. The HACSB may require additional similar duties, skills, abilities and/or knowledge; which may be detailed at the time of retention or once the temporary employee is on the job site.
2. **Typical Categories of Employees needed:**
 - ☐ **General Laborer/Porter** – Painting, clean-up of grounds, etc.
 - ☐ **Maintenance Technician** – Basic electrical, plumbing duties, etc.
3. **Typical Duties**
 - General Laborer/Porter**
 - Duties
 - ☐ General grounds maintenance (raking leaves, cleaning debris, etc.)
 - ☐ Provides support by loading and unloading light trucks of materials/trash
 - ☐ Provides assistance by moving and arranging large objects
 - ☐ Provides assistance with maintenance duties such as cleaning, repairing and painting units as needed.
 - Knowledge Skills, Abilities
 - ☐ Ability to perform heavy manual work for extended periods of time in all types of weather
 - ☐ Good oral communication skills.
 - ☐ Ability to communicate with co-workers.
 - ☐ Ability to lift up to 50 lbs
 - Education and Experience
 - ☐ High school diploma or equivalent
 - ☐ At least 1 year performing basic grounds maintenance with basic maintenance knowledge
 - Maintenance Technician**
 - Duties
 - ☐ Provides maintenance duties such as cleaning, repairing and painting units as needed.
 - ☐ Patches and repairs walls
 - ☐ Replaces and repairs window panes, screens, counter tops, doors, locks, etc.
 - ☐ Basic electrical and plumbing duties
 - Knowledge Skills, Abilities
 - ☐ Knowledge and ability to perform plumbing, electrical and dry wall maintenance and repair.
 - ☐ Ability to operate a variety of equipment and tools required for maintenance
 - ☐ Good oral communication skills.
 - ☐ Ability to communicate with co-workers.
 - ☐ Ability to lift up to 50lbs
 - Education and Experience
 - ☐ High school diploma or equivalent
 - ☐ At least 2 years performing apartment maintenance and repair work.
4. **ADDITIONAL SERVICES** - If the need for other temporary staffing services arises during the contract period, the HACSB expects to be able to negotiate with the selected contractor(s) to obtain the additional services and staff needed.
5. **SERVICE LOCATIONS** - The services detailed above may be provided at any or all of the following locations. The HACSB shall retain the right to make award to separate firms for each location. Additionally the HACSB retains the right for all facilities/maintenance positions to have the temps work at sites and/or individual units that are geographically situated in the area of the noted offices.

Location	Address	Wage Requirement
Colton, CA	Parkside Pines, (office: 772 Pine Street), Colton, CA 92324	HUD Determined Wages
San Bernardino, CA	Maplewood Homes Complex, 1738 W. Ninth Street, San Bernardino, CA 92411	HUD Determined Wages
Redlands, CA	SW Corner of Texas & Brockton (office: 803 W Brockton Ave.), Redlands, CA 92374	HUD Determined Wages
Chino, CA	Chino Public Housing Office: 13088 Monte Vista, Chino, CA 91710	HUD Determined Wages
Barstow, CA	Barstow Public Housing Office: 421 S. 7 th Street, Barstow, CA 92311	HUD Determined Wages
Upland, CA	Upland Office: 1200 N. Campus Ave Upland, CA 91786	HUD Determined Wages
Victorville, CA	Andalusia Apartments 13520 3rd Avenue, Victorville, CA 92395	HUD Determined Wages

Wage Rates for Maintenance Workers:

HUD has determined that, for non-construction work (work not covered by Davis-Bacon requirements), that HACSB must ensure that contractors do not pay its employees that perform such work for HACSB at a rate less than listed on the HUD Maintenance Wage Rates Determination (MWRD). All proposers, by submitting a bid, agree to and verify they will not pay their employees to do work at the HACSB at rates less than the following:

Classification	HUD Determined Wage	HUD Determined Fringe
General Laborer/Porter	\$ 14.00	\$ 5.71
Maintenance Technician	\$ 21.19	\$ 8.68

These rates are valid through September 30, 2021.

Regular Time vs. Overtime:

Regular-time rates shall apply for work during the HACSB's "9/80" work schedule, as detailed following, which each temporary employee will be required to work. The "9/80" schedule occurs over a 2 week period:

Week 1: 7:30 am – 5:00 pm, Thursday – Thursday and 7:30 am – 4:00 pm on Friday;

And

Week 2: 7:30 am – 5:00 pm, Thursday – Thursday.

The HACSB office will be closed during certain legal holidays. During those days the HACSB will not pay for the temporary employees.

The HACSB does not typically retain temporary employees to work overtime rates, if the HACSB chooses to do so, overtime rates shall apply for work that is performed at any time over those listed above for the "9/80" schedule. All overtime shall be at the specific request of HACSB and must have prior approval for the overtime work. The Contractor shall not independently make the decision to work and charge the HACSB for overtime. Overtime rates shall be 1.5 times the regular wage rate.

Payments by the HACSB for quoted hourly work shall include all other related costs, such as benefits; clerical; required materials; required equipment and tools, other than this detailed herein; overhead; etc and profit. In addition, the Contractor will be required to obtain any necessary permits and to ensure the completion of any governmental-required inspections, though the HACSB will reimburse, at cost the permit fees.

Exhibit A-2
Work Authorization

Schedule Dates:

Start Date: May 29, 2021

Completion Date: May 28, 2023

Total Agreement Price: Not to exceed \$285,000.00

Position Title	Description of Duties	Vendor Position Title	Pay Rate (per hour)	Bill Rate (per hour)
General Labor/Porter	Painting, clean-up of grounds, etc.	General Labor	\$19.71/hr. includes fringe	\$29.32
Maintenance Technician	Basic electrical, plumbing duties, etc.	Maintenance Technician	\$29.87/hr. includes fringe	\$44.12

Statement of Work ("Exhibit A-1")

Work Authorization ("Exhibit A-2")

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

May 11, 2021

FROM

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

SUBJECT

Fair Market Value Transfer of Remainder Land at the Former Waterman Gardens Public Housing Site

RECOMMENDATION(S)

1. Adopt Resolution No. 111 to:
 - a. Authorize the transfer of the remainder parcels of land at the former Waterman Gardens public housing site pursuant to Rental Assistance Demonstration Restrictive Covenants.
 - b. Authorize to have non-profit affiliate Housing Partners I, Inc. to be added as the managing member of the limited liability company, Arrowhead Grove LLC.
2. Authorize and direct the Executive Director to negotiate and execute agreement(s) as necessary to effectuate the transfer of the remainder parcels of land at the former Waterman Gardens public housing site pursuant to Rental Assistance Demonstration Restrictive Covenants recorded against the property as mandated by the United States Department of Housing and Urban Development, upon consultation with Legal Counsel.

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

GOALS & OBJECTIVES

HACSB has secured the resources needed for accomplishing its mission.

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

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

FINANCIAL IMPACT

Board approval of this item will have no immediate financial impact on the Housing Authority of the County of San Bernardino (HACSB). Any agreement for the eventual transfer of the remainder parcel(s) of land at the former Waterman Gardens public housing site will ensure that HACSB is compensated at fair market value (FMV) as documented by current appraisal(s) commissioned by HACSB and approved by the United States Department of Housing and Urban Development (HUD).

BACKGROUND INFORMATION

As the third phase of residential construction for the revitalization of the former Waterman Gardens public housing neighborhood nears completion, HACSB's development staff is following through with necessary processes to maintain momentum for future phases of development. The current phase of construction completes the one-for-one replacement of the 252 public housing units which originally covered the entire site. In approving and closing the associated Rental Assistance Demonstration (RAD) financial transaction to allow construction of Phase 3 to commence, HUD formally released the declaration(s) of trust which had restricted the overall site to public housing purposes. Since the new residential development to date has been

Fair Market Value Transfer of Remainder Land at the Former Waterman Gardens Public Housing Site

May 11, 2021

reconstructed at a much higher density, there now remains additional land on the site on which HACSB has already secured approvals from the City of San Bernardino (City) to develop additional mixed-income housing as well as commercial buildings. In order for such development to occur, HACSB must now satisfy the Restrictive Covenants recorded against the property at the RAD closing under which HUD outlined the requirements for proposed future transfer of the land for development purposes. According to the RAD Covenant, HACSB must consummate the transfer of the property at FMV by October 1, 2021.

The COVID-19 Pandemic has slowed development activities in the past year, specifically as related to City approval processes necessary to implement future construction phases. One such activity is recording of the final tract map for the overall site which documents the individual parcels of land on which construction projects can be developed in phases. The intent is that these individual parcels will be transferred to development entities specific to each phase at FMV. This is the manner in which the land transfers for the first residential phases on site were accomplished. Since these future development entities have yet to be identified, it is not possible to consummate property transfers on a phase-by-phase basis and still meet the October 1, 2021 HUD deadline.

With this action, staff is proposing that the transfer of the remainder parcel(s) of land at the former Waterman Gardens public housing site be authorized as a single transaction, to a single entity established for the purpose of managing and controlling land at the site. Arrowhead Grove LLC (the LLC) was established by HACSB (as sole member) on December 31, 2019 to be such an entity whose primary purpose is the management and maintenance of common area improvements such as streets, sidewalks, etc. outside of parcel boundaries already developed or to be developed in future phases. For consistency, staff is proposing that HACSB's affiliate nonprofit, Housing Partners I, Inc. (HPI), be added to the LLC as the managing member. The LLC would then mirror each of the previous LLCs established to serve as limited partners in the first 3 phases of residential construction (Waterman Affordable 1, LLC / Waterman Affordable 2, LLC / Waterman Affordable 3, LLC). To satisfy HUD's requirement that the land be transferred at FMV, a deferred payment, seller carryback loan from HACSB to the LLC will be executed to facilitate the transaction. Ultimately, HACSB will receive full payment over time through the financing of individual development projects on a parcel-by-parcel basis.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on May 6, 2021.

HOUSING AUTHORITY RESOLUTION NO. 2021-111

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO AUTHORIZING CERTAIN ACTS AND APPROVING CERTAIN AGREEMENTS RELATING TO ARROWHEAD GROVE (FORMERLY WATERMAN GARDENS)

On Tuesday, June 11, 2021, on motion of Board of Commissioners _____, duly seconded by Board of Commissioners _____ and carried, the following resolution is adopted by the Board of Commissioners of the Housing Authority of the County of San Bernardino (the "Authority").

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

WHEREAS, the Authority is in the process of revitalizing the former Waterman Gardens public housing development, now known as Arrowhead Grove (the "Site") by demolishing the 76-year old buildings located on the Site and developing 411 new residential units and commercial space with the assistance of the U.S. Department of Housing and Urban Development's ("HUD") Rental Assistance Demonstration ("RAD") Program; and

WHEREAS, 136 new affordable housing units have already been built and occupied as part of the revitalization, and 184 additional mixed-income housing units are nearing construction completion through development by low income housing tax credit partnerships (the "Partnerships") on portions of the Site ground leased to the Partnerships by the Authority (the "Leased Site"); and

WHEREAS, the remainder of the Waterman Gardens Site consisting of approximately 20 acres of vacant land and the Envision Center (inclusive of the Head Start Preschool, warehouse compound and two original public housing buildings) (the "Remainder Site"), remains in the ownership of the Authority and the Authority is continuing the process of planning for the revitalization of the Remainder Site; and

WHEREAS, the Leased Site and the Remainder Site are currently subject to a Declaration Providing for Reciprocal Easements governing the relationship between the Remainder Site and the Leased Site, and a Development Agreement governing the development of the Site (the "Existing Development Documents"); and

WHEREAS, to assist in the current maintenance and management of the Remainder Site, and its future revitalization, the Authority formed a limited liability company, ARROWHEAD GROVE LLC (the "Company"), in which the Authority serves as a member, by filing an LLC-1 limited liability company articles of organization (the "LLC-1") with the California Secretary of State, and entering into an Operating Agreement (the "Operating Agreement") to document the operations of Company, and entering into any other documents necessary to form and operate the Company (collectively, the "LLC Documents"); and

WHEREAS, to further accomplish the proposed revitalization of the Remainder Site, the Authority desires to have its affiliate nonprofit, Housing Partners I, Inc. ("HPI"), be added as the managing member of the Company so as to serve as the limited partner as occurred in the first 3 phases of residential construction of the Site; and

WHEREAS, to further accomplish the proposed revitalization, the Authority desires to convey a leasehold interest in the Remainder Site to the Company by execution of a long-term ground lease at

fair market value pursuant to the Rental Assistance Demonstration (RAD) Restrictive Covenants recorded against the property for development of future projects.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing Authority of the County of San Bernardino, as follows:

Section 1. The above recitals are true and correct, and the Board of Commissioners of the Housing Authority of the County of San Bernardino so finds and determines.

Section 2. The Authority is authorized to amend the Operating Agreement (“Amended Operating Agreement”) and LLC Documents (“Amended LLC Document”) of the Company to add HPI as the managing member of the Company.

Section 3. The Authorized Officer is hereby authorized and directed, for and in the name of the Authority, to negotiate a long-term ground lease of the Remainder Site with the Company, at fair market value as determined by independent appraisal, and to deliver to the Board of Commissioners the ground lease, in such form approved or required by Legal Counsel, for final approval at a future meeting.

Section 4. The Amended LLC Documents and Amended Operating Agreement, in substantially the form on file with the Secretary of the Board and made a part hereof as though set forth in full herein, be and the same is hereby approved. The Chairperson, Vice Chairperson, Chief Executive Officer, or Executive Director of the Housing Authority of the County of San Bernardino (each, an “Authorized Officer”) are hereby authorized and directed, for and in the name of the Authority and the Company, to execute and deliver the Amended LLC Documents and Amended Operating Agreement in the form on file with the Secretary of the Board, with such changes, insertions and omissions as the Authorized Officer, in consultation with Legal Counsel, may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Amended LLC Documents and Amended Operating Agreement by the Authorized Officer.

Section 5. The Authorized Officer is hereby authorized and directed, for and in the name of the Authority and the Company, to execute and deliver the Amended LLC Documents in such form approved or required by Legal Counsel, such requirement or approval to be conclusively evidenced by the execution of the Amended LLC Documents by the Authorized Officer.

Section 6. The Authorized Officer shall deliver to the Secretary of the Board of Commissioners an original of each of the Amended LLC Documents within thirty (30) days of the full execution thereof.

Section 7. The Authorized Officer shall be authorized to execute any other form or document required by any lender, investor, regulator or other third party involved in the transaction, as long as the Authorized Officer and Legal Counsel determine that the substance of such document does not materially conflict with the substance and intent of this Resolution.

Section 8. All actions heretofore taken by the officers, employees and agents of the Authority with respect to the Remainder Site are approved, confirmed and ratified.

Section 9. 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, June _____, 2021.

Secretary

By _____
Deputy



Electronically
Recorded in Official Records
County of San Bernardino

Bob Dutton
Assessor-Recorder-County Clerk

DOC# 2019-0353306

RECORDING REQUESTED BY:

FNTG Builder Services

AND WHEN RECORDED MAIL TO:

HOUSING AUTHORITY OF THE COUNTY OF
SAN BERNARDINO
715 E. BRIER DRIVE
SAN BERNARDINO, CA 92408-2841
ATTN: EXECUTIVE DIRECTOR

10/01/2019
02:57 PM
SAN

C9900

Titles: 1 Pages: 10

Fees	\$41.00
Taxes	\$0.00
CA SB2 Fee	0.00
Total	\$41.00

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Order: 30010083

AGREEMENT

**RENTAL ASSISTANCE DEMONSTRATION RESTRICTIVE COVENANTS FOR PROPERTIES
ANTICIPATING FAIR MARKET VALUE TRANSFERS**

These Rental Assistance Demonstration Restrictive Covenants for Properties Anticipating Fair Market Transfers ("Covenants"), dated as of September 25, 2019, is by and between the U.S. Department of Housing and Urban Development, with an address of 451 Seventh Street, S.W., Washington, DC 20410, Attention: Office of Recapitalization, Office of Multifamily Housing ("HUD"), and the Housing Authority of the County of San Bernardino, a public body corporate and politic duly organized under the laws of the State of California with an address of 715 East Brier Drive, San Bernardino, CA, 92408-2841 (the "PHA").

RECITALS

A. The PHA owns certain real property described in Exhibit A, attached hereto and incorporated herein (the "Property"). The development of the Property, the operation of the Property, and/or the acquisition of the site or sites thereof was financed with assistance provided by HUD and the Property was previously used for public housing purposes pursuant to agreements by and between HUD and the PHA.

B. The public housing assistance related to this property has been converted to Rental Assistance Demonstration (RAD) Section 8 Project Based Voucher (PBV) or Project Based Rental Assistance (PBRA) assisted housing, located at another site, pursuant to a transfer of assistance under the RAD administered by HUD. HUD and the PHA have released the Property from the following declarations of trust pursuant to releases recorded against the Property in the official records of San Bernardino County (the "Official Records") of even date herewith:

1. Declaration of Trust Recorded August 14, 2008 in the Official Records as Instrument No. 2008-0373042
2. Declaration of Trust Recorded May 2, 1990 in the Official Records as Instrument No. 90-171850;
3. Declaration of Trust Recorded April 18, 1991 in the Official Records as Instrument No. 91-129691; and
4. Declaration of Trust Recorded April 18, 1991 in the Official Records as Instrument No. 91-129692.

C. In lieu of the prior restrictions, HUD and the PHA desire to restrict the ongoing use of the Property as set forth in these Covenants.

D. The PHA has informed HUD that it intends to sell the Property at or above the Fair Market Value in the near future and HUD has agreed to permit such a sale. The parties desire to document this election and the Covenants that will be in placed on the Property pending sale.

AGREEMENT

In consideration of the promises and covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as set forth below. The Recitals are incorporated by reference.

1. Definitions.

- a. “Act” shall mean the U.S. Housing Act of 1937, as amended, 42 U.S.C. 1437 et. seq.
- b. “Affordable Housing Purposes” shall mean any activity that supports the pre-development, development or rehabilitation of other RAD conversions, public housing, housing assisted under section 8 of the Act, properties subject to low-income housing tax credit use restrictions, or other federal or local housing programs serving households with incomes at or below 80% of area median income, or that provide services or amenities that will be used primarily by low-income households as defined by the Act.
- c. “Fair Market Value” shall mean an amount at least equal to ninety percent (90%) of the Valuation, recognizing that there is variation among appraisals and that an arms-length purchase agreement may not correspond precisely to the Valuation.
- d. “Reference Date” shall mean October 1, 2019.
- e. “Valuation” shall mean the value of the Property as documented by an appraisal commissioned by the PHA and acceptable to HUD. Upon request from the PHA, HUD may accept a Valuation determined according to an alternative methodology acceptable to HUD in HUD’s sole discretion.

2. Commitment to Sale. The PHA has requested permission to sell the Property at Fair Market Value and HUD has agreed to such a sale provided that the PHA must enter into a purchase and sale agreement to sell the Property at or above the Fair Market Value within one (1) year of the Reference Date and must consummate such purchase and sale agreement within two (2) years of the Reference Date.

3. Escrow of Proceeds. Any proceeds from the sale of the Property must be deposited by the PHA in a bank account covered by a General Depository Agreement (HUD Form 51999) until the funds are disbursed for an Affordable Housing Purpose.

4. RAD FMV Transfer Covenants.

- a. Generally. The PHA does hereby acknowledge and declare that, during the period of applicability set forth in Section 4.b, below, the PHA is possessed of the Property and holds the Property in trust for the benefit of HUD. During the existence of the trust hereby created, HUD has been granted and is possessed of an interest in the above described Property, specifically the right to require the PHA to remain seized of the title to the Property and to refrain from transferring, conveying, assigning, leasing, mortgaging, pledging, or otherwise encumbering or permitting or suffering any transfer, conveyance, assignment, lease, mortgage,

pledge or other encumbrance of the Property or any part thereof, any appurtenances thereto, or any rent, revenues, income, or receipts therefrom or in connection therewith, or any interest in any of the same, except that the PHA may (a) lease dwellings and other spaces and facilities in the Property, or (b) convey or dedicate land for use as streets, alleys, or other public right-of-way, and grant easements for the establishment, operation, and maintenance of public utilities; or (c) upon request by HUD, convey title to or deliver possession of the Property to HUD.

b. Applicability. The Covenants set forth in Section 4.a shall apply from the date hereof through the date of sale of the Property and shall further apply during any period after an Event of Default. If the sale pursuant to Recital C is not effectuated within two (2) years of the Reference Date, these Covenants shall remain in effect until disposition of the Property is authorized by HUD pursuant to Section 18 of the Act or 2 CFR part 200.

c. Release of these Covenants. These Covenants shall remain in effect until execution by HUD of a release of these Covenants. Execution of such release shall be evidence that either (i) HUD has determined a transfer complies with the terms of Recital C, above, or (ii) HUD has approved release of these Covenants pursuant to Section 18 of the Act or 2 CFR part 200.

5. Actions Requiring the Prior Written Approval of HUD. The PHA shall not convey, assign, transfer, lease, sublease, pledge, hypothecate, encumber or otherwise dispose of the Property or any interest therein or permit the conveyance, assignment, transfer, lease, pledge or encumbrance of the Property during the period covered by these Covenants without the prior written approval of HUD. Notwithstanding the foregoing, the PHA need not obtain the prior written approval of HUD for (i) the conveyance or dedication of land for use as streets, alleys or other public rights-of-way, (ii) the granting of easements for the establishment, operation and maintenance of public utilities, and/or (iii) the documentation of residential lease or other occupancy arrangements in the normal course of operation of the Property.

6. Events of Default. Upon breach of any of the terms of these Covenants, HUD shall give the PHA written notice of the breach. The PHA shall have thirty (30) calendar days after receipt of such notice of breach to cure the breach; provided that, if the PHA uses commercially reasonable efforts to cure the breach within the prescribed thirty (30) day period and is unable to do so, HUD may approve in writing an extension of an additional thirty (30) calendar days to cure the breach, such approval not to be unreasonably withheld, conditioned or delayed. If the breach is not corrected to the satisfaction of HUD within the prescribed cure period HUD may declare a default under these Covenants (an "Event of Default") without further notice. Upon an Event of Default, the Covenants specified in Section 4 shall become effective or, if already effective, shall continue in effect and HUD shall have all other remedies available under statute, at law or in equity. No person or entity, other than the parties to these Covenants, has any rights or remedies under these Covenants. Further, HUD may take whatever investigative steps it deems necessary to ensure compliance. In the Event of Default, to the extent permitted by applicable law, HUD shall have the right to seek specific performance of these Covenants and/or to enjoin any violation of these Covenants in Federal Court. The right to specific performance and injunction shall be in addition to all other remedies available to HUD under statute, at law or in equity.

7. Third Party Beneficiaries. No person or entity, other than the parties to these Covenants, has any rights or remedies under these Covenants.
8. Successors and Assigns. Recordation of these Covenants shall constitute the agreement by PHA to be bound by and to comply with the restrictions set forth in these Covenants. The benefits and burdens of these Covenants touch and concern and run with the land and are binding upon and shall inure to the benefit of the respective successors and assigns of the parties to these Covenants, including any HUD-approved transferee.
9. Notices. All notices under these Covenants shall be in writing and shall be served by (a) personal service or receipted courier service, (b) by registered or certified first-class mail, return receipt requested, or (c) nationally-recognized overnight delivery service, addressed to HUD or the PHA, as appropriate, at the addresses for such parties set forth above. Any notice or other communication sent pursuant to clause (a) hereof shall be deemed received upon such personal service, if sent pursuant to clause (b) shall be deemed received seven (7) calendar days following deposit in the mail, and/or if sent pursuant to clause (c) shall be deemed received the next succeeding business day following deposit with such nationally recognized overnight delivery service. Any party may change its address by notice given in accordance with this Section 9.
10. Amendments. These Covenants may be amended only by a written instrument signed by the parties to these Covenants. Notwithstanding the foregoing, the parties may not amend, modify, rescind, revoke and/or terminate these Covenants without the prior written approval of HUD. Further, these Covenants are not subject to negotiation by the PHA, Lessee or any Lender with a Secured Interest in the Property.
11. Subordination. Any mortgage liens shall be subject and subordinate to these Covenants. These Covenants shall survive foreclosure and bankruptcy.
12. Execution of Other Covenants. PHA covenants and agrees that it has not and shall not execute any other agreement with provisions contradictory of, or in opposition to, the provisions of these Covenants, and that in any event, the provisions of these Covenants are paramount and controlling as to the rights and obligations set forth herein and supersede any conflicting requirements.
13. Governing Law. These Covenants shall be governed, construed and interpreted in accordance with the laws of the state in which the Property is located, and the parties shall submit to the jurisdiction and venue of the courts in the county where the Property is located.
14. Severability. The invalidity or unenforceability of any clause, part or provision of these Covenants shall not affect the validity or enforceability of the remaining portions thereof.
15. Counterpart Signatures. These Covenants may be executed in any number of original counterparts, all of which evidence only one agreement, and only one of which need be produced for any purpose.

Remainder of this page intentionally left blank.

IN WITNESS WHEREOF, the parties hereto, by their respective duly authorized representatives, have caused their names to be subscribed hereto, on the date first written above.

PHA hereby certifies that the statements and representations contained in this instrument and all supporting documentation are true, accurate, and complete and that each signatory has read and understands the terms of these Covenants. This instrument has been made, presented, and delivered for the purpose of influencing an official action of HUD, and may be relied upon by HUD as a true statement of facts contained therein.

PHA: Housing Authority of the County of San Bernardino, a public body corporate and politic

By: Maria Razo
Name: Maria Razo
Its: Executive Director

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

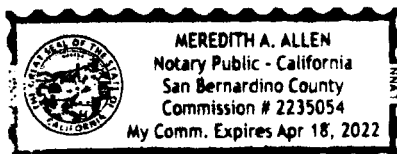
STATE OF CALIFORNIA

SS.

COUNTY OF SAN BERNARDINO

On September 23, 2019, before me, Meredith A. Allen, Notary Public, personally appeared Maria Razo, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that ~~he/she/they~~ executed the same in ~~his~~ authorized capacity, and that by ~~his/her/their~~ signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under penalty of perjury under the laws of this State or Commonwealth that the foregoing paragraph is true and correct. Witness my hand and official seal.



Meredith A. Allen
Notary Public
Print Name: Meredith A. Allen
My commission expires: April 18, 2022

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

By:

Thomas R. Davis
Thomas R. Davis
Director, Office of Recapitalization

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

District of Columbia

| ss.

ATA

On SEPTEMBER 25th, 2019 before me, Simon Tamale Tyaba, Notary Public, personally appeared Thomas R. Davis, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his authorized capacity, and that by his/her/their signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under penalty of perjury under the laws of the District of Columbia that the foregoing paragraph is true and correct. Witness my hand and official seal.

Simon Tamale Tyaba
Notary Public

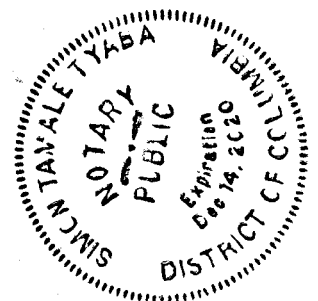
Print Name: Simon TAMALE TYABA

My commission expires: 12/14/2020

Warning:

Any person who knowingly presents a false, fictitious, or fraudulent statement or claim in any matter within the jurisdiction of the U.S. Department of Housing and Urban Development is subject to criminal penalties, civil liability, and administrative sanctions.

DISTRICT OF COLUMBIA: SS
SUBSCRIBED AND SWORN TO BEFORE ME
THIS 25th DAY OF SEPTEMBER, 2019
Simon TAMALE TYABA
NOTARY PUBLIC
My Commission Expires 12/14/2020



**ILLEGIBLE NOTARY SEAL DECLARATION
GOVERNMENT CODE SECTION 27361.7**

I CERTIFY UNDER PENALTY OF PERJURY THAT THE NOTARY SEAL ON THE DOCUMENT TO WHICH THIS STATEMENT IS ATTACHED READS AS FOLLOWS:

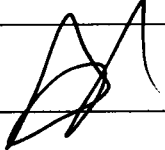
NAME OF NOTARY _____ MEREDITH A. ALLEN _____

NAME OF COUNTY _____ SAN BERNARDINO _____

DATE COMMISSION EXPIRES _____ 4-18-2022 _____

COMMISSION NUMBER _____ 2235054 _____

VENDOR NUMBER _____ NNA1 _____

SIGNED _____  _____

PLACE OF EXECUTION _____ RIVERSIDE, CA _____

DATE _____ 10/1/19 _____

EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SAN BERNARDINO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL C OF CERTIFICATE OF COMPLIANCE FOR LOT LINE ADJUSTMENT 2019-003, RECORDED JULY 18, 2019 AS INSTRUMENT NO. 2019-0241893 OF OFFICIAL RECORDS, FURTHER DESCRIBED AS FOLLOWS:

THOSE PORTIONS OF PARCELS 1 & 2 OF CERTIFICATE OF COMPLIANCE FOR LOT LINE ADJUSTMENT, IN THE CITY OF SAN BERNARDINO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, RECORDED MARCH 2, 2016 AS DOCUMENT NO. 2016-0080122, OFFICIAL RECORDS OF SAN BERNARDINO COUNTY; AND LOT 11 OF BLOCK 42 OF RANCHO SAN BERNARDINO PER BOOK 7 OF MAPS, PAGE 2, OFFICIAL RECORDS OF SAN BERNARDINO COUNTY, EXCEPTING THEREFROM A PARCEL 150 FEET BY 150 FEET IN THE NORTHWEST CORNER OF LOT 11; DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID PARCEL 1, SAID POINT ALSO BEING ON THE SOUTHERLY RIGHT-OF-WAY OF BASELINE STREET; THENCE S. 90°00'00" W. ALONG SAID SOUTHERLY RIGHT-OF-WAY A DISTANCE OF 280.41 FEET; THENCE S. 00°00'00" E. LEAVING SAID SOUTHERLY RIGHT-OF-WAY A DISTANCE OF 8.96 FEET TO A TANGENT CURVE, CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 150.50 FEET; THENCE SOUTHERLY AND SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 37°44'50" AN ARC DISTANCE OF 99.15 FEET TO A REVERSE CURVE, CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 141.50 FEET; THENCE SOUTHEASTERLY AND SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 37°29'09" AN ARC DISTANCE OF 92.58 FEET; THENCE S. 00°15'41" E. A DISTANCE OF 25.23 FEET TO A TANGENT CURVE, CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 149.50 FEET; THENCE SOUTHERLY AND SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 36°32'16" AN ARC DISTANCE OF 95.34 FEET; THENCE S. 36°16'34" W. A DISTANCE OF 550.77 FEET TO A TANGENT CURVE, CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 29.50 FEET; THENCE SOUTHWESTERLY AND WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 53°43'26" AN ARC LENGTH OF 27.66 FEET; THENCE S. 90°00'00" W. A DISTANCE OF 122.44 FEET; THENCE N. 00°00'00" W. A DISTANCE OF 23.50 FEET; THENCE S. 90°00'00" W. A DISTANCE OF 274.58 FEET; THENCE N. 00°00'00" E. A DISTANCE OF 275.21 FEET; THENCE N. 90°00'00" E. A DISTANCE OF 55.00 FEET; THENCE N. 00°00'00" E. A DISTANCE OF 75.21 FEET; THENCE S. 90°00'00" W. A DISTANCE OF 55.00 FEET; THENCE N. 00°00'00" E. A DISTANCE OF 73.58 FEET; THENCE N. 90°00'00" E. A DISTANCE OF 268.00 FEET; THENCE N. 00°00'00" E. A DISTANCE OF 310.01 FEET TO A POINT ON SAID SOUTHERLY RIGHT-OF-WAY OF BASELINE STREET; THENCE N. 90°00'00" W. ALONG SAID SOUTHERLY RIGHT-OF-WAY A DISTANCE OF 936.23 FEET TO THE INTERSECTION OF SAID SOUTHERLY RIGHT-OF-WAY AND A LINE 150 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SAID LOT 11; THENCE S. 00°06'14" E. ALONG SAID PARALLEL LINE A DISTANCE OF 150 FEET TO A POINT ON A LINE 150 FEET SOUTHERLY OF AND PARALLEL WITH SAID SOUTHERLY RIGHT-OF-WAY; THENCE S. 90°00'00" W. ALONG SAID PARALLEL LINE A DISTANCE OF 150 FEET TO THE WEST LINE OF SAID LOT 11; THENCE S. 00°06'14" E. ALONG SAID WEST LINE A DISTANCE OF 808.22 FEET TO THE SOUTHWEST CORNER OF SAID LOT 11, SAID LINE ALSO BEING THE CENTERLINE OF OLIVE STREET; THENCE N. 89°58'38" E. ALONG SAID SOUTH LINE AND CENTERLINE OF OLIVE STREET A DISTANCE OF 1184.74; THENCE N. 00°00'00" E. LEAVING SAID CENTERLINE A DISTANCE OF 167.95 FEET TO A NON-TANGENT CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 185.00 FEET, A RADIAL TO SAID CURVE BEARS S. 08°31'46" E.; THENCE EASTERLY AND NORTHEASTERLY ALONG SAID CURVE A THROUGH A CENTRAL ANGLE OF 45°11'40" AN ARC DISTANCE OF 145.93 FEET; THENCE N. 36°16'34" E. A DISTANCE OF 443.87 FEET; THENCE S. 53°44'16" E. A DISTANCE OF 100.40 FEET TO A TANGENT CURVE, CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 150.00 FEET; THENCE SOUTHEASTERLY AND EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 36°15'44" AN ARC DISTANCE OF 94.93 FEET; THENCE N. 90°00'00" E. A DISTANCE OF 73.68 FEET TO THE EAST LINE OF SAID PARCEL 3; THENCE N. 00°08'27" W. ALONG

SAID EAST LINE OF SAID PARCELS 1 AND 3 A DISTANCE OF 446.91 FEET TO THE NORTHEAST CORNER OF SAID PARCEL 1 AND THE POINT OF BEGINNING.

REVISED OPERATING AGREEMENT

for

ARROWHEAD GROVE LLC

This Revised Operating Agreement (the "**Agreement**") is entered into as of _____, 2021 (the "**Effective Date**"), by the Housing Authority of the County of San Bernardino, a public body, corporate and politic ("**HACSB**"), and Housing Partners I, Incorporated, a California nonprofit public benefit corporation ("**HPI**" or "**Managing Member**") (each referred to individually as a "**Member**" and collectively as the "**Members**"), with reference to the following facts:

A. HACSB and HPI desire to revise the form of limited liability company known as Arrowhead Grove LLC, a California limited liability company (the "**Company**"), which was established in 2019 under the California Revised Uniform Limited Liability Company Act (the "**Act**") (California Corporations Code Sections 17701.01 *et seq.*).

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

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

ARTICLE 1: DEFINITIONS

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

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

1.2 "Affiliate" of a Member means any Person directly or indirectly controlling, controlled by, or under common control with the Member. The term "control" (including the terms "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through membership, ownership, by contract or otherwise.

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

1.4 "Articles of Organization" is defined in California Corporations Code Section 17701.02(b).

1.5 "Bona Fide Offer" is defined in Section 8.3.

1.6 "Capital Account" means, as to any Member, a separate account maintained and adjusted in accordance with Section 3.4.

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

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

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

1.10 "Company" means Arrowhead Grove LLC, a California limited liability company.

1.11 "Dispute" is defined in Section 10.1

1.12 "Dissociation Event" is defined in Section 8.4.

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

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

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

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

(a) The Gross Asset Value of any item of property contributed by a Member to the Company shall be the value of such property, as mutually agreed by the contributing Member and the Company; and

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

1.17 "Fair Option Price" is defined in Section 8.8.

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

1.19 "Involuntary Transfer" means, with respect to any Membership Interest, or any element thereof, any Transfer or Encumbrance, effected by operation of law, under court order, by foreclosure of a security interest, by execution of a judgment or other legal process, or by any means other than at the will of the Members, including a purported transfer to or from a trustee in bankruptcy, receiver, or assignee for the benefit of creditors. Involuntary Transfer shall also include the death, incapacity, or dissolution of a Member.

1.20 "Limited Partnership" means future California limited partnerships to be established for the specific purpose of developing portions of the land formerly known as the Waterman Gardens housing site, east of Waterman Avenue between Baseline Road and Olive Street in the City of San Bernardino, California.

1.21 "Losses" see the definition of "Profits and Losses".

1.22 "Managing Member" means Housing Partners I, Incorporated, a California nonprofit public benefit corporation.

1.23 "Meeting" is defined in Section 5.4.

1.24 "Member" means a Person that has become a member of the Company under Section 17704.01 of the Act and has not dissociated under Section 17706.02 of the Act.

1.25 "Membership Interest" means a Member's rights in the Company, including the Member's Transferable Interest, any right to Vote or participate in management, and any right to information concerning the business and affairs of the Company provided by the Act.

1.26 "Notice" means a written notice required or permitted under this Agreement. A notice shall be deemed given or sent when sent by certified mail return receipt requested, or for overnight delivery, postage and fees prepaid, in the United States mail; when sent by Federal Express, United Parcel Service, or another reputable commercial delivery service with a delivery receipt, charges prepaid or charged to the sender's account; when personally delivered to the recipient with a delivery receipt; or when delivered to the home or office of a recipient with a delivery receipt in the care of a person whom the sender has reason to believe will promptly communicate the notice to the recipient. The delivery receipt shall be evidence of receipt of the notice, and notice shall be deemed to have been received on the date shown on the delivery receipt as the date of delivery, the date delivery was refused or the date the notice was returned as undeliverable.

1.27 "Option Date" is defined in Section 8.6.

1.28 "Percentage Interest" means a fraction, expressed as a percentage, the numerator of which is the total of a Member's Capital Account and the denominator of which is the total of all Capital Accounts of all Members. The Percentage Interests of the Members are set forth on Exhibit B.

1.29 "Person" means an individual, partnership, limited partnership, trust, estate, association, corporation, limited liability company, or other entity, whether domestic or foreign.

1.30 "Profits and Losses" means, for each fiscal year or other period specified in this Agreement, an amount equal to the Company's taxable income or loss for such year or period, determined in accordance with Code section 703(a).

1.31 "Project" means those certain future real estate developments located on portions of the land formerly known as the Waterman Gardens housing site, east of Waterman Avenue between Baseline Road and Olive Street in the City of San Bernardino, California.

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

1.33 "Selling Member" is defined in Section 8.4.

1.34 "Substituted Member" is defined in Section 8.9.

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

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

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

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

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

ARTICLE 2: ARTICLES OF ORGANIZATION

2.1 The Members will revise the limited liability company under the Act by properly executing and filing the revised Articles of Organization, and executing this Agreement. The rights, duties, and liabilities of the Members are determined pursuant to the Act, the Articles of Organization, and this Agreement. The Articles of Organization are attached as Exhibit A to this Agreement.

2.2 The name of the Company is Arrowhead Grove LLC.

2.3 The principal executive office of the Company is at 715 East Brier Drive, San Bernardino, California 92408, or such other place or places as may be determined by the Members from time to time.

2.4 The initial agent for service of process on the Company is as stated in the Articles of Organization. The Members may from time to time change the Company's agent for service of process.

2.5 The Company is formed for the specific charitable purpose of furthering the tax exempt charitable purposes of its Members and to serve as a limited partner in the Limited Partnership in its ownership and operation of the Project.

2.6 The term of existence of the Company commences on the effective date of filing of the revised Articles of Organization with the California Secretary of State and shall continue until terminated by the provisions of this Agreement or as provided by law.

2.7 The Company is member-managed, and is managed by all Members. HPI will act as the Managing Member of the Company.

ARTICLE 3: CAPITALIZATION

3.1 Each Member shall contribute to the capital of the Company as the Member's Capital Contribution the money, services, and/or property specified in Exhibit B to this Agreement and shall receive the Percentage Interests set forth in Exhibit B. Unless otherwise agreed by the Members under this Agreement, no Member shall be required to make additional Capital Contributions.

3.2 If at any time the Members jointly determine that additional Capital Contributions are necessary or appropriate for the conduct of the Company's business, each Member shall contribute its Percentage Interest of such additional required capital. Except as set forth in this Section, no Member shall be required to make additional Capital Contributions.

3.3 If a Member fails to make a required Capital Contribution within thirty (30) days after the Effective Date, that Member's entire Membership Interest shall terminate, that Member shall be dissociated from the Company, and that Member shall indemnify and hold the Company

and the other Members harmless from any loss, cost, or expense, including reasonable attorney's fees caused by the failure to make such Capital Contribution.

3.4 An individual Capital Account shall be maintained for each Member consisting of that Member's Capital Contribution, (1) increased by that Member's share of Profits, (2) decreased by that Member's share of Losses and Company expenses, and (3) adjusted as required in accordance with applicable provisions of the Code and Regulations.

3.5 A Member shall not be entitled to withdraw any part of the Member's Capital Contribution or to receive any distributions, whether of money or property from the Company except as provided in this Agreement or as the Members may determine.

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

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

3.8 A Member shall not be bound by, or be personally liable for, the expenses, liabilities, or obligations of the Company except as otherwise provided in the Act or in this Agreement.

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

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

3.11 In the event that a Member has incurred any indebtedness or obligation before the date of this Agreement that relates to or otherwise affects the Company, neither the Company nor any other Member has any liability or responsibility with respect to the indebtedness or obligation unless the indebtedness or obligation is assumed by the Company pursuant to a written instrument signed by all Members. Furthermore, neither the Company nor any Member is responsible or liable for any indebtedness or obligation that is subsequently incurred by any other Member. In the event that a Member (the "**Liable Member**"), whether before or after the date of this Agreement, incurs (or has incurred) any debt or obligation that neither the Company nor any of the other Members is to have any responsibility or liability for, the **Liable Member**

must indemnify and hold harmless the Company and the other Members from any liability or obligation they may incur in respect of the debt or obligation.

ARTICLE 4: ALLOCATIONS AND DISTRIBUTIONS

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

4.2 If any Member unexpectedly receives any adjustment, allocation, or distribution described in Regulations sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6), items of Company gross income and gain shall be specially allocated to that Member in an amount and manner sufficient to eliminate any deficit balance in the Member's Capital Account created by such adjustment, allocation, or distribution as quickly as possible. Any special allocation under this Section 4.2 shall be taken into account in computing subsequent allocations of Profits and Losses so that the net amount of allocations of income and loss and all other items shall, to the extent possible, be equal to the net amount that would have been allocated if the unexpected adjustment, allocation, or distribution had not occurred. The provisions of this Section 4.2 and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations sections 1.704-1(b) and 1.704-2 and shall be interpreted and applied in a manner consistent with such Regulations.

4.3 Any unrealized appreciation or unrealized depreciation in the values of Company property distributed in kind to all the Members shall be deemed to be Profits or Losses realized by the Company immediately before the distribution of the property and such Profits or Losses shall be allocated to the Members' Capital Accounts in the same proportions as Profits are allocated under Section 4.1. Any property so distributed shall be treated as a distribution to the Members to the extent of the Fair Market Value of the property less the amount of any liability secured by and related to the property. Nothing contained in this Agreement is intended to treat or cause such distributions to be treated as sales for value. For the purposes of this Section 4.3, "unrealized appreciation" or "unrealized depreciation" shall mean the difference between the Fair Market Value of such property and the Company's basis for such property.

4.4 If any Membership Interest, or part thereof, is Transferred during any fiscal year in compliance with the provisions of Article 8, profits, losses, each item thereof, and all other items attributable to such Membership Interest for such fiscal year shall be divided and allocated between the Transferor and the Transferee by taking into account their varying Membership Interests during the period in accordance with Internal Revenue Code Section 706(d), using any convention permitted by law selected by the Members. All distributions on or before the date of such Transfer shall be made to the Transferor, and all distributions thereafter shall be made to the Transferee. Solely for purposes of making such allocations and distributions, the Company shall recognize such Transfer not later than the end of the calendar month during which the assignment occurs. Neither the Company nor the Members shall incur any liability for making allocations and distributions in accordance with the provisions of this Article 4.

4.5 All cash resulting from the normal business operations of the Company and from a Capital Event shall be distributed among the Members in proportion to their Percentage Interests at such times as the Members may agree.

4.6 If the proceeds from a sale or other disposition of a Company asset consist of property other than cash, the value of such property shall be as determined by the Members. Such noncash proceeds shall then be allocated among all the Members in proportion to their Percentage Interests. If such noncash proceeds are subsequently reduced to cash, such cash shall be distributed to each Member in accordance with Section 4.5.

4.7 Notwithstanding any other provisions of this Agreement to the contrary, when there is a distribution in liquidation of the Company, or when any Member's interest is liquidated, all items of income and loss first shall be allocated to the Members' Capital Accounts under this Article 4, and other credits and deductions to the Members' Capital Accounts shall be made before the final distribution is made. The final distribution to the Members shall be made to the Members to the extent of and in proportion to their positive Capital Account balances.

ARTICLE 5: MANAGEMENT

5.1 The Company shall be member-managed. HPI, or a successor selected pursuant to the provisions of this Article 5, shall act as the Managing Member and shall have primary responsibility for the activities specifically enumerated in this Agreement. Either HASBC or HPI shall have the authority to execute documents on behalf of the Company and as the limited partner of the Limited Partnership.

5.2 The appointment of a new managing member requires unanimous written approval of all of the Members.

5.3 Each Member shall designate in writing to the other Members not more than two (2) designated representatives each of whom shall be authorized to act under this Agreement for and on behalf of such Member and may be relied on by the other Members without further inquiry. Any such designated representative may be replaced by the Member by giving Notice to the other Members.

5.4 The Members are not required to hold any meetings, and decisions requiring the unanimous approval of the Members may be reached through one or more informal consultations followed by agreement among the Members, provided that all Members are consulted, or by a written consent signed by each of the Members. In the event that Members wish to hold a formal meeting (a "**Meeting**") for any reason, the following procedures shall apply:

(a) Any Member may call a Meeting of the Members by giving Notice of the time and place of the Meeting at least forty-eight (48) hours prior to the time of the holding of the Meeting. The Notice need not specify the purpose of the Meeting, or the location if the Meeting is to be held at the principal executive office of the Company.

(b) Attendance of all Members shall constitute a quorum for the transaction of business at any Meeting of the Members.

(c) The transactions of the Members at any Meeting, however called or noticed, or wherever held, shall be as valid as though transacted at a Meeting duly held after call and notice if a quorum is present and if, either before or after the Meeting, each Member not present signs a written waiver of Notice, a consent to the holding of the Meeting, or an approval of the minutes of the Meeting.

(d) Any action required or permitted to be taken by the Members under this Agreement may be taken without a Meeting if each of the Members consents in writing to such action.

(e) Members may participate in the Meeting through the use of a conference telephone or similar communications equipment, provided that all Members participating in the Meeting can hear one another.

(f) The Managing Member shall keep or cause to be kept with the books and records of the Company full and accurate minutes of all Meetings, Notices, and waivers of Notices of Meetings, and all written consents in lieu of Meetings.

5.5 The Members as such and as managers shall not be entitled to compensation for their services.

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

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

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

5.9 Housing Partners I, Incorporated shall act as the Partnership Representative of the Company under Code section 6223(a).

(a) The Partnership Representative shall have the authority, and the Members shall have the obligations, described in the following subsections.

(1) The obligations of each Member or former Member under this Section 5.9 shall survive the transfer or redemption by a Member of its Membership Interest and the termination of this Agreement or the dissolution of the Company.

(2) The Partnership Representative, in its sole discretion, shall have the right to make on behalf of the Company any and all elections and take any and all actions that are available to be made or taken by the Partnership Representative or the Company (including, if applicable, any election under Code Section 6226(a)). The Members shall take any and all actions requested by the Partnership Representative consistent with any elections made and actions requested by the Partnership Representative, including, without limitation, filing amended tax returns and paying any tax or adjustment due.

(3) No later than 10 business days after the Partnership Representative has knowledge of any audit or proceeding concerning the Company, the Partnership Representative shall notify the Members of the existence of such audit or proceeding. Each Member shall have the right to have a tax advisor of its own choosing participate in, but not direct, the prosecution or defense of such audit or proceeding at such Member's sole expense. The Partnership Representative shall make commercially reasonable efforts to facilitate such tax advisor's participation.

ARTICLE 6: ACCOUNTS AND RECORDS

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

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

6.3 At all times during the term of existence of the Company, and beyond that term if all of the Members deem it necessary, the Managing Member shall keep or cause to be kept the books of account referred to in Section 6.2, and the following:

(a) A current list of the full name and last known business or residence address of each Member, together with the Capital Contribution and the share in Profits and Losses of each Member;

(b) A copy of the Articles of Organization, and any amendments thereto;

(c) Copies of the Company's federal, state, and local income tax or information returns and reports, if any, for the six (6) most recent taxable years;

(d) Executed counterparts of this Agreement, as amended;

(e) Any powers of attorney under which the Articles of Organization or any amendments thereto were executed;

(f) Financial statements and audits of the Company for the six (6) most recent fiscal years; and

(g) The books and records of the Company as they relate to the Company's internal affairs for the current and past six (6) fiscal years.

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

6.4 Within ninety (90) days after the end of each taxable year of the Company the Company shall send to each of the Members all information necessary for the Members to complete their federal and state income tax or information returns, and a copy of the Company's federal, state, and local income tax or information returns for such year.

ARTICLE 7: MEMBERS AND VOTING

7.1 There shall be only one class of membership and no Member shall have any rights or preferences in addition to or different from those possessed by any other Member. Each Member shall Vote in proportion to the Member's Percentage Interest as of the governing record date, determined in accordance with Section 7.2. The following actions shall require the unanimous consent of the Members:

(a) the sale, lease, exchange, or other disposal of all, or substantially all, of the Company's property, with or without the goodwill, outside the ordinary course of the limited liability company's activities;

(b) the acquisition of any real or personal property;

(c) the approval of a merger or conversion under Article 10 of the Act (commencing with Section 17710.01);

(d) any act outside the ordinary course of the Company's activities;

(e) the Transfer of a Membership Interest and the admission of the Transferee as a Member of the Company;

(f) a decision to continue the business of the Company after an event described in Article 9;

(g) any amendment of the Articles of Organization or this Agreement;

- (h) compromise of the obligation of a Member to make a Capital Contribution;
- (i) any act that would make it impossible to carry on the ordinary business of the Company;
- (j) any confession of a judgment against the Company;
- (k) the dissolution of the Company;
- (l) the disposition of all or a substantial part of the Company's assets including the Company's interest in the Limited Partnership;
- (m) the incurring of any debt not in the ordinary course of business;
- (n) a change in the nature of the principal business of the Company;
- (o) the incurring of any contracted obligation or the making of any capital expenditures with a total cost of more than Twenty Thousand Dollars (\$20,000); and
- (p) the filing of a petition in bankruptcy or the entering into of an arrangement among creditors.

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

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

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

ARTICLE 8: TRANSFERS OF MEMBERSHIP INTERESTS

8.1 A Member may voluntarily dissociate from the Company at any time by giving Notice of Dissociation to all of the Members at least ninety (90) calendar days before the effective date of dissociation. Dissociation shall not release a Member from any obligations and liabilities under this Agreement accrued or incurred before the effective date of dissociation. A dissociated Member shall divest the Member's entire Membership Interest before the effective date of dissociation in accordance with and subject to the provisions of this Article 8.

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

8.3 If a Member wishes to transfer any or all of the Member's Membership Interest in the Company pursuant to a Bona Fide Offer (as defined below), the Member shall give Notice to the other Member at least ninety (90) days in advance of the proposed sale or Transfer, indicating the terms of the Bona Fide Offer and the identity of the offeror. The Company and the other Members shall have the option to purchase the Membership Interest proposed to be transferred at the price and on the terms provided in this Agreement. If the price for the Membership Interest is other than cash, the fair value in dollars of the price shall be as established in good faith by the Company. For purposes of this Agreement, "**Bona Fide Offer**" means an offer in writing setting forth all relevant terms and conditions of purchase from an offeror who is ready, willing, and able to consummate the purchase and who is not an Affiliate of the selling Member. For thirty (30) days after the Notice is given, the Company shall have the right to purchase the Membership Interest offered, on the terms stated in the Notice, for the lesser of (a) the price stated in the Notice (or the price plus the dollar value of noncash consideration, as the case may be) and (b) the price determined under the appraisal procedures set forth in Section 8.8.

If the Company does not exercise the right to purchase all of the Membership Interest, then, with respect to the portion of the Membership Interest that the Company does not elect to purchase, that right shall be given to the other Members for an additional sixty (60)-day period, beginning on the day that the Company's right to purchase expires. Each of the other Members shall have the right to purchase, on the same terms, a part of the interest of the offering Member in the proportion that the Member's Percentage Interest bears to the total Percentage Interests of all of the Members who choose to participate in the purchase; provided, however, that the Company and the participating Members may not, in the aggregate, purchase less than the entire interest to be sold by the offering Member.

If the Company and the other Members do not exercise their rights to purchase all of the Membership Interest, the offering Member may, within ninety (90) days from the date the Notice is given and on the terms and conditions stated in the Notice, sell or exchange that Membership Interest to the offeror named in the Notice. Unless the requirements of Section 8.2 are met, the offeror under this Section shall become a Transferee, and shall be entitled to receive only the share of Profits or other compensation by way of income and the return of Capital Contribution to which the Transferor would have been entitled.

8.4 On the happening of any of the following events ("**Dissociation Events**") with respect to a Member, the Company and the other Members shall have the option to purchase the Membership Interest in the Company of such Member ("**Selling Member**") at the price and on the terms provided in Section 8.8 of this Agreement:

- (a) The winding up and dissolution of an entity Member.
- (b) The failure of a Member to make the Member's Capital Contribution pursuant to the provisions of Article 3 of this Agreement.
- (c) The occurrence of any other event that is, or that would cause, a Transfer in contravention of this Agreement.
- (d) The Company has Notice of the Member's express will to withdraw as a member.
- (e) The Member is expelled as a member pursuant to this Agreement.
- (f) The Member is expelled as a member by the unanimous consent of the other Members because any of the following applies:
 - (1) It is unlawful to carry on the Company's activities with the Member as a member.
 - (2) There has been a Transfer of all of the Member's Transferable Interest in the Company, other than either of the following: (1) a transfer for security purposes; or (2) a charging order in effect under Section 17705.03 that has not been foreclosed.
 - (3) The Member is a corporation and, within ninety (90) days after the Company notifies the Member that it will be expelled as a member because the Member has filed a certificate of dissolution or the equivalent, its charter has been revoked, or its right to conduct business has been suspended by the jurisdiction of its incorporation and the certificate of dissolution has not been revoked or its charter or right to conduct business has not been reinstated.
 - (4) The Member is a limited liability company or partnership that has been dissolved and whose business is being wound up.
- (g) On application by the Company, the Member is expelled as a member by judicial order because the Member has done any of the following:
 - (1) Engaged, or is engaging, in wrongful conduct that has adversely and materially affected, or will adversely and materially affect, the Company's activities.
 - (2) Willfully or persistently committed, or is willfully and persistently committing, a material breach of this Agreement or the Member's duties or obligations under Section 17704.09 of the Act.

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

(h) The Member becomes a debtor in bankruptcy.

(i) The Company participates in a merger under Article 10 of the Act (commencing with Section 17710.01), and either of the following applies:

(1) The Company is not the surviving entity.

(2) Otherwise as a result of the merger, the Member ceases to be a member.

(j) The Company terminates.

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

8.5 When a person is dissociated as a member of the Company all of the following apply:

(a) The Member's right to participate as a member in the management and conduct of the Company's activities terminates.

(b) The Member's fiduciary duties as a member end with regard to matters arising and events occurring after the Member's dissociation.

(c) Subject to Section 17705.04 and Article 10 of the Act (commencing with Section 17710.01), any Transferable Interest owned by the Member immediately before dissociation in the Member's capacity as a member is owned by the Member solely as a Transferee.

(d) A Member's dissociation as a member of the Company does not of itself discharge the Member from any debt, obligation, or other liability to the Company or the other Members that the Member incurred while a member.

8.6 On the receipt of Notice by a Member as contemplated by Sections 8.1, 8.3, and 8.4, and on receipt of Notice of any Dissociation Event as determined in good faith by the Member (the date of such receipt is hereinafter referred to as the "**Option Date**"), the Member shall promptly cause a Notice of the occurrence of such a Dissociation Event to be sent to all other Members, and the Company shall have the option, for a period ending ninety (90) calendar days following the determination of the purchase price as provided in Section 8.8, to purchase the Membership Interest in the Company to which the option relates, at the price and on the terms set forth in Section 8.8 of this Agreement, and the other Members, pro rata in accordance with their prior Membership Interests in the Company, shall then have the option, for a period of thirty (30) days thereafter, to purchase the Membership Interest in the Company not purchased

by the Company, on the same terms and conditions as apply to the Company. If all other Members do not elect to purchase the entire remaining Membership Interest in the Company, then the Members electing to purchase shall have the right, pro rata in accordance with their prior Membership Interest in the Company, to purchase the additional Membership Interest in the Company available for purchase. The Transferee of the Membership Interest in the Company that is not purchased shall hold such Membership Interest in the Company subject to all of the provisions of this Agreement.

8.7 Neither the Member whose interest is subject to purchase under this Article, nor such Member's Affiliate, shall participate in any Vote or discussion of any matter pertaining to the disposition of the Member's Membership Interest in the Company under this Agreement.

8.8 The purchase price of the Membership Interest that is the subject of an option under Section 8.6 shall be the "Fair Option Price" of the interest as determined under this Section 8.8. "Fair Option Price" means the cash price that a willing buyer would pay to a willing seller when neither is acting under compulsion and when both have reasonable knowledge of the relevant facts on the Option Date. Each of the selling and purchasing parties shall use his, her, or its best efforts to mutually agree upon the Fair Option Price. If the parties are unable to so agree within thirty (30) days of the Option Date, the selling party shall appoint, within sixty (60) days of the Option Date, one appraiser, and the purchasing party shall appoint within sixty (60) days of the Option Date, one appraiser. The two appraisers shall within a period of twenty (20) additional days, agree upon and appoint an additional appraiser. The three appraisers shall, within sixty (60) days after the appointment of the third appraiser, determine the Fair Option Price of the Membership Interest in writing and submit their report to all the parties.

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

8.9 Except as expressly permitted under Section 8.2, a prospective transferee (other than an existing Member) of a Membership Interest may be admitted as a Member with respect to such Membership Interest ("**Substituted Member**") only (a) on the unanimous written consent of the other Members in favor of the prospective transferee's admission as a Member, and (b) on such prospective transferee executing a counterpart of this Agreement as a party hereto. Any prospective transferee of a Membership Interest shall be deemed a Transferee, and, therefore, the owner of only a Transferable Interest until such prospective transferee has been admitted as a Substituted Member. Except as otherwise permitted in the Act, any such Transferee shall be entitled only to receive allocations and distributions under this Agreement with respect to such Membership Interest and shall have no right to Vote or exercise any rights of a Member until such Transferee has been admitted as a Substituted Member. Until the Transferee becomes a Substituted Member, the Transferor will continue to be a Member and to have the power to exercise any rights and powers of a Member under this Agreement, including

the right to Vote in proportion to the Percentage Interest that the Transferor would have had in the event that the Transfer had not been made.

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

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

ARTICLE 9: DISSOLUTION AND WINDING UP

9.1 The Company shall be dissolved on the first to occur of the following events:

- (a) The decision of all Members to dissolve the Company.
- (b) The death, incapacity, withdrawal, bankruptcy or corporate dissolution of a Member; provided, however, that the remaining Members may, by the Vote of all of the Members within ninety (90) days of the happening of that event, elect to continue the Company, in which case the Company shall not dissolve. If the remaining Members fail to so Vote, the remaining Members shall wind up the Company.
- (c) The passage of ninety (90) consecutive days during which the Company has no members.
- (d) The sale or other disposition of substantially all of the Company's assets.
- (e) Entry of a decree of judicial dissolution pursuant to California Corporations Code section 17707.03.

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

(a) To pay the expenses of liquidation.

(b) To repay outstanding loans made to the Company from the Members. If there are insufficient funds to pay such loans in full, each member shall be repaid in the ratio that the member's respective loan, together with interest accrued and unpaid thereon, bears to the total of repayment, and shall first be credited to accrued and unpaid interest due and the remainder shall be credited to principal.

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

ARTICLE 10: DISPUTE RESOLUTION

10.1 In the event that the Members, in good faith, fail to agree with respect to any matter which requires the consent or approval of both Members under this Agreement or fail to agree on an interpretation of the terms of this Agreement (a "**Dispute**"), the matter shall be submitted to non-binding mediation. To initiate the mediation process, the Members shall prepare a list of mediators and attempt to agree on one of the mediators on the list. If the Members cannot reach agreement on one of the mediators on the list within ten (10) days, each shall nominate one mediator, and the two nominees shall jointly choose a mediator. The Members shall meet with the mediator on at least three occasions within a thirty (30)-day period in an attempt to resolve the Dispute. In the event the Members are unable to resolve the Dispute within thirty (30) days after the mediator is named, the process shall be deemed unsuccessful, subject to the ability of the Members to extend the mediation period by mutual agreement. If the mediation is unsuccessful, then the Members may pursue arbitration as set forth in Section 10.2 below.

10.2 If mediation is unsuccessful in resolving a Dispute any such Dispute shall be settled by arbitration in accordance with the rules of the American Arbitration Association. After unsuccessful mediation, arbitration shall be the exclusive dispute resolution process in the State of California, but arbitration shall be a nonexclusive process elsewhere. Any Member may commence arbitration by sending a written demand for arbitration to the other parties. Such demand shall set forth the nature of the Dispute to be resolved by arbitration. Arbitration shall be conducted in San Bernardino, California. The substantive law of the State of California shall be applied by the arbitrator to the resolution of the Dispute. The parties shall share equally all initial costs of arbitration. The prevailing party shall be entitled to reimbursement of attorney fees, costs, and expenses incurred in connection with the arbitration. All decisions of the arbitrator shall be final, binding, and conclusive on all parties. Judgment may be entered on any such decision in accordance with applicable law in any court having jurisdiction thereof.

ARTICLE 11: FIDUCIARY DUTIES

11.1 The fiduciary duties that the Members owe to the Company and the other Members of the Company are the duties of loyalty and care.

(a) The Members' duty of loyalty to the Company and the other Members is the following:

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

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

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

(c) The Members' do not violate a duty or obligation under this Agreement merely because a Member's conduct furthers its own interest.

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

ARTICLE 12: INDEMNIFICATION

12.1 The Company shall reimburse for any payment made and indemnify for any debt, obligation, or other liability incurred by a Member in the course of the Member's activities on behalf of the Company, if, in making the payment or incurring the debt, obligation, or other liability, the Member complied with the duties stated in Article 11.

ARTICLE 13: GENERAL PROVISIONS

13.1 This Agreement constitutes the whole and entire agreement with respect to the subject matter of this Agreement, and it shall not be modified or amended in any respect except by a written instrument executed by all the Members. This Agreement replaces and supersedes all prior written and oral agreements by and among the Members or any of them.

13.2 This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

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

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

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

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

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

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

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

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

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

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

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

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

**SIGNATURE PAGE OF OPERATING AGREEMENT FOR
WATERMAN AFFORDABLE 3 LLC**

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

MEMBERS:

HOUSING AUTHORITY OF THE COUNTY OF SAN
BERNARDINO, a public body, corporate and politic,
its managing member

By: _____

Name: _____

Title: _____

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


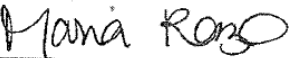
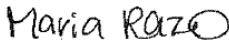
By: _____

Name: _____

Title: _____

EXHIBIT A

ARTICLES OF ORGANIZATION (**TO BE REVISED AND RE_FILED**)

	Secretary of State Articles of Organization Limited Liability Company (LLC)	LLC-1	<div style="font-size: 24pt; font-weight: bold;">202001510086</div> <div style="text-align: center;">FILED <i>Dyy</i> Secretary of State State of California DEC 30 2019 <i>BP</i></div>
IMPORTANT — Read instructions before completing this form.			
Filing Fee — \$70.00			
Copy Fees — First page \$1.00; each attachment page \$0.50; Certification Fee — \$5.00			
Note: LLCs may have to pay minimum \$800 tax to the California Franchise Tax Board each year. For more information, go to https://www.ftb.ca.gov .			
This Space For Office Use Only			
1. Limited Liability Company Name (See Instructions — Must contain an LLC identifier such as LLC or L.L.C. "LLC" will be added, if not included.) Arrowhead Grove LLC			
2. Business Addresses			
a. Initial Street Address of Designated Office in California - Do not enter a P.O. Box		City (no abbreviations)	State Zip Code
715 East Brier Drive		San Bernardino	CA 92408
b. Initial Mailing Address of LLC, if different than Item 2a		City (no abbreviations)	State Zip Code
3. Service of Process (Must provide either Individual OR Corporation.)			
INDIVIDUAL — Complete Items 3a and 3b only. Must include agent's full name and California street address.			
a. California Agent's First Name (if agent is not a corporation)	Middle Name	Last Name	Suffix
Maria		Razo	
b. Street Address (if agent is not a corporation) - Do not enter a P.O. Box	City (no abbreviations)		State Zip Code
715 East Brier Drive	San Bernardino		CA 92408
CORPORATION — Complete Item 3c. Only include the name of the registered agent Corporation.			
c. California Registered Corporate Agent's Name (if agent is a corporation) — Do not complete Item 3a or 3b			
4. Management (Select only one box)			
The LLC will be managed by:			
<input type="checkbox"/> One Manager <input type="checkbox"/> More than One Manager <input checked="" type="checkbox"/> All LLC Member(s)			
5. Purpose Statement (Do not alter Purpose Statement)			
The purpose of the limited liability company is to engage in any lawful act or activity for which a limited liability company may be organized under the California Revised Uniform Limited Liability Company Act.			
6. By signing, I affirm under penalty of perjury that the information herein is true and correct and that I am authorized by California law to sign.			
Additional signatures set forth on attached pages, if any, are incorporated herein by reference and made part of this Form LLC-1. (All attachments should be 8 1/2 x 11, one-sided, legible and clearly marked as an attachment to this Form LLC-1.)			
			
Organizer sign here		Print your name here	

LLC-1 (REV 08/2019)

2019 California Secretary of State
bizfile.sos.ca.gov



I hereby certify that the foregoing transcript of _____ page(s) is a full, true and correct copy of the original record in the custody of the California Secretary of State's office.

JAN 23 2020

Date: _____

Alex Padilla

ALEX PADILLA, Secretary of State

EXHIBIT B

MEMBERS

<u>Name and Address</u>	<u>Initial Contribution</u>	<u>Percentage Interest</u>
HOUSING PARTNERS I, INCORPORATED 715 East Brier Drive San Bernardino, California 92408	\$51	51%
HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO 715 East Brier Drive San Bernardino, California 92408	\$49	49%

OPERATING AGREEMENT

OF

Arrowhead Grove LLC

_____, 2021

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

May 11, 2021

FROM

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

SUBJECT

Regular Meeting Minutes for Meeting Held on April 13, 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 April 13, 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 April 13, 2021 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 April 29, 2021.

**MINUTES OF A REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF
THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO
April 13, 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 895 2123 7016, Password 903167) at 3:00 p.m. on April 13, 2021.

The meeting was called to order, and upon roll call, the following were present:

Commissioner Johnson
Commissioner Cooper
Commissioner MacDuff
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; Perlie Liu, Asset Management Analyst; and Claudia Hurtado, Executive Assistant.

Also, present, Fred Galante, Legal Counsel to the Housing Authority and Dr. Brian Distelberg, Professor School of Behavioral Health and Director of Research, from University of Loma Linda.

The Chairman called for additions or deletions to the April 13, 2021 agenda.

Changes to the agenda were addressed as items were presented to the board.

The Chairman provided an opportunity for members of the public to address the Board of Commissioners. Secretary of the Board, declared there were no public comments submitted.

The Executive Director's Report was requested.

Executive Director Razo gave the Executive Director's Report.

In the Executive Director's Report, Maria Razo updating the Board regarding the public comment received from the March 9, 2021 Board of Commissioners meeting, stating that a relative of a participant requested an informal hearing to be added to the household, as per HUD regulations prohibit the relative as ineligible for an informal hearing due to not being part of the household after the head of household has passed away.

Commissioner Johnson asked regarding additional funding back to January. Specifically, Commissioner Johnson asked what is the HUD requirement regarding the utilization rate for the MTW? Executive Director Maria Razo answered the question by stating the HUD requirement is

100%, we must be 100% out of the 9,720 families and are we are currently under leased. Staff has a call with HUD to discuss their methodology of calculating HACSB's utilization rate.

Commissioner MacDuff asked regarding federal funding - Housing Trust Fund allocation, increased funding for construction, maintenance, and restoration of low-income housing. Executive Director Maria Razo answered by stating the Housing Authority of the County of San Bernardino is not a recipient for a Housing Trust Fund Allocations, the Housing Trust Fund is typically available to cities and the County.

The Board Building Presentation for April 13, 2021 regarding an overview of the Loma Linda University benchmark report for the Golden Apartments community and the Housing Authority of the County of San Bernardino's housing development pipeline update was requested.

The Board Building Presentation for April 13, 2021 regarding an overview of the Loma Linda University benchmark report for the Golden Apartments community was presented by Brain Distelberg, Professor School of Behavioral Health and Director of Research, from University of Loma Linda.

Commissioner MacDuff asked if there was an option to have a mediator to assist/provide mediation service to the residents when there is a conflict or dispute between residents, instead of calling law enforcement. Dr. Brian Distelberg answered by stating that there is great management on site as they are readily available to the residents due to living on site. Dr. Distelberg's recommendations to help the residents is access to psychiatric care and on-going therapy services. Further explaining residents who might have current mental health issues such as schizophrenia and bipolar often do not feel comfortable engaging in services provided. MHS has been providing services at a very efficient speed. Director of Operations Rishad Mitha added by answering it was a challenge to get this project started through the City Council to get the project approved. Weekly meetings between Property Managers and Case Managers are held to discuss clients and resolving their issues. A Property Manager was specifically hired that has experience in supportive management. At the beginning of the project, the challenge was that 37 residents were placed in the community who were previously chronically homeless. Although it took one year to get the rhythm going after several meetings, assessing to help the clients, also taking into account with the COVID-19 pandemic, it was rather difficult to hold in-person meetings and community outreach.

Commissioner MacDuff asked if new tenants that lease up after the initial start of the study, do they become part of the study? Dr. Distelberg answered by stating due to rolling enrollments yes, the new tenants are added to be part of the study, voluntarily if they choose to be. Commissioner MacDuff asked regarding the food scarcity issues if the residents on public assistance programs qualify for food assistance. Are the residents not qualifying for food assistance? Dr. Distelberg answered by stating, as surprised by the study, the residents did not know how to obtain food assistance or did not know how to access it. The study found that the level of work it takes from the community to serve the population is significant. That being said, in the weekly meeting, a plan was created to address the issue immediately, improvement was seen within 2 weeks. Dr. Distelberg added that for a long term solution, it is recommended for MHS to provide case management to the families, inform them what they qualify for and help them obtain that assistance, which does take time.

Commissioner MacDuff asked why is the Department of Behavioral Health data not accessible? Dr. Distelberg stated, there was dialog in the beginning around wanting to measure two things: 1) diagnosis and 2) access of utilization and the recommendation was to use a couple of different protocols and forms for the study of which the partners agreed to which then the forms and protocols were submitted and approved by the IRB from Loma Linda University. As time went on, and data was requested from DBH, the “goal posts” kept getting moved further back by the County where obtaining the data from DBH was not possible. Commissioner MacDuff asked if it was due to the participants privacy. Dr. Distelberg stated he is not sure if that was the case on the County’s behalf. Director Razo added, after several months of trying to obtain the data and complying with what was required, due to the families moving in January it being March at the time, there was a time sensitivity in obtaining the data, it was recommended to move forward without the data from DBH. Executive Director Maria Razo also wanted to add that it received outside inquiry of what is the Housing Authority doing to help the chronically homeless and permanent supportive housing, of which Golden Apartments was something HACSB embarked on without the much needed resources and funding. With only being funded for housing assistance payment and administrative fee that is cut by 20%, that only covers for processing and compliance. This PSH project, we had to work hard to get commitments of funding with the City and County and the gap in funding we had pulled from physical needs funds of other housing in our portfolio that had to be directed to Golden Apartments. Director Razo went on to say she would not encourage this be a model that the Housing Authority replicate, but rather a model that the community can do. With Golden Apartments, HACSB’ benefit here is to provide research, lessons learned, best practices, in order to do permanent supportive housing, and learning that in order to do PSH well, HACSB needs extensive supportive services and the commitment from partners such as DBH, IEHP, Goodwill to truly help the families. There was a great need and responsibility for this project and HACSB came to the table, and we met our commitment to launch these PSH projects in the community. However, with this project, we are at risk as it is pulling away capacity, time, and resources from our Moving to Work efforts.

Commissioner Johnson asked the Commission if they are okay to move onto Discussion calendar item number 6, which is discussion we are currently having. Commissioner Johnson provided comment that he agrees with Executive Director Maria Razo that this project does move away from our priority of Moving to Work and its 27 activities. We want to ensure we continue to move in the direction of fine tuning those activities. Moving ahead, our commitment to the community and these PSH developments is to continue to work with LLU on the research/data and recommends outreach in sharing those lessons learned from the research, to further assist the homeless communities, as well as to continue the commitment we made with our partners. Commissioner Johnson also added the importance of the ongoing dialog with the County of the Housing Authority’s priorities while highlighting the amount of work HACSB has contributed to San Bernardino County in addressing the issue around homelessness.

Commissioner Cooper added he agrees with what has been discussed already and to emphasize the point that HACSB has provided a “vehicle” to permanent supportive housing for chronically homeless to the community and now its time for other partners/organizations to take it from there who’s mission is to serve the homeless population.

Discussion calendar item number 7, to Discuss the Housing Authority of the County of San Bernardino's housing development pipeline and provide input, was requested.

Deputy Executive Director Gus Joslin presented the Housing Authority of the County of San Bernardino's housing development pipeline update.

Commissioner MacDuff requested, as the planning of the next phase of Arrowhead Grove to please include shade trees. If the shade trees are added, it helps in providing cool microclimate.

Commissioner Cooper requested for the income tax credit properties to be reviewed, as \$350,000+ per unit does not seem to be affordable housing and would like to look more into how to reduce the cost of building affordable housing developments. Commissioner Cooper also added he would like to learn more about the homeownership program.

Commissioner Johnson agreeing with Commissioner Cooper and added by stating the cost of housing in regard to the affordability and its sustainability is key in the cost of construction. In comparing to a local manufacture for a small home costs up to \$112,000 - \$120,000 to develop, however may have low sustainability due to the construction quality.

Deputy Executive Director Gus Joslin added, it would be great if the Board could see our past self-developed senior properties that were developed extremely economical and are as good as a tax credit project. Some of these properties have been in operation for nearly 20 years and in great condition.

Approval of the discussion calendar item number 8 to, 1) Approve Amendment No. 3 to non-financial Memorandum of Understanding with the San Bernardino County Department of Behavioral Health for the Veterans Housing Initiative Program, updating contractual language, and extending the term one additional year through June 30, 2022, 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 Maria Razo explained the item.

Commissioner Muñoz moved to approve the discussion calendar item number 8 to, 1) Approve Amendment No. 3 to non-financial Memorandum of Understanding with the San Bernardino County Department of Behavioral Health for the Veterans Housing Initiative Program, updating contractual language, and extending the term one additional year through June 30, 2022, 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 Miller, and upon roll call, the Ayes and Nays were as follows:

Ayes

Commissioner Johnson
Commissioner Cooper
Commissioner MacDuff

Nays

Commissioner Miller
Commissioner Muñoz
Commissioner Pinedo

Approval of the discussion calendar item number 9 to Adopt Resolution No. 109 approving revisions to the Housing Authority of the County of San Bernardino's Employee Personnel Handbook was requested.

Executive Director Maria Razo explained the item. Also, addressing the revisions made to the redline version, pages 18 and 21 of the board packet. The HACSB has voluntarily agreed to extend use of FMLA beyond December 31, 2020. This approved supplemental policy may be extended until further notice not to exceed beyond December 31, 2021. To read: *The HACSB has voluntarily agreed to extend use of FMLA beyond March 31, 2021.* Remove: *This approved supplemental policy may be extended until further notice not to exceed beyond December 31, 2021.* As it no longer applies due to SB95.

Commissioner Muñoz moved to approve the discussion calendar item number 9 to, Adopt Resolution No. 109 approving revisions to the Housing Authority of the County of San Bernardino's Employee Personnel Handbook, which motion was duly seconded by Commissioner Miller, and upon roll call the Ayes and Nays were as follows:

Ayes

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

Nays

Approval of the discussion calendar item number 10 to, Adopt Resolution No. 110 approving revisions to the Administrative Plan governing the Housing Authority of the County of San Bernardino's rental assistance programs.

Executive Director Maria Razo explained the item.

Commissioner Miller moved to approve the discussion calendar item number 10 to, Adopt Resolution No. 110 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 Muñoz, and upon roll call the Ayes and Nays were as follows:

Ayes

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

Nays

Approval of discussion calendar item number 11 to, 1) Approve Amendment No. 5 to Contract No. PC990, effective May 1, 2021, with Applied Real Estate Analysis, Inc., for local rental housing submarket analysis services increasing the current contract amount by \$33,295 for a total contract amount not to exceed \$156,281.70 through February 22, 2022 with the option to extend for one additional one-year term through February 22, 2023, 2) Update to the scope of work to revise deliverable deadline dates for the draft and final report, 3) Authorize and direct the Executive Director to execute and deliver the contract amendment to Applied Real Estate Analysis, Inc., and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction, was requested.

Executive Director Maria Razo explained the item.

Commissioner Johnson asked as to whether the reduction in the contract with AREA was the result of the COVID-19 pandemic, housing market or both and whether there a reduction compared to the contract from 2020? Executive Director Maria Razo, answered by stating, it did result due to the COVID-19 pandemic and their administrative capacity. Nicole Beydler added that the reduction was also due to the availability of units to sample with, the time, and administrative capacity. Commissioner Johnson asked if a tighter timeline was added compared to the previous due to the pandemic? Nicole Beydler answered by stating, the timeline is in accordance to previous contracts, which will require to have the complete report with a deadline of October 1, 202, in time to present to the Board of Commissioners at the October board meeting.

Commissioner Miller moved to approve the discussion calendar item number 11 to, 1) Approve Amendment No. 5 to Contract No. PC990, effective May 1, 2021, with Applied Real Estate Analysis, Inc., for local rental housing submarket analysis services increasing the current contract amount by \$33,295 for a total contract amount not to exceed \$156,281.70 through February 22, 2022 with the option to extend for one additional one-year term through February 22, 2023, 2) Update to the scope of work to revise deliverable deadline dates for the draft and final report, 3) Authorize and direct the Executive Director to execute and deliver the contract amendment to Applied Real Estate Analysis, Inc., and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction, which motion was duly seconded by Commissioner MacDuff, and upon roll call the Ayes and Nays were as follows:

Ayes

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

Nays

Approval of the discussion calendar item number 12 to, 1) Approve Amendment No. 3 to Contract No. PC963, effective May 1, 2021, with Wells Fargo Bank N.A. for Banking Services, increasing the current contract amount by \$121,136.28 for a total contract amount not to exceed \$334,536.30 and extending the contract through January 31, 2022, with the option to extend for one additional one-year term through January 31, 2023, 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, was requested.

Executive Director Maria Razo explained the item.

Commissioner Cooper asked, regarding the Performa and the amount not to exceed, in the contract it states price subject to change based on volume, will the amount not increase causing an addendum needing to be executed? Executive Director Maria Razo clarified by stating HACSB has done its best to project what the Earned Credit Rate (ECR) will be while keeping in mind that they do change. She went on to state that if the price increases, we will bring the item back to the Board. Due to the size of the contract, it is recommended to keep at a not to exceed amount. Legal Counsel Fred Galante added by stating, it is recommended to keep a not to exceed amount in order to have control/monitor, and opportunity to better budget.

Commissioner Johnson asked, if the fees are allocated or paid for by the properties or the Housing Authority? Director of Operations answered by stating, the charges are allocated per property.

Commissioner Miller moved to approve the discussion calendar item number 12 to, 1) Approve Amendment No. 3 to Contract No. PC963, effective May 1, 2021, with Wells Fargo Bank N.A. for Banking Services, increasing the current contract amount by \$121,136.28 for a total contract amount not to exceed \$334,536.30 and extending the contract through January 31, 2022, with the option to extend for one additional one-year term through January 31, 2023, 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, which motion was duly seconded by Commissioner Pinedo, and upon roll call the Ayes and Nays were as follows:

Ayes

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

Nays

Approval of the consent calendar agenda items numbers 13-15, to:

- 13) Approve the meeting minutes for the Board of Commissioners of the Housing Authority of the County of San Bernardino Regular Meeting held on March 9, 2021.
- 14) Approve and file Agency-wide Financial Statements through December 2020.

15) Approve vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month ending in January 2021.

Executive Director Maria Razo provided the revision made to board agenda item number 13) Approve the meeting minutes for the Board of Commissioners of the Housing Authority of the County of San Bernardino Regular Meeting held on March 9, 2021. Page 3 of the meeting minutes there was a technical correction, adding the letter “d” to the word house, in order to read housed.

Commissioner Tarango, providing insight and agreeing with the recommendation of option number 3. It is not a good market for rentals, and not enough inventory available. Commissioner MacDuff added, by stating she agrees with Commissioner Tarango’s statement, also appreciates the analysis the Housing Authority staff in providing the information in helping to make an informed decision. Commissioner Cooper agrees with the recommendation of option 3, also recommended into researching potential incentives to encourage over housed families to right size. Maria Razo, Executive Director, answered by stating, upon further analysis for option 4 of increasing the tenant rent portion, we would need HUD approval to increase rent at a phased approach. We are at 30% right now and can move up to 33% then 36%, however would need additional HUD approval to increase from 30% to 36% as well as looking into implementing a housing allowance additional (flat subsidy) and the team is working on the analysis now. Another factor is the pilot homeless programs creating an impact to cost. Commissioner MacDuff requested to add to the analysis, the housing allowance option and incentivize right sizing a unit to avoid future over housing. Commissioner Johnson stated that he agreed with the recommendation and Commissioner MacDuff’s statement. Commissioner Johnson asked what is

Formatted: Highlight

Commissioner MacDuff moved to approve consent calendar agenda items numbers 13-15 to:

13) Approve the meeting minutes for the Board of Commissioners of the Housing Authority of the County of San Bernardino Regular Meeting held on March 9, 2021.

14) Approve and file Agency-wide Financial Statements through December 20202020.

15) Approve vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month ending in January 2021, which motion was duly seconded by Commissioner Miller, and upon roll call the Ayes and Nays were as follows:

Ayes

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

Nays

Chairman provided an opportunity for individual Board member comments.

There being no other business, Commissioner Miller moved for the regular meeting of Tuesday, April 13, 2021 to be adjourned, which motion was duly seconded by Commissioner MacDuff, and upon roll call, the Ayes and Nays were as follows:

Ayes

Commissioner Johnson
Commissioner Cooper
Commissioner MacDuff
Commissioner Miller
Commissioner Muñoz

Nays

Minutes of a Regular Meeting of the Board of Commissioners of the Housing Authority of the
County of San Bernardino for April 13, 2021

Page 9

Commissioner Pinedo

Commissioner Miller not available to vote.

The meeting adjourned at 5:05 p.m.

Tim Johnson, Chair

Beau Cooper, Vice Chair

Cassie MacDuff

Sylvia Miller

Jessie Muñoz

Absent
Bobby Tarango

Dr. Ciriaco “Cid” Pinedo

Attest:

Secretary

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

May 11, 2021

FROM

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

SUBJECT

Agency-wide Financial Statements through January 2021

RECOMMENDATION(S)

Approve and file Agency-wide Financial Statements through January 2021.
(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 January 2021 for Federal Fiscal Year (FFY) 2020-21 is \$3,242,838. The net income is currently greater than the anticipated \$338,628 net income, with a variance of \$2.9 million, primarily due to physical needs assessment work and capital projects that were budgeted, but not completed in the amount of \$3.1 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, lower maintenance and contract costs due to deferred internal maintenance as a result of the pandemic, and several vacant positions (\$1.9 million). Depreciation expense is not budgeted and amounted to \$1.9 million through January 2021.

Financial Summary	FY 2021 YTD
Revenues	\$53,149,921
Expenses	\$47,966,234
Operating Gain	\$ 5,183,687
Operating Transfers/Non-Operating Items	\$ 1,940,848
Net Income/(Loss)	\$ 3,242,838

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 as the effects of the pandemic continue to impact the agency's operations and finances.

Funding for the 2021 calendar year was received from HUD a few weeks ago, which included an unexpected inflation factor of 8%. We are currently working on analyzing the impact of the 2021

funding numbers in comparison to current costs. In the 2020 calendar year, we experienced large cost increases, and an insufficient inflation factor increase, which resulted in decreasing the overall size of the MTW Housing Choice Voucher program through attrition. In 2021, we expect that we will be able to pull families from the MTW Housing Choice Voucher tenant-based waiting list, currently at 20,000+ families. More details are forthcoming as we work through the analysis.

Following is a recap of the COVID related challenges mentioned above, as well as other financial items to highlight.

- COVID-19 pandemic related:
 - Continued increases in housing assistance payment costs in the Housing Choice Voucher Program *related to families income decreasing and total contract rent increasing*, 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, paid leave, technology, etc.).
 - Rental income losses related to the eviction moratorium in the Authority Owned portfolio.
 - Inconsistent staffing levels due to childcare and health issues.
- Physical needs improvements: 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.
- Benefit increases: 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 April 28, 2021.

HACSB Budget Comparison

Period = Oct 2020-Jan 2021

	YTD Actual	YTD Budget	Variance	% Var	Annual
INCOME					
TENANT INCOME					
Total Rental Income	8,850,275	8,224,741	625,534	7.61	24,674,224
Total Other Tenant Income	153,220	200,265	-47,045	-23.49	600,191
NET TENANT INCOME	9,003,495	8,425,006	578,489	6.87	25,274,415
GRANT INCOME					
TOTAL GRANT INCOME	42,474,436	43,405,037	-930,601	-2.14	130,215,112
OTHER INCOME					
TOTAL OTHER INCOME	1,671,989	2,513,037	-841,048	-33.47	5,541,077
TOTAL INCOME	53,149,921	54,343,080	-1,193,159	-2.20	161,030,604
EXPENSES					
GRANT EXPENSES					
TOTAL GRANT EXPENSES	1,970,807	4,599,097	2,628,290	57.15	13,797,290
ADMINISTRATIVE					
Total Administrative Salaries	4,186,098	4,910,388	724,290	14.75	14,734,032
Total Legal Expense	81,471	92,357	10,886	11.79	277,685
Total Other Admin Expenses	1,903,095	1,865,288	-37,807	-2.03	5,685,778
Total Miscellaneous Admin Expenses	629,709	1,043,059	413,350	39.63	2,428,595
TOTAL ADMINISTRATIVE EXPENSES	6,800,373	7,911,092	1,110,719	14.04	23,126,090
TENANT SERVICES					
TOTAL TENANT SERVICES EXPENSES	20,025	173,037	153,013	88.43	519,252
UTILITIES					
TOTAL UTILITY EXPENSES	1,129,045	1,275,550	146,506	11.49	3,825,949
MAINTENANCE AND OPERATIONS					
Total General Maint Expense	857,626	845,563	-12,063	-1.43	2,535,690
Total Materials	244,061	338,596	94,535	27.92	1,015,965
Total Contract Costs	771,003	1,472,336	701,333	47.63	4,401,221
TOTAL MAINTENANCE EXPENSES	1,872,690	2,656,495	783,805	29.51	7,952,877
GENERAL EXPENSES					
TOTAL GENERAL EXPENSES	328,189	420,583	92,394	21.97	1,141,404
EXTRAORDINARY MAINTENANCE EXPENSES					
TOTAL EXTRAORDINARY MAINTENANCE EXPENSES	1,027,908	1,535,977	508,069	33.08	5,468,747
HOUSING ASSISTANCE PAYMENTS					
TOTAL HOUSING ASSISTANCE PAYMENTS	34,312,602	34,924,230	611,629	1.75	104,772,691
FINANCING EXPENSE					
TOTAL FINANCING EXPENSES	504,597	508,391	3,794	0.75	1,525,172
TOTAL OPERATING EXPENSES	47,966,234	54,004,452	6,038,218	11.18	162,129,472
OPERATING NET INCOME	5,183,687	338,628	4,845,058	1,430.79	-1,098,868
NET OPERATING TRANSFER IN/OUT	0	0	0	N/A	0
NON-OPERATING ITEMS					
TOTAL NON-OPERATING ITEMS	1,940,848	0	-1,940,848	N/A	0
NET INCOME	3,242,838	338,628	2,904,210	857.64	-1,098,868

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

May 11, 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 February 2021

RECOMMENDATION(S)

Approve vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month ending in February 2021.

(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 February 28, 2021 are \$2,037.12. The Housing Authority of the County of San Bernardino (HACSB) projects and anticipates collection losses in its 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. 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 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 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 primarily for voluntary move outs and skips. The total write off for the month of February 2021 is \$2,037.12, as delineated in the following table. Attached is a worksheet that itemizes the individual accounts.

SUMMARY BY PROPERTY MANAGEMENT		
PROPERTY	NO. VACATED	TOTAL
206 – Colton	1	\$77.00
207 – Barstow	3	\$974.78

Vacated Tenant Accounts for the Authority Owned Portfolio to be Written Off as Collection Loss
for the Month Ending February 2021
May 11, 2021

SUMMARY BY PROPERTY MANAGEMENT		
PROPERTY	NO. VACATED	TOTAL
407 – Sunset Pointe	3	(\$174.26)
408 – Sunrise Vista	3	\$77.00
433c – Stillman	1	\$411.00
467 – Hillcrest	2	\$22.00
Concessions Write Off		-
TOTAL RENT WRITE OFF	13	\$1,387.52
Miscellaneous Charges		\$424.71
Maintenance Charges		\$4,999.89
Legal Charges		-
Security Deposits Applied		(\$4,775.00)
NET TOTAL WRITE OFF		\$2,037.12

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

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

Housing Authority County of San Bernardino

COLLECTION WRITE-OFFS - Authority Owned Portfolio

Month End:

02/28/21

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
--------	-----------	------------	--------	--------	--------------	-----------------	----------------	-----------------	-------------	------------	------------	--------------	---------

206- Colton

1	T.	P.		V	211.00	77.00	-	374.71	342.00	-	793.71	650.00	143.71
2													
3													
4													

TOTALS: 77.00 - 374.71 342.00 - 793.71 650.00 143.71

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
1	30 Day NTV	01/11/21	NA	NA	NA	NA		NA	NA	02/11/21
2										
3										
4										

207 - Barstow

1	P.	V.		V	282.00	495.78			552.00	-	1,047.78	1,000.00	47.78
2	B.	D.		S	422.00	456.00		50.00	537.00	-	1,043.00	350.00	693.00
3	T.	D.		D	226.00	23.00			345.00	-	368.00	25.00	343.00
4										-	-		-

TOTALS: 974.78 - 50.00 1,434.00 - 2,458.78 1,375.00 1,083.78

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	Voluntary Move Out	N/A	N/A	N/A	N/A	N/A		N/A		02/01/21
2	Skipped	N/A	N/A	N/A	N/A	N/A		N/A		02/04/21
3	Deceased	N/A	N/A	N/A	N/A	N/A		N/A		02/03/21
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:

02/28/21

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

407 - Sunset Pointe

1	W.	L.					-		(200.00)		(200.00)		(200.00)
2	R.	W.		V	775.00	124.74	-		496.32		621.06	300.00	321.06
3	Z.	A.		S	775.00	(170.00)	-		372.25		202.25	100.00	102.25
4	W.	R.		V	775.00	(129.00)	-		452.32		323.32	300.00	23.32
							-				-		-
TOTALS:						(174.26)	-	-	1,120.89	-	946.63	700.00	246.63

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	Adjustment to prior month write off									
2	30 Day Notice	01/01/21								01/31/21
3	Skip									01/31/21
4	Onsite Transfer	02/16/21								02/25/21

408 - Sunrise Vista

5	J.	R.		D	825.00	77.00	-		349.00		426.00	400.00	26.00
							-			-	-		-
TOTALS:						77.00	-	-	349.00	-	426.00	400.00	26.00

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	Death									02/11/21

433c - Stillman

6	B.	J.		V	1,375.00	411.00			216.00		627.00	500.00	127.00
													-
TOTALS:						411.00	-	-	216.00	-	627.00	500.00	127.00

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
6	30 Day Notice	12/30/20								01/31/21

*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: 02/28/21

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
--------	-----------	------------	--------	--------	--------------	-----------------	----------------	-----------------	-------------	------------	------------	--------------	---------

467 - Hillcrest													
7	H.	S.		V	642.00	(21.00)			777.00		756.00	450.00	306.00
8	F.	E.		D	642.00	43.00			761.00		804.00	700.00	104.00
TOTALS:						22.00	-	-	1,538.00	-	1,560.00	1,150.00	410.00

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
7	30 Day Notice	12/30/20								01/29/21
8	Death									02/02/21

ALL PROPERTY TOTALS:						1,387.52	-	424.71	4,999.89	-	6,812.12	4,775.00	2,037.12
-----------------------------	--	--	--	--	--	-----------------	---	---------------	-----------------	---	-----------------	-----------------	-----------------

Submitted by: Lucy Leslie Date: 3/15/2021 Reviewed by: Rishad Mitha Date: _____

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