

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

TO BE HELD TELEPHONICALLY
November 9, 2021 AT 3:00 P.M.

Zoom Meeting – Board of Commissioners will be forwarded instructions
Members of the public may call:
Call In Number (669) 900-6833
Meeting ID: 847 2341 1128
Password: 211168

This meeting is being held in accordance with the Brown Act as currently in effect and will take place in accordance with Government Code section 54953(e) et seq. (AB 361), which 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. In addition to providing public comments using the above teleconference information, public comments, limited to 250 words or less, may also 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, you may do so during the meeting online or, alternatively, 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 November 9, 2021.
(Page 1)
- 5) Receive the board building presentation for November 9, 2021, an overview of authorized uses of housing funds received from the Redlands Redevelopment Agency.
(Page 2)
- 6) Receive update from staff on Emergency Housing Vouchers implementation.
(Page 3-4)
- 7) Adopt Resolution No. 127 re-authorizing the use of remote teleconference meeting procedures by the Board of Commissioners, as authorized by Government Code Section 54953(e) *et seq.*, for the period of November 12, 2021 through December 12, 2021.
(Pages 5-9)
- 8) Adopt Resolution No. 126 approving revisions to the Administrative Plan governing the Housing Authority of the County of San Bernardino's rental assistance programs.
(Pages 10-34)
- 9) Adopt Resolution No. 128 adopting procedures for the administration of claims against the Housing Authority of the County of San Bernardino.
(Pages 35-40)
- 10) 1 – Approve Amendment No. 3 to Contract No. PC1041, effective December 1, 2021, with Reliant Asset Management Solutions for Housing Quality Standards Inspection services, increasing the current contract amount by \$404,000 for a total contract amount not to exceed \$1,616,000 and extending the contract by an additional one year period pursuant to the original contract terms through November 30, 2022.

2 – Authorize and direct the Executive Director to execute and deliver the contract amendment to Reliant Asset Management Solutions and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.
(Pages 41-47)
- 11) 1 – Approve a contract extension of a Project-Based Voucher Program Housing Assistance Payments contract for 50 units at Yucaipa Terrace, for a ten-year period from March 1, 2022 through February 28, 2032, with the Housing Authority of the County of San Bernardino, and naming Housing Partners I, Inc. as the new owner in the Housing Assistance Payments contract.

2 – Approve the first amendment to the Housing Assistance Payments Contracts Agreement with Housing Partners I, Inc. adding Yucaipa Terrace.

3 – Approve the first amendment to the Project-Based Voucher Program Housing Assistance Payments Contract with Housing Partners I, Inc. to reduce the number of units under the Housing Assistance Payments contract from 50 to 8 units effective December 1, 2022.

4 – Authorize and direct the Executive Director to execute and deliver the Project-Based Voucher Program Housing Assistance Payments contract extension, first amendment to the Project-Based Voucher Program Housing Assistance Payment Contract, and first amendment to the Housing Assistance Payments Contracts Agreement to Housing Partners I, Inc. and upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.
(Pages 48-88)

- 12) 1 – Approve a Loan Forgiveness Agreement with Knowledge and Education for Your Success for the entirety of the loan amount of \$270,000.

2 – Authorize and direct the Executive Director to execute and deliver the agreement to Knowledge and Education for Your Success, and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.
(Pages 89-96)

CONSENT CALENDAR

APPROVAL OF CONSENT ITEMS: # 13 - 15

- 13) Approve the meeting minutes for the Board of Commissioners of the Housing Authority of the County of San Bernardino Regular Meeting held on October 12, 2021.
(Pages 97-106)
- 14) Approve and file Agency-wide Financial Statements through July 2021.
(Pages 107-110)
- 15) Approve vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month of August 2021.
(Pages 111-115)
- 16) Individual Board member Comments
- 17) Adjourn

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

If you challenge any decision regarding any of the above 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 Cynthia Robinson at (909) 890-5388 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**

November 9, 2021

FROM

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

SUBJECT

Executive Director's Report for November 9, 2021

RECOMMENDATION(S)

Receive the Executive Director's Report for November 9, 2021.
(Presenter: Maria Razo, Executive Director, 332-6305)

GOALS & OBJECTIVES

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

FINANCIAL IMPACT

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 October 25, 2021.

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

November 9, 2021

FROM

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

SUBJECT

Board Building Presentation for November 9, 2021

RECOMMENDATION(S)

Receive the board building presentation for November 9, 2021, an overview of authorized uses of housing funds received from the Redlands Redevelopment Agency.
(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 U.S. Department of Housing and Urban Development's (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 authorized uses of housing funds received from the Redlands Redevelopment Agency.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on October 25, 2021.

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

November 9, 2021

FROM

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

SUBJECT

Emergency Housing Vouchers Update

RECOMMENDATION(S)

Receive update from staff on Emergency Housing Vouchers implementation.
(Presenter: Maria Razo, Executive Director, 332-6305)

GOALS & OBJECTIVES

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

FINANCIAL IMPACT

This item will not result in a financial impact to the Housing Authority of the County of San Bernardino (HACSB) as this is a monthly informational update.

BACKGROUND INFORMATION

On September 14, 2021 (Item No. 8) the Board of Commissioners (Board) awarded a contract to Brilliant Corners for housing navigation services for HACSB's Emergency Housing Voucher (EHV) program in the amount of \$4,323,517. The contract is funded in part by supportive services fees received by HACSB from the U.S. Department of Housing and Urban Development (HUD) and the Emergency Solutions Grant (ESG) funds awarded by the County of San Bernardino. In conjunction with the approval of the contract, the Board requested monthly updates on the performance of the housing navigation process. This item is the second report as requested by the Board and as such this report will focus on preliminary data and other implementation related items. As the EHV program progresses and Brilliant Corners is further utilized, more information on the performance of the contract will be presented.

The EHV program launched on October 4, 2021 for HACSB to start receiving referrals. We are happy to state the program is off to a very successful start. A breakdown of the referrals received as of October 25th is as follows:

Coordinated Entry System (CES)	Victim Service Providers (VSP)	Total submission to Date
191	26	217

The Victims Service Providers (VSP) whose referrals are reflected in the table above and that have signed the Memorandum of Understanding are listed below:

- Desert Sanctuary
- Family Assistance Program
- House of Ruth
- Option House

- Victor Valley Domestic Violence, Inc.

The data in the table represents 2 weeks since the program was launched. As such the rate of referrals is very favorable and HACSB is pleased with the progress of the program thus far. These referrals have to be made eligible for a voucher by HACSB staff and the first set of vouchers were issued on October 22nd. Once a family has been issued an EHV, they will be referred to Brilliant Corners to provide assistance in securing a housing unit. More pertinent data as to vouchers issued and performance of the housing navigator will be available starting with the November update. HACSB staff will continue to meet regularly with referring partners, Coordinated Entry staff and Brilliant Corners to ensure the EHV program continues to progress.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on October 26, 2021.

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

November 9, 2021

FROM

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

SUBJECT

AB361 Brown Act Remote Meetings During a State of Emergency

RECOMMENDATION(S)

Adopt Resolution No. 127 re-authorizing the use of remote teleconference meeting procedures by the Board of Commissioners, as authorized by Government Code Section 54953(e) *et seq.*, for the period of November 12, 2021 through December 12, 2021.

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

GOALS & OBJECTIVES

HACSB communication is open, honest and consistent.

FINANCIAL IMPACT

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

BACKGROUND INFORMATION

On March 4, 2020, amid rising concern surrounding the spread of COVID-19 throughout communities in the state, California Governor Gavin Newsom issued a series of Executive Orders aimed at containing the novel coronavirus including modification of certain requirements created by the Ralph M. Brown Act (Brown Act), the state's local agency public meetings law. The orders waived several requirements, including requirements in the Brown Act requiring the physical presence of members of the legislative body, the clerk or other personnel of the body, or of the public as a condition of participation in or for the purpose of establishing a quorum for a public meeting, of which allowed teleconferencing of the meeting coupled with proper noticing to the public.

On March 10, 2020, the Board of Supervisors of the County of San Bernardino declared the existence of a local emergency in response to the COVID-19 global pandemic of which Government Code section 54953(e) *et seq.* further requires state or local officials have imposed or recommended measures to promote social distancing; or the legislative body of HACSB finds that meeting in person would present imminent risk to the health and safety of attendees.

On October 12, 2021, the Board adopted Resolution No. 125 (Item No. 10) authorizing the use of remote teleconference meeting procedures by the Board of Commissioners, as authorized by Government Code Section 54953(e) *et seq.*, for the initial period of October 12, 2021 through November 11, 2021. Approval of this item will continue the resolution and extend the authorization for an additional 30 days through December 12, 2021.

At this time, due to a variety of factors related to the circumstances of the State of Emergency, including the County of San Bernardino's community transmission metric of "substantial" per the Centers for Disease Control and Prevention (CDC), the highly contagious Delta variant, the

anticipated number of attendees, the likely inability to socially distance, and due to the unique characteristics of the size and capacity of its meeting location, it is recommended that the HACSB Board of Commissioners meetings be continued to be conducted by the remote teleconference meeting requirements as authorized by Government Code section 54953(e), as meeting in person would present an imminent risk to the health or safety of meeting attendees due to the aforementioned reasons.

Approval of this item finds that, as a consequence of the State of Emergency, the HACSB Board of Commissioners (Board) meetings shall be conducted by the remote teleconference meeting requirements as authorized by Government Code section 54953(e) et seq. and will allow for observation and participation by the Board Members and the public via Zoom teleconferencing and phone access.

In order to be prepared for the transition to full in person meetings in the future, we will continue work on making changes to both meeting rooms to transmit the board meetings to the training room in HACSB's administrative office, which would accommodate any overflow from the board room in order to maintain social distancing within both spaces.

If approved, this re-authorization will remain valid for an additional 30 days and per Government Code section 54953(e) and will need to be revisited every 30 days thereafter.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on October 26, 2021.

HOUSING AUTHORITY RESOLUTION NO. 2021-127

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO ACKNOWLEDGING THE GOVERNOR'S STATE OF EMERGENCY DECLARATION AND RE-AUTHORIZING THE USE OF REMOTE TELECONFERENCE MEETING PROCEDURES BY THE BOARD OF COMMISSIONERS, AS AUTHORIZED BY GOVERNMENT CODE SECTION 54953(E) *ET SEQ.*, FOR THE INITIAL PERIOD OF NOVEMBER 12, 2021 THROUGH DECEMBER 12, 2021

RECITALS

WHEREAS, the Housing Authority of the County of San Bernardino (Authority) is committed to preserving and nurturing public access, transparency, observation and participation in meetings of the Board of Commissioners (Board); and

WHEREAS, all meetings of the Board are open and public, as required by the Ralph M. Brown Act, codified in Government Code sections 54950 *et seq.*, so that any member of the public may attend, participate, and observe the Board and conduct its business; and

WHEREAS, the Brown Act, as amended by Assembly Bill 361 (2021), codified in Government Code sections 54953(e) *et seq.*, allows for remote teleconferencing observation and participation in meetings by members of a legislative body and members of the public, without compliance with the requirements of Government Code section 54953(b)(3) regarding teleconferencing, subject to the existence of certain conditions; and

WHEREAS, the initial required condition is that a state of emergency is a declaration of a state of emergency by the Governor pursuant to the California Emergency Services Act at Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state and within the boundaries of the Authority, caused by conditions as described in Government Code section 8558; and

WHEREAS, on March 4, 2020, pursuant to Government Code Section 8625, Governor Newsom declared the existence of a state of emergency for the State of California, in response to the outbreak of respiratory illness due to a novel coronavirus (a disease now known as COVID-19); and

WHEREAS, on March 10, 2020, the Board of Supervisors of the County of San Bernardino declared the existence of a local emergency in response to the COVID-19 global pandemic; and; and

WHEREAS, Government Code section 54953(e) *et seq.* further requires that state or local officials have imposed or recommended measures to promote social distancing; or, the legislative body of the Authority finds that meeting in person would present imminent risk to the health and safety of attendees; and

WHEREAS, California Department of Public Health (CDPH) and the federal Centers for Disease Control and Prevention (CDC) caution that the Delta variant of COVID-19, currently the dominant strain of COVID-19 in the country, is more transmissible than prior variants of the virus, may cause more severe illness, and that even fully vaccinated individuals can spread the virus to others resulting in rapid increases of COVID-19 cases and hospitalizations

(<https://www.cdc.gov/coronavirus/2019Tncov/variants/deltaTvariant.html>); and

WHEREAS, San Bernardino County currently has a Community Transmission metric of “substantial”; and

WHEREAS, the Board hereby acknowledges that such emergency conditions continues to exist in the Authority, such that meeting in person for the meetings of the Board would present imminent risk to the health and safety of attendees as a result of the increased risk of the spread of the COVID-19 virus among those in attendance; and

WHEREAS, the Board hereby finds that due to the ongoing State of Emergency and the public health threat posed by COVID-19, the Board seeks to make findings, as required by Assembly Bill 361, that as a result of the COVID-19 State of Emergency, the highly contagious Delta variant, the anticipated number of attendees, the likely inability to socially distance, and due to the unique characteristics of the size and capacity of its meeting location, meeting in person would present an imminent risk to the health or safety of meeting attendees; and

WHEREAS, the circumstances of the State of Emergency continue to directly impact the ability of the members of the legislative body and members of the public to meet safely in person at the meeting facilities of the Authority; and

WHEREAS, the Board hereby finds that, as a consequence of the State of Emergency, the Board shall conduct its meetings without compliance with Government Code section 54953(b)(3), and shall instead comply with the remote teleconference meeting requirements as authorized by Government Code section 54953(e) *et seq.*; and

WHEREAS, the Board affirms that it will allow for observation and participation by Board Members and the public via Zoom teleconferencing and phone access in an effort to protect the constitutional and statutory rights of all attendees.

WHEREAS, on October 12, 2021, the Board of Commissioners adopted Resolution No. 125 authorizing the use of teleconference meeting procedures as authorized by Government Code Section 54953(e) *et seq.*, for the initial period of October 12, 2021 through November 11, 2021.

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO FINDS, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. The Board hereby recognizes and acknowledges the existence and conditions of the State of Emergency as proclaimed by the Governor.

Section 3. Before the State of Emergency, the Authority met at a facility at which approximately 20 people would regularly attend, and periodically filling the meeting room to capacity and thereby limiting the ability of attendees to socially distance.

Section 4. As a result of the March 4, 2020, State of Emergency, and the highly contagious Delta variant, meeting in person at the meeting facilities of the Authority would present an

imminent risk to the health or safety of attendees due to the unique characteristics of the size and capacity of its meeting location, the anticipated number of attendees, and the likely inability to socially distance. As such, the Board hereby re-authorizes the use of the remote teleconferencing procedures for meetings of the Board, as authorized by Government Code section 54953(e) et seq., for the extended period of November 12, 2021 through December 12, 2021.

Section 5. The Executive Director is hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act, for all Board meetings.

Section 6. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) December 12, 2021, or such time the Board adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the Board may continue to teleconference without compliance with Government Code section 54953(b)(3), but otherwise as permitted by Government Code section 54953(e) et seq.

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

AYES:

NOES:

ABSENT:

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

I, _____, Secretary of the Board of Commissioners of the Housing Authority of the County of San Bernardino, hereby certify the foregoing to be a full, true and correct copy of the record of the action taken by the Board of Commissioners, by vote of the members present, as the same appears in the Official Minutes of said Board at its meeting of Tuesday, November 9, 2021.

Secretary

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

November 9, 2021

FROM

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

SUBJECT

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

RECOMMENDATION(S)

Adopt Resolution No. 126 approving revisions to the Administrative Plan governing the Housing Authority of the County of San Bernardino's rental assistance programs.
(Presenter: Maria Razo, Executive Director, 332-6305)

GOALS & OBJECTIVES

HACSB has secured the resources needed for accomplishing its mission.

HACSB communication is open, honest and consistent.

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

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

FINANCIAL IMPACT

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

BACKGROUND INFORMATION

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

The primary reason for updating the Administrative Plan is to ratify the emergency operations policy concerning voucher extensions. Since there was a resurgence in COVID-19 cases, a lack of housing inventory due to market conditions and a prevalent eviction moratorium, vouchers in effect on August 23, 2021 and later are extended through December 31, 2021. This was put in place to avoid having families lose their voucher they waited a long time to receive. In addition to the emergency operations policy update, other revisions have been made throughout the Administrative Plan to promote consistent application of policies and procedures. Attached is a table summarizing the proposed revisions along with the corresponding sections from the Administrative Plan with the redline changes.

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

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

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

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

HOUSING AUTHORITY RESOLUTION NO. 2021-126

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

RECITALS

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

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

WHEREAS, HACSB desires to amend its policies and procedures to update COVID-19 emergency operations and revise language in other sections.

OPERATIVE PROVISIONS

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

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

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

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

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

AYES: COMMISSIONER:

NOES: COMMISSIONER:

ABSENT: COMMISSIONER:

STATE OF CALIFORNIA)
) 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, November, 2021.

Secretary

Summary of Administrative Plan Changes, November 2021

Section	Topic	Change
2.2.8.3.1	Veteran Preference	Clarifies veteran preference criteria
5.4 – 5.4.2	Household Composition Changes for Applicants	Adds language to clarify policy for approving household additions if the additions will result in a change to the applicant's unit size
5.5. – 5.5.2	Subsidy Standard Changes for Participants	Adds policy for approving household additions if the additions will result in a change to the participant's unit size
7.4.8	Verification of Preference Status	Revises type of documents accepted to verify Veteran preference
8.2.1	Applicant Briefings	Adds reference to Chapter 5 for approval of household additions
8.2.2	Participant Move Briefings	Updates policy to reflect changes in procedure that eliminated the need for a pre-move briefing and adds reference to Chapter 5 for approval of household additions
8.10	Emergency Housing Voucher Services and Support	Updates policy on use of Emergency Housing Voucher services fee to align with Emergency Solutions Grant funding and acceptance of Brilliant Corners housing navigation services budget
12.8.1	Changes in Family Composition	Adds reference to household addition policies in Chapter 5
13.2	Owner Initiated Moves	Adds owner initiated move process to align with current procedure
13.3.2	Elective Moves – Traditional, Regulatory Assistance for Special Programs	Removes language concerning owner-initiated termination of tenancy due to the addition of section 13.2
15.7	Homeless Serving Special Purpose Program – Program Reviews	Updates list of programs accepting a letter from a supportive service provider pledging to work with the applicant to clear the applicant's criminal record
19.2.1	Outgoing Portability – Term-Limited Lease Assistance and Streamlined Lease Assistance Programs	Corrects the requirements for families porting out. HACSB's MTW authority does not extend to portability families administered by other housing authorities
19.5.1	Returning Term-Limited Lease Assistance Program Portability Families	Adds section to clarify treatment of term-limited lease assistance portability families who return to HACSB
22.7	Emergency Operations – Family Obligations Agreement/Voucher Term	Adds voucher extension through December 31, 2021 for all active vouchers in effect on August 23, 2021 in response to increasing COVID-19 cases

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: ~~August~~ November 2021

2.2.8.1 Income Targeting [24 CFR 982.201(b)(2)]

In accordance with the Housing Authority's Moving To Work Agreement, each fiscal year the Housing Authority will reserve a minimum of seventy-five percent (75%) of its Housing Services program new admissions for families whose income does not exceed fifty percent (50%) of the area median income. HUD refers to these families as "very low-income families." The Housing Authority will admit families who qualify under the very low-income limit to meet the income targeting requirement, regardless of preference.

HUD may award HACSB funding for a specified category of families on the waiting list. HACSB must use this funding only to assist the families within the specified category. In order to assist families within a targeted funding category, HACSB may skip families on the waiting list that do not qualify within the targeted funding category. Within this category of families, the order in which such families are assisted is determined according to the policies provided in Section 2.2.8. Selection from the Waiting List [24 CFR 982.204].

The Housing Authority's targeting requirement does not apply to low income families continuously assisted as provided for under the 1937 Housing Act. The Housing Authority is also exempted from this requirement where the Housing Authority is providing assistance to low or moderate income families entitled to preservation assistance under the tenant-based program as a result of a mortgage prepayment or opt-out.

2.2.8.2 Comparable Mix [Moving to Work Standard Agreement]

The Housing Authority may also target families on the waiting list in order to meet the terms of its Moving to Work Agreement with HUD. The Housing Authority is required to, "maintain a comparable mix of families by family size, as would have been served or assisted had the amounts not been used under the demonstration."

2.2.8.3 Wait List Preferences

HACSB will select applicants from the waiting list using the local admission preferences described in the following sections.

2.2.8.3.1 Veteran Preference

~~As required by California Health and Safety Code (§34322.2), HACSB will give priority to families of veterans and servicemen within each preference category.~~

The Housing Authority provides Veteran Preference to applications in which the head of household or spouse is:

- An active member of a branch of the United States Military Armed Forces;
- A Veteran; or

- Surviving spouse of a Veteran

2.2.8.3.2 Mainstream Program Preference

HACSB will give a limited preference to non-elderly persons with disabilities who are transitioning out of institutional or other segregated settings, at serious risk of institutionalization, homeless, or at risk of becoming homeless, or persons who previously experienced homelessness and are currently a participant in a permanent supportive housing or rapid rehousing program. The definitions stated in the 2019 Mainstream Notice of Funding Availability (NOFA) are used for the Mainstream Program preference. The preference is limited to ten (10) Mainstream vouchers or Mainstream turn-over vouchers per calendar year, whichever is less. However, fewer applicants may be selected under the Mainstream preferences if an insufficient number of applicants on the waitlist meet one of the preferences.

2.2.8.3.3 Other Preferences

Applications or referrals from designated partners received under “other preferences” described below will be assisted on a first come, first served basis and receive the highest priority on the wait list. Under these categories, applications and/or referrals may be accepted to the wait list for the tenant-based voucher program regardless of whether the Housing Authority wait list is open or closed, subject to available funding:

- A family participating in a Continuum of Care (CoC) program administered by the Housing Authority when CoC funding is not renewed;
- Participants that have utilized the Veterans Affairs Supportive Housing (VASH) Continuum of Care (CoC), or Housing Opportunities for People with Aids (HOPWA) for a 3 year term, no longer require supportive services and are eligible to transition to the voucher program provided they meet all other eligibility requirements. Verification from the supportive services provider stating that supportive services are no longer needed is required;
- No Child Left Unsheltered (NCLU) Families described below;⁷
- Families referred by HUD as part of a witness relocation program; or
- Families who are involuntarily displaced as described below.

⁷ The FY 2014 MTW Plan, Activity 23: No Child Left Unsheltered, set aside 40 tenant-based or project-based vouchers for the program. The FY 2018 MTW Plan modified the activity to add 20 tenant-based vouchers specifically for families participating in the Aftercare program. The FY 2019 MTW Plan modified the activity to add that the NCLU families are transitioned to the TLA or SLA activity after two years of participation for those admitted after October 1, 2019.

5.2 Subsidy Standards Waiver [24 CFR 982.402(b)(8)]

The standards discussed above should apply to the vast majority of assisted families. However, in some cases, the Housing Authority may grant waivers to the subsidy standards. Examples of possible exceptions that may be justified include but are not limited to:

- The health of a family member.
- A reasonable accommodation for a person with a disability.

Requests based on health related reasons must be verified, in writing, by a doctor or other medical professional. The request must specify the reason for the request and how providing a larger bedroom size would improve or accommodate the medical condition. In regard to requests for an additional bedroom, the Housing Authority may consider a living room or other available space that meets inspection standards as a living/sleeping area as long as it does not exceed the maximum occupancy standards described below.

A Housing Authority employee who has not been involved in the initial determination will review the subsidy standard exception request and then make a decision based on the specifics of the individual case. After the decision is made, the applicant or participant will receive written notification from the Housing Authority advising the applicant or participant of the decision regarding the exception.

To request a larger bedroom size than indicated by the subsidy standards for any other reason, the family must submit a written request within ten (10) calendar days of the Housing Authority's determination. The request must explain the need or justification for a larger bedroom size.

5.3 Housing Authority Error

If the Housing Authority makes an error in the subsidy standard designation, the family will be issued an assistance document indicating the appropriate size.

5.4 Household Composition Changes for Applicants

The ~~subsidy standard~~family's unit size is determined prior to the briefing by comparing the family composition to the Housing Authority subsidy standards according to the guidelines in section 5.2. ~~If an applicant requires a change in the subsidy standard, based on the requirements of the Housing Authority subsidy standards, the guidelines referenced in section 5.2 will apply. After the family is briefed, additions to the household, except for additions as a result of birth, adoption or court-awarded custody, will be denied~~

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if the household addition will result in an increase to the family's unit size based on the program's subsidy standards.

5.4.1 Term-Limited Lease Assistance and Streamlined Lease Assistance Programs

Additions to the household, except birth, adoption or court-awarded custody, will be denied if the addition will increase the family's unit size. The subsidy standard is limited to two people for each bedroom, and the living room is not considered. For example, a family of 3 with a 2-bedroom unit size may add one additional household member. However, the same family of 3 could not add two additional household members as this would result in a unit size increase.

5.4.2 Traditional, Regulatory Assistance for Special Purpose, Veteran Affairs Supportive Housing, and Emergency Housing Voucher programs

Additions to the household, except birth, adoption or court-awarded custody, will be denied if the addition will increase the family's unit size. The subsidy standard is limited to one bedroom for the head of household, spouse, and/or cohead and an additional bedroom for every two family members. The living room is not considered. For example, a head of household and two family members with a 2-bedroom voucher wish to add another household member, who is not a spouse or cohead. The additional member would result in an increase to the applicant's unit size. Therefore, the additional member would be denied.

5.5 Household Composition Changes for Participants

All changes that may affect the family's eligible subsidy standards must be reported within 10 business days of the change occurring, including a household member(s) no longer needing a live in aide or approved additional bedroom due to reasonable accommodation.

The family must obtain approval of any additional family members before the new member occupies the unit except for additions by birth, adoption, or court-awarded custody, in which case the family must inform the Housing Authority within ten (10) business days. Probable placement or custody must be verified through a social service/children's service agency or school and is subject to Housing Authority approval.

If changes in the family composition result in a reduction to the family's unit size according to the subsidy standards, the appropriate adjustments will be made at the next regularly scheduled recertification.

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If the household exceeds the maximum occupancy standards for the unit due to an increase in family size, the Housing Authority will terminate the existing assistance contract with the landlord and allow the family to search for a suitable unit.

5.5.1 Term-Limited Lease Assistance and Streamlined Lease Assistance Programs

Additional family members, excluding birth, adoption or court-awarded custody, will be approved based on the occupancy standard of the original family unit size in accordance with the subsidy standard of two people per bedroom. The living room would be considered a sleeping area for one person. If a household addition is approved, the family's unit size will not be increased at recertification or moves. For example, a participating family of four with a 2-bedroom subsidy size could add one additional household member. However, the family would not be upgraded to a 3-bedroom unit size.

5.5.2 Traditional, Regulatory Assistance for Special Purpose, Veteran Affairs Supportive Housing, and Emergency Housing Voucher programs

Additional family members, excluding birth, adoption or court-awarded custody, will be approved based on the occupancy standard of the original family unit size in accordance with the subsidy standard of one bedroom for the head of household, spouse and/or cohead and an additional bedroom for every two family members. The living room will be considered a sleeping area for one person. If an addition is approved, the family's unit size will not be increased at recertification or moves. For example, a head of household with two family members with a 2-bedroom unit size could add up to two additional household member. However, the family would not be upgraded to a 3-bedroom unit size.

~~If changes in the family composition results in a change in the subsidy standard, the appropriate adjustments will be made at the next regularly scheduled recertification. In cases where an additional person(s) joins the family and the family will continue to occupy the same rental unit (i.e., no move is involved), the Housing Authority may require the family to use the living room or other available space that meets inspection standards.~~

~~If a unit does not meet inspection standard maximum occupancy standards due to an increase in family size the Housing Authority will terminate the existing assistance contract with the landlord and allow the family to search for a suitable unit.~~

5.6 Flexibility of Unit Size Actually Selected [24 CFR 982.402, 24 CFR 982.517(d)]

The family may select a dwelling unit with a different size than their applicable subsidy standard, dependent upon their program. The impacts of a different unit size selection vary based on the applicant or participant's Housing Services Assistance program type. Each of these differences is outlined in the following sections.

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documentation is unavailable. However, documentation of eligible immigration status must be received within 180 days of admission. Further extensions may be provided if the partnering organization confirms that good faith efforts have been made to obtain the necessary documentation. For household additions after admission, section 7.4.7 applies.

7.4.8 Verification of Preference Status

The Housing Authority prefers that Veteran's status is verified by the DD214. However, the Housing Authority may accept a military ID or ~~honorable—discharge documents~~verification from the VA.

7.5 Additional Income Verification Procedures

Chapter 6 of this Administrative Plan describes in detail the types of income that are included and excluded. Any income reported by the family must be verified. This part provides Housing Authority additional detail on how to verify income sources.

7.5.1 Employment Income

Families with earned income generally will be required to provide two consecutive months of pay stubs. The Housing Authority may require additional months of pay stubs for sporadic or seasonal employment income. Unless tip income is included in a family member's W-2 by the employer, persons who work in industries where tips are standard will be required to sign a certified estimate of tips received for the prior year and tips anticipated to be received in the coming year.

7.5.2 Business and Self-Employment Income

Business owners and self-employed persons will be required to provide:

- An audited financial statement for the previous fiscal year if an audit was conducted. If an audit was not conducted, a statement of income and expenses must be submitted and the business owner or self-employed person must certify to its accuracy.
- All schedules completed for filing federal and local taxes in the preceding year.
- If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense, computed using straight-line depreciation rules.

The Housing Authority will provide a format for any person who is unable to provide such a statement to record income and expenses for the coming year. The business owner/self-employed person will be required to submit the information requested and to

CHAPTER 8: FAMILY OBLIGATIONS AGREEMENT AND VOUCHER ISSUANCE

8. Introduction

This chapter covers the Housing Authority's process for applicants to search for a unit, including the contents of the briefing that is conducted for families.

8.1 Issuance of Assistance Documents

Applicants and participants of the Housing Services program are issued a document that allows them to search for a unit. This assistance document is known as the Family Obligations Agreement for the Term-Limited Lease Assistance program and the Streamlined Lease Assistance programs. The document is known as a Voucher for the Traditional, Regulatory Assistance for Special Purpose programs.

When funding is available, the Housing Authority will issue assistance documents to applicants who have been determined to be eligible for the Housing Services program. In addition, move documents may be issued to households that are either required to move or approved to move in accordance with the Housing Authority's Program Moves policies.

8.2 Briefings [24 CFR 982.301]

All households must attend an oral briefing in order to be issued a Family Obligations Agreement or Voucher, whichever is applicable, for initial lease-up or for a program move. An oral briefing may be conducted in-person, on the telephone or via video conference. If a briefing is conducted over the telephone or video conference, written materials will be mailed or emailed to the family and the family may be instructed to watch an informational video prior to the oral portion of the briefing.

8.2.1 Applicant Briefings

When an applicant family, including portability and special program admissions, is initially issued a Family Obligation Agreement or a Voucher, depending on the program the family is eligible for, the Housing Authority conducts a mandatory briefing session, as required by HUD. The head of household must attend the briefing session. These briefings may be conducted in groups or as individual meetings. All briefings will be conducted in English, however, for Limited English Proficient (LEP) applicants, the Housing Authority will provide translation services in accordance with the Agency's LEP plan.

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The Housing Authority will not issue an assistance document to a family unless the Head of Household has attended a briefing and signed either the Family Obligation Agreement or Voucher, whichever is applicable. Applicants who provide prior notice of inability to attend a briefing will automatically be scheduled for the next briefing. Applicants who fail to attend scheduled briefings, without prior notification and approval of the Housing Authority, may be denied admission based on failure to supply information needed for certification.

The Housing Authority will conduct individual briefings for disabled families at their home, upon request by the family, if required as a reasonable accommodation. Should a household attend a group briefing and require additional individual assistance they will be referred to the appropriate staff person.

The Voucher and Family Obligations Agreement expiration date will be sixty (60) days after issuance plus any automatic extension. An extension may be granted solely at the discretion of the Housing Authority in accordance with the policies in 8.6.2.

After a Family Obligations Agreement or Voucher has been issued to an applicant, household additions will be approved according to the policies outlined in Chapter 5.

8.2.2 Participant Move Briefings

Participants will be required to attend ~~a pre-move briefing and a~~ move briefing when moving with continued assistance. ~~Prior to attending the pre-move briefing households must complete the Request to Move form as well as all required recertification documentation. Participants who miss their scheduled pre-briefing may request to be rescheduled. After the pre-move briefing and upon submission of a completed move packet, households will be scheduled for a move briefing.~~

At the move briefing, the family will be issued either a Family Obligations Agreement or Voucher to move depending on their program type. The expiration date will be sixty (60) days after issuance plus any automatic extension. An extension may be granted solely at the discretion of the Housing Authority in accordance with the policies in 8.6.24.

After a Family Obligations Agreement or Voucher has been issued to the participant, household additions will be approved according to the policies outlined in Chapter 5.

If the participant misses the move briefing the family will be automatically rescheduled for the next move briefing. If the family misses the second move briefing and is under a mandatory move, the Housing Authority will proceed with termination. For families who

are making elective or permissible moves, the Housing Authority may proceed with termination notification.

8.3 Information Provided at Briefing Session

The Housing Authority's objectives are to ensure that families selected to participate are successful in obtaining an acceptable housing unit and that they have sufficient knowledge to derive maximum benefit from the program and to comply with program requirements.

The purpose of the briefing session is to provide information on the Housing Authority's process for families who intend to lease a unit. This will enable families to utilize the program to their advantage and prepare them to discuss the program benefits and rules with potential owners and property managers.

8.3.1 Topics Covered in Briefing Session

The person conducting the briefing will describe how the Housing Services Program works including information on the following subjects:

- Family and owner responsibilities;
- Where the family can lease a unit, including renting a unit inside or outside the Housing Authority's jurisdiction;
- For families eligible under portability, an explanation of portability. The Housing Authority cannot discourage eligible families from moving under portability;
- For families living in high-poverty census tracts, an explanation of the advantages of moving to areas outside of high-poverty concentrations; and
- When Housing Authority-owned units are available for lease, the Housing Authority will inform the family during the oral briefing that the family has the right to select any eligible unit available for lease, and is not obligated to choose a Housing Authority-owned unit.

If the family includes a person with disabilities, the Housing Authority will ensure compliance with 24 CFR 8.6 to ensure effective communication such as by providing appropriate auxiliary aids where necessary to afford an individual with disabilities an equal opportunity to participate in, and enjoy the benefits of, a program or activity.

8.3.2 Briefing Packet Contents [24 CFR 982.301(b), HCV GB p. 8-7 and Notice PIH 2010-19]

The Housing Authority provides families with a briefing packet that contains more detailed information about the program. The packet includes forms and information required by

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remaining family member. In order for a minor child to continue to receive assistance as a remaining family member:

- The court has to have awarded emancipated minor status to the minor; or
- The Housing Authority has to have verified that social services and/or the Juvenile Court has arranged for another adult to be brought into the assisted unit to care for the child/children for an indefinite period.

8.9 Family Voluntarily Relinquishes Housing Services Program Assistance

The family may voluntarily relinquish their assistance at any time. In such cases, the Housing Authority will provide the owner of the property with a thirty (30) calendar day notice indicating that rental assistance will terminate based on the family's request. The family will become fully responsible for the contract rent after thirty (30) calendar days.

Generally, the Housing Authority will not reinstate a family once a request for voluntary termination has been received. However, as a reasonable accommodation, the Housing Authority will review requests for reinstatements received within six (6) months and make a determination on a case-by-case basis. However, households will have their income eligibility re-determined in accordance with HUD guidelines.

If a family voluntarily relinquishes their assistance in lieu of facing termination, the Housing Authority will continue to seek to recover any monies that may be due to the Housing Authority as a result of misrepresentation or other breach of program in accordance with Chapter 18 of this Administrative Plan.

8.10 Emergency Housing Voucher Services and Support

Under the Emergency Housing Voucher (EHV) program, the Housing Authority receives a one-time service fee of \$3,500 for each EHV allocated to the Housing Authority. Eligible uses of the service fee include housing search assistance and financial assistance for costs associated with leasing a unit. Assistance with leasing costs includes application fees, transportation, holding fees, security deposit assistance, utility deposit assistance/utility arrears, landlord incentives (signing bonus and damage mitigation), moving assistance, essential household items, and renter's insurance if required by the lease. HUD requires that housing authorities provide housing search assistance to EHV families for the initial (first-time) lease-up. HACSB will ~~work to identify~~ use Emergency Solutions Grant (ESG) and other funding sources for housing search assistance and financial assistance whenever possible. ~~However, if other sources cannot cover the full cost, HACSB will use the service fee for housing navigation services. Additionally,~~

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~~HACSB will use the service fee for, application fees, landlord signing bonuses, damage mitigation, appliances, and security/utility deposits. The security_ deposit assistance will only be provided if it cannot be funded by a partner organization. Security deposit assistance~~ will be provided in the form of a one-time grant, which is refundable to the tenant upon move-out and cannot exceed ~~the lesser of \$2,500 or~~ two months rent. Utility deposits will also be provided as grants. If funding permits, the services fee may also be used for any of the other eligible financial assistance~~service~~ described in ~~the~~ this section.

12.8 Reporting Interim Changes

Participants are required to report certain changes between recertifications. Families must report all criminal cases within ten (10) business days. Families must report all changes that may affect the family's eligible subsidy standards within 10 business days of the change occurring, including a household member(s) no longer needing a live in aide or approved additional bedroom due to reasonable accommodation. Other changes that must be reported vary based on the program type of the participant.

12.8.1 Changes in Family Composition

For all Housing Services Programs, participants must report all changes in household composition and income within ten (10) business days of the change, including changes due to birth, adoption, marriage or court-awarded custody. All additions to the household must meet the eligibility criteria described in Eligibility Factors for Admission Chapter of this Administrative Plan and program occupancy standards in Chapter 5.-

If any new family member is approved to be added, the income of the new family member will be added to the household. The Housing Authority will conduct an interim recertification to determine such additional income and will make the appropriate adjustments in the housing payment. For household size reductions, cChanges to the subsidy standard ~~generally~~ will occur at the next regularly scheduled recertification. Generally, household size increases will not result in changes to the subsidy standard unless the household addition was the result of a birth, adoption or court-awarded custody and the family already occupies a larger unit size. At the interim recertification, HACSB will not issue a new voucher to reflect the change in family composition unless the change results in the housing unit being overcrowded in accordance with Housing Authority occupancy standards (see Chapter 5). The U.S. citizenship/eligible immigrant status of additional family members must be declared and verified as required at the first interim or regular certification after moving into the unit.

An interim recertification does not affect the next date of the regularly scheduled recertification.

12.8.2 Changes in Income³⁸

Families must report all changes in income in accordance with the policies outlined in this section.

³⁸ Each Housing Services Program has different interim recertification criteria based on the Housing Authority's policy and MTW authorization.

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- Inform the tenant that they must continue to pay rent in accordance with the lease, and if the successor in interest refuses to accept payment or cannot be identified, the tenant should pay the rent into escrow, because failure to pay rent may constitute an independent ground for eviction.
- If the Housing Authority is unable to make payments to the successor in interest due to: (1) An action or inaction by the successor in interest that prevents such payments, including the rejection of payments or the failure of the successor to maintain the property in accordance with inspection standards; or (2) An inability to identify the successor, the Housing Authority should inform the family of this.
- The Housing Authority must make reasonable inquiries to determine whether the unit, in addition to having a tenant receiving Housing Services program assistance, will be (or has been) assisted under the Neighborhood Stabilization program.

13.2 Owner Initiated Moves

An owner initiated move is a move in which the owner has served notice to a participant to terminate tenancy.

- If the participant is eligible to move with continued assistance, the Housing Authority will contact the participant to confirm the family's vacate date.
- If a move request is received from the participant, the elective move process will be followed.
- If the participant is not requesting to move, then the tenancy may only be terminated by an order of the court and the Housing Authority will continue to make payments until the participant has moved out.

13.3 Elective Moves [24 CFR 982.314(c) and 24 CFR 982.1(b)(2)]

An elective move is a move in which the family chooses to locate another suitable housing unit and transfer their housing assistance to that unit. The move can be initiated by the tenant by providing a written notice to the landlord or through mutual rescission of the lease. Elective moves may be initiated by the program participant at any time after the term of the lease has ended or by mutual agreement with the landlord. Participants must request an elective move in writing and if approved will be scheduled for, and must attend, a Program Move briefing in accordance with the Family Obligations Agreement and Voucher Issuance Chapter of this Administrative Plan.

- If a family is approved to move as a reasonable accommodation under the tenant-based voucher program, the family will be scheduled for a move briefing and

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issued a move voucher. However, if the family has remaining time on their lease, the family must obtain written authorization from the owner to break the lease.

- The Housing Authority will allow exceptions to these policies if the family was approved to relocate in accordance with the Housing Authority's procedures for the Violence Against Women's Act (VAWA).

13.23.1 Term-Limited Lease Assistance, and Streamlined Lease Assistance

The Housing Authority will only approve elective moves for families in the Term-Limited Lease Assistance and Streamlined Lease Assistance if the following conditions are met:

- The program participant is in compliance with all Housing Authority policies; and
- The participant has notified the property owner of their intent to vacate the unit in accordance with the terms and conditions of the lease agreement and the property owner confirms that the participant has complied with all other terms and conditions of the lease agreement throughout the tenancy.

13.23.2 Traditional, Regulatory Assistance for Special Purpose Programs

Participants in the Traditional, Regulatory Assistance for Special Purpose programs may move for any elective reason after the initial lease term. Some regulatory reasons a family may elect to move include:

- The lease for the family's unit has been terminated by mutual agreement of the owner and the family.
- ~~• The owner has given the family a notice to vacate, has commenced an action to evict the family, or has obtained a court judgment or other process allowing the owner to evict the family.~~
- The family has a right to terminate the lease on notice to the owner (for the owner's breach or otherwise) and has given a notice of termination to the owner in accordance with the lease.

13.3.4 Permissible Moves

A permissible move is a move that the Housing Authority may approve regardless of number of years in a unit or the lease term. Participants must request a permissible move in writing and if approved will be scheduled for, and must attend, a Program Move briefing in accordance with the Voucher Issuance and Briefing Chapter of this Administrative Plan. The following are permissible moves that will be approved:

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and an explanation of the reasons for decision. All requests for a review, supporting documentation, and a copy of the final decision will be retained in the family's file.

If the family fails to appear or provide objections for their informal review, the denial of admission will stand and the family will be so notified.

15.7 ~~Traditional, Regulatory Assistance for~~ Homeless Serving Special Purpose Programs – Program Reviews

Applicant families denied admission to a special program serving homeless or at-risk families (i.e. No Child Left Unsheltered, Family Unification Program or Permanent Supportive ~~Services~~ Housing Communities ~~owned by HACSB~~), due to the criminal history background of an adult household member, will be recommended for a review by the Compliance and Admissions unit.

The items necessary for review and consideration will include, but are not limited to:

- Proof of rehabilitation; which can be demonstrated by a variety of ways, including program certifications, current enrollment in rehabilitation programs, time served, etc.
- Credible letters of reference on a company/agency letterhead
- Credible letters of reference from a supportive services agency letterhead
- Documentation from parole/probation officer
- ~~Documentation from social worker (i.e. Department of Behavior Health, Department of Children's Services, etc.)~~ Letter signed by supportive service provider and applicant indicating that the provider will work with the applicant to clear the items on the applicant's record.

15.8 Violence Against Women Act

15.8.1 Introduction

The Violence against Women Reauthorization Act of 2013 (VAWA 2013) prohibits denial of admission to an otherwise qualified applicant on the basis that the applicant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking. Specifically, Section 606(4)(A) of VAWA adds an addition provision to Section 8 of the U.S. Housing Act of 1937, which lists contract provisions and requirements for the housing choice voucher program. The addition provision is that an applicant or participant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking is not an appropriate reason for denial of program assistance or for denial of admission, if the applicant otherwise qualifies for assistance or admission [24 CFR 5.2005].

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prohibition for families who are otherwise in compliance with program obligations but have moved to protect the health or safety of an individual who is or has been a victim of domestic violence, dating violence, sexual assault, or stalking and who reasonably believed he or she was imminently threatened by harm from further violence if they remained in the unit.

The income eligibility of a participant family is not redetermined if the family moves to a new jurisdiction under portability. The Housing Authority will send the last recertification to the receiving PHA with supporting documentation.

All outgoing portability families must attend a move briefing and adhere to the Housing Authority's Program Moves guidelines described in Chapter 13 of Administrative Plan.

19.2.1 Term-Limited Lease Assistance and Streamlined Lease Assistance Programs

The Housing Authority ~~will require~~ may not require participants porting to other jurisdictions to comply with the Housing Authority's local requirements, ~~but may, at its discretion, waive such requirements for participants where the Housing Authority determines that it is not feasible to administer program compliance for such participants while the participant's assistance is being administered by another Housing Authority.~~⁵⁴

19.2.2 Traditional, Regulatory Assistance for Special Purpose Programs [PIH Notice 2011-53]

The Veteran's Affairs Support Housing (VASH) program has additional portability requirements. Portability policies under VASH depend on whether the family wants to move within or outside of the initial Veterans Affairs (VA) facility's catchment area. In all cases of portability, the initial VA facility must be consulted prior to the move and provide written confirmation that case management will continue to be provided in the family's new location. In all cases of portability within the same catchment area, the initial VA facility must make the determination regarding which VA facility will provide the family with case management. This determination will ultimately affect whether the receiving PHA can absorb the family.

If the receiving PHA does not administer a VASH program, it must always bill the initial PHA. If the receiving PHA does administer VASH, it may only absorb the family if a HUD-

⁵⁴ ~~The FY 2009 Moving to Work Annual Plan including Activity 8: Local Policies for Portability which allows HACSB to apply MTW flexibility, such as Term-Limited Lease Assistance, to outbound portability families.~~

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Under the Emergency Housing Voucher program, the receiving PHA is entitled to the placement fee and issuance reporting fee and may be reimbursed for the cost of services and assistance provided to the family up to a maximum of \$1,750.

The receiving Housing Authority will notify the initial Housing Authority of changes in subsidy amounts and will provide, on an annual basis and for any interims, a copy of the family's HUD-50058 and HUD 52665 form and will expect the initial Housing Authority to notify the receiving Housing Authority of changes in the administrative fee amount to be billed.

19.5 Incoming Portability Families

After November 1, 2014, all elderly and/or disabled incoming portability families, with the exception of participants in Traditional, Regulatory Assistance for Special Purpose programs, will become participants in the Streamlined Lease Assistance program. On or after November 1, 2017, families where the head of household, spouse or cohead is under fifty-seven (57) years of age and is not disabled will participate in the Term-Limited Lease Assistance program.⁵²

All incoming portability families must attend a briefing. Prior to the Housing Authority scheduling the briefing, the Housing Authority must receive all required documentation, including HUD Form 52665, the Voucher or Family Obligations Agreement, the most recent 50058 and supporting documentation for income. Although income is not redetermined for eligibility, all adult members eighteen (18) years and older must pass the Housing Authority's criminal background screening criteria in accordance with Chapter 3 of this Administrative Plan.

19.5.1 Returning Term-Limited Lease Assistance Portability Families

Returning Term-Limited Lease Assistance portability families are those who initially participated in the Term-Limited Lease Assistance program, ported to another jurisdiction where they leased-up, and later returned to HACSB. If the family returns after having been absorbed by the receiving housing authority, then the family will start a new five year term. If the family returns after the receiving housing authority had been billing, the family would resume the remainder of their term. For example, a Term-Limited Lease Assistance family with 14 months remaining on their term ports out to another housing authority. The family leases-up and the receiving housing authority bills HACSB for two

⁵² The FY 2009 Moving to Work Annual Plan including Activity 8: Local Policies for Portability which allows HACSB to apply its MTW flexibility to inbound portability families.

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years. After two years, the family elects to port back to HACSB. The family has 14 months remaining on their term when they return.

19.5.2 Terminations of Inbound Portability Families

The Housing Authority will notify the initial Housing Authority in writing of any termination of assistance within ten (10) days of the termination. If an informal hearing is required and requested by the family, the hearing will be conducted by the Housing Authority, following the established hearing procedures included in this plan.

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The following paragraph is added to Section 7.3.1 General Verification Policies for Continued Assistance for MTW Programs:

During the COVID-19 emergency and until December 31, 2021, use of the verification hierarchy, including use of EIV, are waived. HACSB may consider self-certification as the highest form of income verification when other documentation is unavailable. (Waiver authority under Notice PIH 2021-14)

The following paragraph is added to Section 7.4.2 Social Security Number:

During the COVID-19 emergency and until December 31, 2021, the requirement to obtain and verify social security number documentation is waived. An applicant may be admitted based upon the social security number declared by the applicant for non-CPD programs. However, the required documentation to verify the social security number must be submitted to HACSB within 90 days following admission. (Waiver authority under Notice PIH 2021-14)

The following paragraph is added to Section 7.4.3 Documentation of Age:

During the COVID-19 emergency and until December 31, 2021, HACSB will accept self-certification of date of birth if a higher level of verification is not immediately available for non-CPD programs. However, the applicant must provide the required documentation to HACSB within 90 days following admission. (Waiver authority under Notice PIH 2021-14)

The following paragraph is added to Section 7.4.6 Documentation of Disability:

During the COVID-19 emergency and until December 31, 2021, HACSB may accept self-certification of disability if a higher level of verification is not immediately available for admission to non-CPD programs. However, the Certificate of Disability must be received by HACSB within 90 days following admission. (Waiver authority under Notice PIH 2021-14)

The following paragraph is added to Section 7.4.7 Citizenship or Eligible Immigration Status:

During the COVID-19 emergency and until December 31, 2021, the requirement to obtain and verify documentation evidencing eligible noncitizen status is waived for non-CPD programs. An applicant may be admitted based on self-certification. However, the required documentation to verify eligible immigration status must be submitted to HACSB within 90 days following admission. (Waiver authority under Notice PIH 2021-14)

22.7 Family Obligations Agreement/Voucher Term

The following paragraph is added to Section 8.6.1 Extensions:

During the COVID-19 emergency, the Family Obligations Agreement/Voucher was placed on temporary suspense. The suspense period began on March 19, 2020.. Any voucher placed on suspense that had remaining time on the voucher or available extensions received the remaining time when the suspense period ended on March 19, 2021, and the voucher holder could request additional extensions if available. If the

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: ~~August~~ November 2021

voucher was issued between March 19, 2020 and February 11, 2021, the voucher was reissued on March 19, 2021. The voucher was not placed on suspense if the voucher holder was not actively engaged in their housing search.

Due to an increase in COVID-19 cases, all FOAs/vouchers that are active on August 23, 2021 are given an automatic extension through December 31, 2021. If the family is on the final extension on August 23, 2021 the expiration date is reset to December 31, 2021. If the voucher is not on its final extension, the extension of time through December 31, 2021 will not count toward any other extensions that the family may be eligible to receive. New vouchers issued August 30, 2021 or later are issued to March 2, 2022. This term includes the period through December 31, 2021 plus the initial 60-day search term.
(Waiver authority under Notice PIH 2020-05; extended under Notice PIH 2020-13 and Notice PIH 2020-33, REV-2)

22.8 Request for Tenancy Approval & Contract Execution

The following paragraph is added to Section 9.13 Contract Execution Process:

During the COVID-19 emergency and until December 31, 2021, the HAP Contract must be executed within 120 days of the effective date. HACSB will not pay the owner until the HAP contract is executed. (Waiver authority under Notice PIH 2021-14)

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

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

22.9 Inspections Standards

The following paragraphs are added to Section 10.1.1 Initial Inspection:

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

For Term-Limited Lease Assistance, Streamlined Lease Assistance and Traditional Assistance for MTW Families, as soon as it is safe, feasible, and practical to do so, HACSB will conduct an RVI or in-person HQS inspection to confirm that the unit meets HQS requirements. For these families, the deferred initial HQS inspections will be prioritized for processing as soon as HACSB is able to resume processing inspections. In the event that the unit does not pass the HQS inspection, HACSB will follow the same

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

November 9, 2021

FROM

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

SUBJECT

Establishing Procedure for Handling of Claims filed against the Housing Authority of the County of San Bernardino

RECOMMENDATION(S)

Adopt Resolution No. 128 adopting procedures for the administration of claims against the Housing Authority of the County of San Bernardino.
(Presenter: Fred Galante, General Counsel)

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 is no financial impact associated with this item.

BACKGROUND INFORMATION

Following a presentation by General Legal Counsel at the August 10, 2021, Board of Commissioner's meeting related to the process for responding to claims filed against the HACSB per the Government Claims Act, the Board directed the preparation of procedures to address such claims. In response, General Legal Counsel prepared the attached Resolution establishing such procedures.

The Resolution includes the following key procedures:

1. All claims for damages shall be filed with risk management for the HACSB. Upon receipt of a claim, risk management is to forward it to General Legal Counsel and HACSB claims adjuster for review.
2. All claims, whether they are for money or other damages are to be governed by the rules and must include all information required by State law and be presented to the HACSB within 1 year after the cause of action occurs.
3. Any late claims must be processed in accordance with the provisions of State law.
4. The Executive Director of the HACSB has authority to settle claims for up to \$25,000 per claim, whether such payment is from HACSB or third party insurance pool funds. Any amount over such authority must be presented to the HACSB Board for consideration at its next available meeting. The Executive Director is to notify the Authority Board of any settlement exceeding \$10,000. The Executive Director may always defer a claim to the HACSB Board even if it is within his/her discretion to settle.
5. Any settlement agreement for amounts exceeding the Executive Director's authority must be presented to the HACSB in closed session when appropriate.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on October 26, 2021.

HOUSING AUTHORITY RESOLUTION NO. 2021- 128

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO ADOPTING PROCEDURES FOR THE ADMINISTRATION OF CLAIMS AGAINST THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

On Tuesday, November 9, 2021, on motion of Commissioner _____, duly seconded by Commissioner _____ and carried, this 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;

WHEREAS, the Authority Board of Commissioners is desirous of establishing clear rules related to the administration of claims brought against the Authority or its officers, employees or agents acting within the scope of their duties; and

WHEREAS, the Authority Board of Commissioners acknowledges that general claim procedures applicable to local public agencies, including the Authority, are governed by the provisions of chapter 1 of division 3.6 of the Government Code of the State, commencing with section 900 and following and wishes to adopt the procedures set forth in this Resolution consistent with such authority.

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

Section 1. Recitals. 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. Claims Handling. Claims against the Authority shall be administered in accordance with the directives contained in this Resolution.

Section 3. Filing of Claims with Risk Management. All monetary damages claimed against the Authority shall be filed with risk management. Requests or inquiries regarding claims shall be referred to risk management.

Section 4. Handling of Claims by Risk Management. Risk management shall send a copy of each claim to the General Counsel for review to determine compliance with applicable provisions of the California Government Code. If the claim is found to comply, risk management shall forward copies of the claim to the Authority's General Counsel and to the Authority's contract claims adjuster for review of the claim and consultation with the Executive Director concerning its appropriate disposition.

Section 5. Procedures for claims and actions for money and damages arising out of tort and not based upon contract.

A. Applicability of Section. Pursuant to Section 935 of the Government Code, all claims against the Authority for money or damages which are excepted by Section 905 of the Government Code from the provisions of Division 3.6 of the Government Code (Section 810, et seq.), and which are not governed by any other statutes or regulations expressly relating thereto, shall be governed by the procedure prescribed in this section.

B. Contract and Other Claims—Claim Prerequisites. No suit for money or damages may be brought against the Authority on a cause of action for which this section requires a claim to be presented until a written claim therefore has been filed and acted upon in conformity with this section and Sections 945.4 and 945.6 of the Government Code.

C. Claims-Time Limitation. A claim for any cause of action specified in subsection A of this section 5 shall be presented in the manner provided in subsection E not later than one (1) year after the accrual of the cause of action; except that a claim by the state or by a state department or agency or by another local public entity on a cause of action for death or for injury to person or to personal property or growing crops, or on a cause of action for equitable indemnity or partial equitable indemnity, shall be presented not later than six months after the accrual of the cause of action.

D. Claims-Late Filing. In accordance with Section 935 of the Government Code, the late filing of claims pursuant to this section is regulated by Sections 911.4 to 912.2, inclusive, of the Government Code.

E. Claims-Presentation and Contents. A signed, written claim shall be presented to the Authority by mailing or delivering it to Authority's risk management by the claimant or by a person acting on his or her behalf. The claim shall conform to the requirements of Section 910 of the Government Code.

F. Claims-Utilization of Statutory Procedures for Consideration and Action on Claims. Unless otherwise provided in this section, the procedure for consideration and action upon all claims filed pursuant to this section shall be governed by and be the same as the procedure provided and required by Sections 910.2 through 915.2 of the Government Code.

Section 6. Executive Director's Authority Over Claims. As authorized by California Government Code Sections 935.4 and 949, the Executive Director is hereby authorized to reject any claim; to settle any claim in an amount not exceeding Twenty-Five Thousand Dollars (\$25,000), and to settle pending litigation in an amount not exceeding Twenty-Five Thousand Dollars (\$25,000) per action. The Executive Director shall notify the Authority Board in advance of his/her intention to settle any claim or lawsuit exceeding Ten Thousand Dollars (\$10,000), and shall promptly notify the Authority Board after a proposed settlement is concluded.

Section 7. Delegation of Authority. The Executive Director may designate any employee to administer, compromise, or settle any claim against the Authority not exceeding Five Thousand Dollars (\$5,000).

Section 8. Payment of Settlement. Upon the Executive Director's or designee's written request, a warrant is to be drawn upon the Treasury of the Authority for the amount for which the claim or lawsuit has been settled.

Section 9. Additional Procedures. Consistent with this Resolution, the Executive Director may establish handling and disposition procedures as necessary to assist in the orderly administration of claims and lawsuits.

Section 10. Claims Exceeding Authority Director's Authority. Settlement of any claim exceeding \$25,000 or of any lawsuit requiring payment from Authority or third party insurance pool funds of more than \$25,000 shall be presented to the Authority Board by either the Executive Director or General Counsel. As authorized by the Ralph M. Brown Act (Government Code Sections 54950- 54962), Authority Board consideration of a proposed settlement, and any action thereon, shall be conducted in closed session.

Section 11. Notice to Claimant of Disposition of Claim. Following Authority Board action on a proposed settlement of a claim or lawsuit, the Executive

Director or General Counsel shall notify the claimant or plaintiff (or his/her designated representative) of the action taken. When such settlement involves only payment of money in exchange for release of claim or dismissal of litigation, the Executive Director and/or General Counsel shall implement any settlement authorized by the Executive Director or Authority Board, as applicable.

Section 12. Settlement Agreements. When settlement of a claim or lawsuit requires execution of a written instrument, the Authority Board shall consider the terms and conditions of the proposed settlement in closed session if the amount is beyond the Executive Director's authority, as specified in Section 10 above. If the Authority Board approves settlement, the Authority Board may designate the Board Chair, the Executive Director, or other appropriate Authority representative to execute the agreement on behalf of the Authority.

Section 13. Reporting of Claims. Claims and litigation settlements shall be reported as required by Government Code Section 54957.1, that is, when the settlement is final, the fact of the approval action shall be reported, as well as the tally of the vote and the substance of the agreement, unless contrary to law or order of a court of competent jurisdiction.

Section 14. Procedure on disallowance. Risk management shall prepare a separate written list of all claims or demands approved for settlement and those which, in risk management's opinion, should be rejected in whole or in part, together with the reasons therefor, and such list shall be submitted separately, together with the register book of demands and warrants, including supporting documents, if any, to the Authority Board, or Executive Director, if within the amount delegated to the Executive Director by this Resolution, who shall audit the same. If found authorized, correct and legal, risk management shall signify by signature upon the register book of demands and warrants those payments which are approved and allowed by Authority Board, or Executive Director as applicable, or disapproved and disallowed by Authority Board.

Section 15. Effective Date. 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:

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

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

I, _____, Secretary of the Board of Commissioners of the Housing Authority of the County of San Bernardino, hereby certify the foregoing to be a full, true and correct copy of the record of the action taken by the Board of Commissioners, by vote of the members present, as the same appears in the Official Minutes of said Board at its meeting of Tuesday, November 9, 2021.

Secretary

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

November 9, 2021

FROM

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

SUBJECT

Contract amendment with Reliant Asset Management Solutions for Housing Quality Standards Inspection Services

RECOMMENDATION(S)

1. Approve Amendment No. 3 to Contract No. PC1041, effective December 1, 2021, with Reliant Asset Management Solutions for Housing Quality Standards Inspection services, increasing the current contract amount by \$404,000 for a total contract amount not to exceed \$1,616,000 and extending the contract by an additional one year period pursuant to the original contract terms through November 30, 2022.
2. Authorize and direct the Executive Director to execute and deliver the contract amendment to Reliant Asset Management Solutions and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.

(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

Approval of this amendment will increase the current contract amount by \$404,000 for a total contract amount not to exceed \$1,616,000, which is included in the Housing Authority of the County of San Bernardino's (HACSB) approved FY 2021-2022 annual budget.

BACKGROUND INFORMATION

HACSB contracts with Reliant Asset Management Solutions (Reliant) to fulfill requirements by the United States Department of Housing and Urban Development (HUD) to conduct Housing Quality Standards (HQS) inspections, determine rent reasonableness, and serve as the Project Based Voucher (PBV) contract administrator for HACSB owned properties. Approval of this item will extend the contract by one year and increase the contract amount by \$404,000.

Housing Authorities are required to conduct Housing Quality Standards (HQS) inspections of all Housing Choice Voucher (HCV) units to ensure they are decent, safe, and sanitary. On behalf of HACSB, Reliant conducts HQS inspections for HCV units at initial lease up and annually or biannually thereafter. All Reliant inspectors are trained and certified to perform these inspections. HUD also requires that Housing Authorities ensure that rents charged by landlords to HCV program participants are reasonable. Therefore, Reliant inspectors must compare the rent for the HCV unit to rents for similar unassisted units in the marketplace, as well as compare

the rent to rents for similar units on the premises. This process is called rent reasonableness because it ensures that the rents are fair and reasonable for the area. Inspectors also use rent reasonableness to negotiate rents with the various landlords as required. Also, Reliant, as the PBV contract administrator, conducts rent reasonableness and Housing Assistance Payment monitoring and auditing for PBV properties owned by HACSB pursuant to HUD's requirements.

PROCUREMENT

HACSB previously issued a Request for Proposal (RFP) PC1041 on August 8, 2018, which resulted in the receipt of two proposals. Proposals were evaluated per the requirements of the RFP in which Reliant Asset Management Solutions was the most qualified and most responsive vendor selected to provide these services to the HACSB. The terms of the proposal included a one-year base with four, single-year options to extend through to November 30, 2023.

On November 13, 2018, the HACSB Housing Commission approved and authorized the Executive Director to execute a contract in the amount of \$404,000 through the one-year base contract period until November 30, 2019.

On November 19, 2019, the HACSB Board of Governors approved and awarded an amendment in the amount of \$404,000 for a total amount not to exceed \$808,000 exercising the first option year through November 30, 2020.

On November 10, 2020, the HACSB Board of Commissioners approved and authorized the Executive Director to execute an amendment in the amount of \$404,000 for a total amount not to exceed \$1,212,000 exercising the second option year through November 30, 2021.

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on October 25, 2021.



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

**AMENDMENT #3 TO CONTRACT FOR HQS INSPECTION SERVICES
(PC1041)**

BETWEEN

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

And

RELIANT ASSET MANAGEMENT SOLUTIONS

This Amendment No. 3 ("Third Amendment"), dated November 9, 2021 ("Effective Date"), to Agreement for HQS Inspection Services (PC1041), is entered into by and between the Housing Authority of the County of San Bernardino, a California public body, ("Authority") and Reliant Asset Management Solutions, a California Non-Profit Organization ("Contractor").

RECITALS

WHEREAS, the Authority and Contractor entered into that certain Consulting, Services, and Non-Routine Maintenance Related Services Agreement (Non-Construction), dated December 1, 2018 relating to HQS Inspection Services ("Agreement") with a total price of \$404,000.00;

WHEREAS, the Authority and Contractor entered into Amendment No. 1 to the Agreement, dated December 1, 2019, to exercise option year 1 effective December 1, 2019 through November 30, 2020 increasing the contract by \$404,000.00 for a total amount not to exceed \$808,000.00;

WHEREAS, the Authority and Contractor entered into Amendment No. 2 to the Agreement, dated December 1, 2020, to exercise option year 2 effective December 1, 2020 through November 30, 2021 increasing the contract by \$404,000.00 for a total amount not to exceed \$1,212,000.00.

WHEREAS, the Authority and Contractor now wish to enter into this Amendment No. 3 to the Agreement to exercise option year 3 effective December 1, 2021 through November 30, 2022 increasing the contract by \$404,000.00 for a total amount not to exceed \$1,616,000.00.

OPERATIVE PROVISIONS

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

Section 1. Article 3 of the Agreement is hereby amended to extend the term for an additional one (1) year and expiring on November 30, 2022. Except as so amended, the other provisions of Article 3 shall remain unmodified and in full force and effect.

Section 2. Article 4 of the Agreement, entitled "Price" is hereby amended to increase the compensation payable to Contractor for the provision of the Work the total not-to-exceed sum as shown in the Total Agreement Cost set forth on Exhibit "A-1. Except as so amended, the other provisions of Article 4 shall remain unmodified and in full force and effect.

Section 3. Continuing Effect of Agreement. Except as amended by this Third Agreement, all provisions of the Agreement, as amended, shall remain unchanged and in full force and effect. From and after the date of this Third Amendment, whenever the term "Agreement" appears in the Agreement, it shall mean the Agreement, as amended by the Amendment Nos. 1 and 2 and this third Amendment to the Agreement.

Section 4. Affirmation of Agreement; Warranty Re Absence of Defaults. Authority and Consultant each ratify and reaffirm each and every one of the respective rights and obligations arising under the Agreement, as amended. Each party represents and warrants to the other that there have been no written or oral modifications to the Agreement other than by way of Amendment Nos. 1 and 2 and as provided herein. Each party represents and warrants to the other that the Agreement, as amended by Amendment Nos. 1 and 2, is currently an effective, valid, and binding obligation.

Consultant represents and warrants to Authority that, as of the date of this Third Amendment, Authority is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

Authority represents and warrants to Consultant that, as of the date of this Third Amendment, Consultant is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

Section 5. Adequate Consideration. The parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Third Amendment.

Section 6. Authorization. The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Housing Authority of the County of San Bernardino and Reliant Asset Management Solutions.

**RELIANT ASSET MANAGEMENT
SOLUTIONS**

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

By: _____

By: _____

Name: _____

Name: Maria Razo

Title: _____

Title: Executive Director

Date: _____

Date: _____

Exhibit A-1

Schedule Dates:

Effective Date: December 1, 2021
Completion Date: November 30, 2022

Total Agreement Cost: Not to exceed \$1,616,000.00

Original Agreement Amount Not to Exceed	\$404,000.00
Net Change Orders Previously Approved	\$0.00
Net Change Order Previously Approved – Amendment #1	\$404,000.00
Net Change Order Previously Approved – Amendment #2	\$404,000.00
Net Change Order – Amendment #3	\$404,000.00
Agreement Value as Amended Not to Exceed	\$1,616,000.00

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

November 9, 2021

FROM

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

SUBJECT

Extension of Project-Based Voucher Program Housing Assistance Payments Contract with Housing Partners I, Inc. for Yucaipa Terrace

RECOMMENDATION(S)

1. Approve a contract extension of a Project-Based Voucher Program Housing Assistance Payments contract for 50 units at Yucaipa Terrace, for a ten-year period from March 1, 2022 through February 28, 2032, with the Housing Authority of the County of San Bernardino, and naming Housing Partners I, Inc. as the new owner in the Housing Assistance Payments contract.
2. Approve the first amendment to the Housing Assistance Payments Contracts Agreement with Housing Partners I, Inc. adding Yucaipa Terrace.
3. Approve the first amendment to the Project-Based Voucher Program Housing Assistance Payments Contract with Housing Partners I, Inc. to reduce the number of units under the Housing Assistance Payments contract from 50 to 8 units effective December 1, 2022.
4. Authorize and direct the Executive Director to execute and deliver the Project-Based Voucher Program Housing Assistance Payments contract extension, first amendment to the Project-Based Voucher Program Housing Assistance Payment Contract, and first amendment to the Housing Assistance Payments Contracts Agreement to Housing Partners I, Inc. and upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.

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

GOALS & OBJECTIVES

HACSB communication is open, honest and consistent.

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

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

FINANCIAL IMPACT

Approval of the proposed extension and first amendment of the Project-Based Voucher Program Housing Assistance Payments Contract (Contract) and first amendment to the Housing Assistance Payments Contracts Agreement will have no direct financial impact to the Housing Authority of the County of San Bernardino's (HACSB) annual budget as the payments coinciding with these contracts have already been budgeted.

BACKGROUND INFORMATION

On March 1, 2002, HACSB entered into a ten-year Project-Based Voucher Program Housing Assistance Payments Contract at Yucaipa Terrace, a 51-unit HACSB owned property. Subsequently, the contract was extended another ten years expiring on February 28, 2022. Fifty units currently receive project-based voucher assistance and one unit is occupied by a property manager and is unassisted.

Staff has analyzed the extent to which project-based voucher subsidies are needed to continue providing high quality housing for the residents at Yucaipa Terrace. The analysis supports continuing project-based voucher subsidies for eight of the fifty units, while continuing the State required reserve contributions (operating reserve account and a reserve for replacement reserve). As background, funding for this development was received by the State which established a regulatory agreement that includes restrictions related to operating policies, rental charges, operating expenditures, assignment of rents, cash flow and sale of the project through September 5, 2050. Reducing the number of project-based vouchers allocated to Yucaipa Terrace will increase the number of project-based vouchers potentially available for the continued redevelopment of our 1940's converted public housing portfolio. This may take several years as the rental assistance would still be tied to families participating in the Housing Choice Voucher program. Additionally, this action will have no adverse impact on the residents. Affected residents will continue to receive rental assistance under the tenant-based voucher program either at Yucaipa Terrace or a unit of their choosing. Because residents must receive at least 12-months' notice of any reduction in the number of subsidized units at the property, staff is proposing to amend the Housing Assistance Payments Contract reducing the number of units effective December 1, 2022. Should the Board of Commissioners approve this item, 12-month notices will be mailed to all residents by the end of this month, and the transition to tenant-based assistance will begin next summer to ensure no interruption in housing assistance for the residents.

Furthermore, to comply with Notice PIH 2017-21 (PIH Notice), the Housing Assistance Payments Contract identifies non-profit affiliate Housing Partners I, Inc. (HPI) as the owner on the contract. The PIH Notice states that the owner of the property cannot execute a contract with itself if it is also the Housing Choice Voucher contract administrator. However, a non-profit affiliate of the HACSB is an acceptable alternative to be the owner regarding the Contract. HPI is being listed as owner on the Contract for purposes of Housing Assistance Payment (HAP) ownership only. HACSB will continue to be the fee owner of the property. This memorandum approves an amendment to the Housing Assistance Payment Contract Agreement between HACSB and HPI stating that HPI is the owner and HACSB is the fee owner of Yucaipa Terrace.

The extension of Contract and subsequent amendment are appropriate to continue providing affordable housing for low-income families. Therefore, HACSB staff recommends the Board of Commissioners approve the extension and amendment to the Contract and first amendment to the Housing Assistance Payments Contracts Agreement between HPI and HACSB.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on November 1, 2021.

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

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

EXISTING HOUSING

PART 1 OF HAP CONTRACT

EXTENSION

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

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

1. CONTRACT INFORMATION

a. Parties

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

_____ (PHA) and

_____ (owner).

b. Contents of contract

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

c. Contract exhibits

The HAP contract includes the following exhibits:

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

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

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

ADDITIONAL EXHIBITS

d. Effective date and term of the HAP contract

1. Effective date

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

2. Length of initial term

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

3. Extension of term

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

4. Requirement for sufficient appropriated funding

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

e. Occupancy and payment

1. Payment for occupied unit

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

2. Vacancy payment

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

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

~~amount of any vacancy payments.~~

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

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

f. Income-mixing requirement

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

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

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

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

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

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

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

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

EXECUTION OF HAP CONTRACT FOR EXISTING HOUSING

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

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

SECTION 8 PROJECT-BASED VOUCHER PROGRAM

**HOUSING ASSISTANCE PAYMENTS CONTRACT
EXISTING HOUSING**

PART 2 OF HAP CONTRACT

EXTENSION

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

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

2. DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) Owned by the PHA (which includes a PHA having a “controlling interest” in the entity that owns the unit; see definition above);

(b) Owned by an entity wholly controlled by the PHA; or

(c) Owned by a limited liability company (LLC) or limited partnership in which the PHA (or an entity wholly controlled by the PHA) holds a controlling interest in the managing member or general partner.

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

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

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

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

3. PURPOSE

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

4. RENT TO OWNER; HOUSING ASSISTANCE PAYMENTS

a. Amount of initial rent to owner

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

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

b. HUD rent requirements

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

c. PHA payment to owner

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

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

d. Termination of assistance for family

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

5. ADJUSTMENT OF RENT TO OWNER

a. PHA determination of adjusted rent

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

b. Reasonable rent

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

c. No special adjustments

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

d. Owner compliance with HAP contract

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

e. Notice of rent adjustment

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

6. OWNER RESPONSIBILITY

The owner is responsible for:

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

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

7. OWNER CERTIFICATION

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

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

8. CONDITION OF UNITS

a. Owner maintenance and operation

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

b. PHA inspections

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

c. Violation of the housing quality standards

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

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

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

d. Maintenance and replacement—owner’s standard practice

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

9. LEASING CONTRACT UNITS

a. Selection of tenants

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

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

b. Vacancies

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

10. TENANCY

a. Lease

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

b. Termination of tenancy

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

c. Family payment

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

d. Other owner charges

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

e. Security deposit

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

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

11. FAMILY RIGHT TO MOVE

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

12. OVERCROWDED, UNDER-OCCUPIED, AND ACCESSIBLE UNITS

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

13. PROHIBITION OF DISCRIMINATION

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

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

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

14. PHA DEFAULT AND HUD REMEDIES

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

15. OWNER DEFAULT AND PHA REMEDIES

a. Owner default

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

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

b. PHA remedies

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

the notice.

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

c. PHA remedy is not waived

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

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

a. Required information

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

b. PHA and HUD access to premises

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

17. PHA AND OWNER RELATION TO THIRD PARTIES

a. Injury because of owner action or failure to act

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

b. Legal relationship

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

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

c. Exclusion of third-party claims

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

d. Exclusion of owner claims against HUD

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

18. PHA-OWNED UNITS

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

19. CONFLICT OF INTEREST

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

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

b. Disclosure

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

c. Interest of member of or delegate to Congress

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

20. EXCLUSION FROM FEDERAL PROGRAMS

a. Federal requirements

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

b. Disclosure

The owner certifies that:

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

21. TRANSFER OF THE CONTRACT OR PROPERTY

a. When consent is required

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

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

b. Transferee assumption of HAP contract

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

c. Effect of consent to transfer

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

d. When transfer is prohibited

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

22. SUBSIDY LAYERING

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

23. OWNER LOBBYING CERTIFICATIONS

- a. The owner certifies, to the best of owner's knowledge and belief, that:
1. No Federally appropriated funds have been paid or will be paid, by or on behalf of the owner, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of the HAP contract, or the extension, continuation, renewal, amendment, or modification of the HAP contract.
 2. If any funds other than Federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the HAP contract, the owner must complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- b. This certification by the owner is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352.

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

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

25. NOTICES AND OWNER CERTIFICATIONS

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

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

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

26. NOTICE OF TERMINATION OR EXPIRATION WITHOUT EXTENSION

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

27. FAMILY'S RIGHT TO REMAIN

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

28. ENTIRE AGREEMENT; INTERPRETATION

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

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

There are a total of fifty-one (51) units at the development of which a total of fifty (50) units are covered by this HAP Contract.

The contract units are as follows:

Development: Yucaipa Terrace
Address: 12435 6th Street
Unit #s: #101 - #105, #202 - #205, #301 – 307, #501 - #505, #601 - #605, #701 – #707, #801 - #807, #901 - #905, #1001 - #1005
City, State, Zip: Yucaipa, CA 92399

Bedroom Size	# of Units	Contract Rent
1	50	\$675

EXHIBIT B

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

Yucaipa Terrace services, maintenance, and equipment to be supplied by the owner without charges in addition to the rent to owner:

- On-site property management
- On-site laundry room
- Range/oven
- Refrigerator

EXHIBIT C

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

Yucaipa Terrace

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

- Water
- Sewer
- Trash

Utilities to be Paid by the Tenants:

- Gas (cooking)
- Gas (heating)
- Gas (water heating)
- Electric (lights, etc.)

EXHIBIT D

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

Mobility features:

- Grab bars installed in bathroom upon request

Community features:

- Accessible parking

FIRST AMENDMENT OF THE HOUSING ASSISTANCE PAYMENTS CONTRACT

This **FIRST AMENDMENT OF THE HOUSING ASSISTANCE PAYMENTS CONTRACTS AGREEMENT** (this “Amendment”) between the **Housing Partners I, Inc.** (the “HPI”) and the **Housing Authority of the County of San Bernardino** (the “Authority”) is, upon execution, effective as of 1st day of March 2022.

WITNESSETH:

WHEREAS, the Authority entered into a Housing Assistance Payments Contract Agreement (the HAPC Agreement) with the HPI, with an effective date of September 1, 2019, for HPI to be defined as the “Owner” on the Project-Based Voucher Housing Assistance Payments Contracts for properties listed in Exhibit A of the HAPC Agreement; and

WHEREAS, the HPI and the Authority now wish to amend Exhibit A to add a new property, Yucaipa Terrace, under the HAPC Agreement.

NOW, THEREFORE, in consideration of the covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned parties, intending to be legally bound, hereby covenant and agree as follows:

1. Amendment of HAPC Agreement Exhibit A. The HAPC Agreement shall be amended to supplement Exhibit A therein with the terms of Exhibit A attached to this Amendment, which implements an addition of 50 units at Yucaipa Terrace, 12435 6th Street, Yucaipa, CA 92399, with the other provisions of Exhibit A to the HAPC Agreement remaining unmodified and in full force and effect.
2. No Other Amendments. Both parties acknowledge and agree that the HAPC Agreement remains in full force and effect, unmodified except as expressly stated in this Amendment.
3. Successors and Assigns. This Amendment shall bind and inure to the benefit of the parties hereto and, subject to the requirements of this Amendment, their respective heirs, personal representatives, successors and assigns.
4. Captions and Headings. The captions and headings contained in this Amendment are included herein for convenience of reference only and shall not be considered a part hereof and are not in any way intended to limit or enlarge the terms hereof.
5. Counterparts. This Amendment may be executed in one or more counterparts, each of which counterparts shall be deemed to be an original hereof and all of which counterpart originals shall be deemed to constitute one and the same document.
6. Governing Law. This Amendment shall be governed by the laws of the State of California.

IN WITNESS WHEREOF, the Parties have executed this First Amendment of the Housing Assistance Payments Contract Agreement as of the Effective Date.

AUTHORITY:

HOUSING AUTHORITY OF THE COUNTY OF
SAN BERNARDINO

By: _____
Maria Razo, Executive Director

HPI:

HOUSING PARTNERS I, INC.

By: _____
Anthony Perez, Executive Director

EXHIBIT A

PROPERTY

Development	Address	City	Number of Units
Andalusia	13520 Third Ave.	Victorville	17
Yucaipa Terrace	12435 6 th Street	Yucaipa	50*

*Effective December 1, 2022, the number of units under HAP contract will be 8.

FIRST AMENDMENT OF THE HOUSING ASSISTANCE PAYMENTS CONTRACT

This **FIRST AMENDMENT OF THE HOUSING ASSISTANCE PAYMENTS CONTRACT** (this “Amendment”) between the **Housing Partners I, Inc.** (the “Owner”) and the **Housing Authority of the County of San Bernardino** (the “Authority”) is, upon execution, effective as of 1st day of December 2022.

WITNESSETH:

WHEREAS, the Authority entered into a Housing Assistance Payments Contract (the “HAP Contract”) with the Owner, with an effective date of March 1, 2022, for certain Project Based Voucher (PBV) housing assistance payments with respect to 50 units located at Yucaipa Terrace, 12435 6th Street #101-#1005, Yucaipa, CA 92399 (the “Project”); and

WHEREAS, the Owner and the Authority now wish to amend the number of units under HAP Contract.

NOW, THEREFORE, in consideration of the covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned parties, intending to be legally bound, hereby covenant and agree as follows:

1. Amendment of HAP Contract Section 1.f.8.a. Section 1.f.8.a of the HAP Contract shall be amended to reduce the number of contract units which shall be rented to elderly families from 50 units stated therein to 8 units.
2. Amendment to Exhibit A. The number of contract units is amended and attached as “Exhibit A.”
3. No Other Amendments. Both parties acknowledge and agree that the HAP Contract remains in full force and effect, unmodified except as expressly stated in this Amendment.
4. Successors and Assigns. This Amendment shall bind and inure to the benefit of the parties hereto and, subject to the requirements of this Amendment, their respective heirs, personal representatives, successors and assigns.
5. Captions and Headings. The captions and headings contained in this Amendment are included herein for convenience of reference only and shall not be considered a part hereof and are not in any way intended to limit or enlarge the terms hereof.
6. Counterparts. This Amendment may be executed in one or more counterparts, each of which counterparts shall be deemed to be an original hereof and all of which counterpart originals shall be deemed to constitute one and the same document.
7. Governing Law. This Amendment shall be governed by the laws of the State of California.

IN WITNESS WHEREOF, the Owner and the Authority have executed this First Amendment of the Housing Assistance Payments Contract as of the date first written above.

Housing Authority of the County of San Bernardino

By: _____
Name: Maria Razo
Its: Executive Director

Housing Partners I, Inc.

By: _____
Name: Anthony Perez
Its: Executive Director

EXHIBIT A

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

There are fifty-one (51) units at the development of which a total of eight (8) units are covered by this HAP Contract.

Development: Yucaipa Terrace
Address: 12435 6th Street
Unit #s: #101 - #105, #202 - #205, #301 – 307, #501 - #505, #601 - #605, #701 – #707,
#801 - #807, #901 - #905, #1001 - #1005
City, State, Zip: Yucaipa, CA 92399

The contract units are designated for elderly household and are floating units as follows:

Bedroom Size	# of Units	Contract Rent
1	8	\$675

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

November 9, 2021

FROM

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

SUBJECT

Loan Forgiveness Agreement with Knowledge and Education for Your Success

RECOMMENDATION(S)

1. Approve a Loan Forgiveness Agreement with Knowledge and Education for Your Success for the entirety of the loan amount of \$270,000.
2. Authorize and direct the Executive Director to execute and deliver the agreement to Knowledge and Education for Your Success, and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.

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

GOALS & OBJECTIVES

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

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

FINANCIAL IMPACT

The proposed amendment has no budgetary impact on the Housing Authority of the County of San Bernardino's (HACSB) annual budget.

BACKGROUND INFORMATION

In October 2013, HACSB entered into a loan agreement (promissory note) with non-profit affiliate Knowledge and Education for Your Success (KEYS) in the amount of \$250,000. At the time, the purpose of this funding was for KEYS to assist HACSB in the case management of individuals participating in the Maplewood Homes Pilot "Work" Requirement and Term-Limited Lease Assistance Program. KEYS operated the Family Resource Centers at both Maplewood Homes and Waterman Gardens affordable housing properties, as well as had a Master and Doctoral Student Internship Program with students who helped work with HACSB families. In January 2015, the first amendment to the promissory note was executed increasing the loan amount by \$20,000, for a total loan amount of \$270,000.

On December 11, 2018, (Item No. 8) HACSB's Housing Commission approved the second amendment to the promissory note with KEYS. The second amendment extended the term of the promissory note an additional three years through September 30, 2021. It also allowed KEYS additional time to pursue unrestricted funding with the goal of become a self-sustaining organization and not rely solely on grant-based funding.

On October 12, 2021, (Item No. 12) HACSB's Board of Commissioners approved the third amendment to the promissory note with KEYS. The third amendment extended the term of the promissory note retroactively beginning October 1, 2021 for an additional three months to allow

the KEYS Board of Directors the time to gather information pursuant to Section 4- Conditional Forgiveness, of which is being requested in this item.

The loan to KEYS envisioned that KEYS would seek funding for repayment and, if not feasible, that the parties recognized that the services to be provided by KEYS would nevertheless provide value to HACSB. Indeed, since 2013 when the original promissory note was approved, KEYS has provided invaluable services to support the mission and purpose of HACSB by providing the case management services to the individuals as described above, counseling services to families in need, rapid rehousing services to veterans, and at one time, provision of supportive service activities for the Term-Limited Lease Assistance and the Pilot Work Requirement programs.

As such, HACSB has received significant benefits from the various in-kind services provided by KEYS throughout the term of the promissory note. The forgiveness of the loan is therefore appropriate and serves a valid public purpose for the reasons stated herein.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on October 29, 2021.

LOAN FORGIVENESS AGREEMENT

THIS LOAN FORGIVENESS AGREEMENT ("**Agreement**") is dated November 9, 2021 and is between the HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO a public body corporate and politic organized under the laws of California ("**HACSB**") and Knowledge & Education for Your Success, Inc., a California non-profit corporation ("**KEYS**"). The Authority and KEYS are jointly referred to herein as the "**Parties**" and individually referred to herein as a "**Party.**"

RECITALS

A. HACSB and KEYS entered into a Promissory Note Including Agreement Regarding Use of Loan Funds ("**Original Note**"), effective on October 1, 2013, evidencing the loan from HACSB to KEYS for \$250,000 and requiring full repayment by October 1, 2018 ("**Loan**").

B. The Original Note was amended on January 20, 2015, increasing the loan amount by \$20,000, for a total loan amount of \$270,000 ("**Loan Amount**"), and then again on December 11, 2018, to extend the repayment term until September 30, 2021 and then again on October 12, 2021 to retroactively extend the repayment term until January 1, 2022. The amendments together with the Original Note are hereby referred to as the "**Promissory Note**".

C. The Promissory Note contemplated that the Loan would be forgiven pursuant to the terms of Section 4 therein, which provided as follows:

"4. **CONDITIONAL FORGIVENESS:** Provided that no Event of Default has occurred, the remaining principal sum under this Note is subject to conditional forgiveness at the end of the term upon HACSB's written finding, to be made in HACSB's sole discretion, that the following has occurred:

KEYS has aggressively pursued unrestricted sources of funds in order to repay the Loan, including, but not limited to: submittal of funding applications to corporate donors, private/philanthropic organizations, grants. If the aforementioned conditions have not been met, all remaining principal and any interest shall be due and payable at the end of the term of this Note."

D. The HACSB Board of Commissioners finds that KEYS has engaged in a concerted and continuous good faith effort to secure funding to repay the Loan. KEYS has submitted funding applications with various potential sources to secure the funds, but has faced a significant challenge to secure unrestricted funds for the purpose of repaying the Loan. KEYS has nevertheless committed to HACSB by way of its November 1, 2021 letter to HACSB to maintain its affiliation partnership with the HACSB by continuing to provide in kind services to individuals within the jurisdiction of the HACSB and that benefit the functions of the HACSB.

NOW, THEREFORE, in reliance on the recitals which are incorporated herein, the Parties agree as follows:

1. **Debt Forgiveness.** The HACSB Board of Commissioners finds that the above recitals are true and correct. In light of the HACSB Board of Commissioner's finding that KEYS has engaged in continuous good faith efforts to secure funding to repay the Loan, the HACSB hereby agrees to waive and forgive the Loan Amount in its entirety and that the Promissory Note shall be terminated and of no further force or effect.

2. Further Documents. The Parties each agree to execute such further instruments and to take such further actions as may be reasonably necessary or desirable in order to implement the provisions of this Agreement.

3. Counterpart Execution. This Agreement may be executed in counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

KEYS:

Knowledge & Education for Your Success,
Inc., a California non-profit corporation

By: _____
Title: _____

By: _____
Title: _____

HACSB:

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

By: _____
Maria Razo, Executive Director

ATTEST:

By: _____
Secretary

Mr. Tim Johnson
 Chairman
 Board Of Commissioners
 Housing Authority of The
 County of San Bernardino
 715 East Brier Drive
 San Bernardino, CA 92408



November 1, 2021

Dear Mr. Johnson,

It is with great appreciation for the Housing Authority of the County of San Bernardino's (HACSB) Board of Commissioners (board) that I submit this letter on behalf of the Knowledge, Education for Your Success, Inc. (KEYS) Nonprofit Board of Directors. The purpose of this letter is to follow up on a request from the HACSB Board. This request was stated during the October 12, 2021 HACSB Board meeting.

During the above-mentioned meeting, the KEYS Nonprofit Board of Directors submitted a letter to the HACSB Board. This letter was reviewed by the HACSB Board, and the HACSB Board requested that the KEYS Board of Directors provide additional materials for the November 2021 board meeting. This letter serves to fulfill this request.

Background: There is a current Promissory Note Including Agreement Regarding Use of Loan Funds, which exists between the Housing Authority of the County of San Bernardino and Knowledge, Education for Your Success, Inc. (KEYS). In summary, an initial loan was issued for startup capital and currently totals \$270,000. During the October HACSB Board of Commissioners meeting, the KEYS Board of Directors asked that the HACSB Board consider converting the loan to a one-time grant, paid in full. This request was based on the fulfillment of Section 4 of the promissory note. In response to this request, the HACSB Board requested additional information. Specifically the HACSB Board asked that KEYS provide a breakdown of the SSVF funds (including the initial grant years to current). Below is a summary table of the SSVF funds operated by KEYS Nonprofit since 2014 (first funding year) through the grant year 2021 (e.g. August 2021). In addition to the information below, KEYS was awarded additional SSFV dollars for the 2021 grant year. Those dollars will come to KEYS at the end of the calendar year 2021 and are not yet reflected in the information below.

KEYS SSVF Funding				
Grant Year	VASH Dollars Spent		NON VASH Dollars Spent	
				Year Total
2014			\$ 863	\$ 863
2015	\$	1,250	\$ 247,137	\$ 248,387
2016	\$	1,568	\$ 248,695	\$ 250,263
2017	\$	-	\$ 232,102	\$ 232,102
2018	\$	-	\$ 169,760	\$ 169,760
2019	\$	-	\$ 213,832	\$ 213,832
2020	\$	87,320	\$ 705,450	\$ 792,770
2021	\$	43,890	\$ 271,136	\$ 315,026
	\$	134,028	\$ 2,088,975	\$ 2,223,003

As can be seen in the table above, since 2014 KEYS has spent \$2,223,033 under the SSFV grant. This funding includes services provided (case management and navigation support) as well as materials (bus passes, home supplies etc). In total \$134,028 of those dollars are expenses allowable through VASH, and \$2,088,975 were dollars spent on VASH recipients that would not be qualified VASH expenses (without SSFV) and therefore not accessible to HACSB without their partnership to KEYS.

A request for consideration from the KEYS Board of Directors:

On behalf of the KEYS Board of Directors, we humbly ask that the HACSB Board of Commissioners consider reclassifying the \$270,000.00 principal amount of the loan as a onetime grant to KEYS. We believe we have maintained the conditions of the promissory note (e.g. Section 4) to date. We also believe that we have grown to the point where future financial support from HACSB is unlikely as KEYS is financially self-sufficient due to significant increases in external funding sources. Also, as stated during the board meeting, it will be a significant challenge to secure unrestricted funds for the purpose of repaying this loan. Finally, the KEYS Board of Directors is committed to maintaining our affiliation partnership with the HACSB and it is in the best interest of KEYS, and indirectly the HACSB to remove this financial obligation.

We humbly ask for your consideration regarding the \$270,000 loan.

Sincerely,

Brian Distelberg, Ph.D.
Chairman, KEYS Board of Directors

The mission of KEYS is to empower low-income individuals and families in San Bernardino County and to unlock their potential for success.

Knowledge, Education for Your Success, Inc. (KEYS) · 680 S. Waterman Avenue · San Bernardino, CA 92408 · keysnonprofit.org

KEYS Efforts to Seek Unrestricted Funds

- KEYS was able to secure a small one-time grant from the Anthem Foundation (\$25,000); however, it is not 100% unrestricted funds.
- KEYS has submitted nearly 20 applications for unrestricted funds; however, grant funding has not been secured. Following is a list of the foundations/entities that the applications have been submitted to:
 - a. St. Bernardines, specifically Kathleen McDonnell, Director of Mission Integration at Dignity Health / St. Bernardine Medical Center
 - b. The California Accountable Communities for Health Initiative (CACHI)
 - c. Inland SoCal Housing Collective (ISCHC)
 - d. Children's Fund
 - e. Inland Empire Community Collaborative
 - f. Inland Empire United Way
 - g. Hope Through Housing Foundation
 - h. The Olin Group
 - i. Magnolia Place
 - j. Inland Empire Health Plan
 - k. Dr. Ruby Payne, The Aha Process
 - l. Azusa Pacific University
 - m. Director of Housing Partnerships and Support Services at San Ysidro Health
 - n. Making Hope Happen
 - o. Smartsheet
 - p. California Apartment Association
 - q. Inland Valley Hope Partners / Wytke Visser

Even though KEYS has not been able to secure unrestricted funds, it has been extremely successful in securing funding to assist homeless households with rapid rehousing as well as other initiatives to assist these vulnerable households. Following is a list of funding that has been secured:

- Project Room Key with Chance Foundation and Pathways Network
Date: September 2020 – August 2022
Award: Amount not to exceed \$1,200,000
Description: Knowledge, Education for Your Success, Inc. KEYS participates as a partner in the Pathways Network ESG funded initiative to provide limited, temporary financial assistance to individuals and families who are homeless or would be homeless
- DAAS partnership funding
Date: September 2019 – June 2021
Award: Amount not to exceed \$109,692
Description: Contract between Knowledge, Education for Your Success, Inc. and the Housing Authority of the County of San Bernardino for housing navigation services for the County of San Bernardino Department of Adult and Aging Services At Home Program
- Procedural Justice-Informed Alternatives to Contempt (PJAC) 5 year demonstration project
Date: Annual renewals since 2019

Award: Amount not to exceed \$81,900 in a given program year

Description: Knowledge, Education for Your Success, Inc. KEYS agrees to participate with Will Williamson, PJAC Project Manager for San Bernardino County Department of Child Support Services (DCSS) and his team as part of the Procedural Justice Informed Alternatives to Contempt (PJAC) Section 1115 Demonstration Project Funding from the federal Office of Child Support Enforcement (OCSE). Beginning in October 2016, the PJAC demonstration in the Inland Empire region of Southern California (San Bernardino and Riverside counties) is one of only six jurisdictions across the country.

- SSVF

Date: Annual renewals since 2013

Award: First year award was \$580,447, current 2021 award was \$1,348,159 (Plus \$385,364 in September 2021 in Shallow Subsidies (COVID-19 response dollars)). A total of \$4,624,541 in total funding since 2017.

Description: Knowledge, Education for Your Success, Inc., as part of the Supportive Services for Veteran Families Program, focuses on securing and maintaining housing for Veterans and their families who are currently homeless or would be homeless without this assistance. The program provides case management, temporary financial assistance, and supportive services to help individuals and families gain housing stability and end their homelessness. SSVF services are provided to Veteran Families residing in San Bernardino County. Due to KEYS performance, funding awards have steadily increased.

- Housing Support Program (HSP)

Date: Annual renewals since 2015

Award: First year award was \$1,026,906. \$2,300,000 subsequent year, current 2021 award was \$10,712,250. Total funding = \$30,086,916 since 2017.

Description: The CalWORKs Housing Support Program (HSP) was established by Senate Bill (SB) 855 to foster housing stability for families experiencing homelessness in the CalWORKs program. In Fiscal Year (FY) 2019-20 CalWORKs HSP funding increased to \$95 million ongoing annually to assist low-income families in obtaining and maintaining housing. KEYS, as part of the TAD/HACSB partnership offers financial assistance and housing-related wrap-around supportive services, including, but not limited to: rental assistance, housing navigation, case management, security deposits, utility payments, moving costs, hotel and motel vouchers, legal services, and credit repair to assist families in the CalWORKs program that are experiencing homelessness or at imminent risk of homelessness

Sincerely,



Brian Distelberg, Ph.D.
Chairman, KEYS Board of Directors

The mission of KEYS is to empower low-income individuals and families in San Bernardino County and to unlock their potential for success.

Knowledge, Education for Your Success, Inc. (KEYS) · 680 S. Waterman Avenue · San Bernardino, CA 92408 · keysnonprofit.org

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

November 9, 2021

FROM

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

SUBJECT

Regular Meeting Minutes for Meeting Held on October 12, 2021

RECOMMENDATION(S)

Approve the meeting minutes for the Board of Commissioners of the Housing Authority of the County of San Bernardino Regular Meeting held on October 12, 2021.
(Presenter: Maria Razo, Executive Director, 332-6305)

GOALS & OBJECTIVES

HACSB communication is open, honest, and consistent.

FINANCIAL IMPACT

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

BACKGROUND INFORMATION

The HACSB Board of Commissioners (Board) Regular Meeting took place on October 12, 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 October 27, 2021.

**MINUTES OF A REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF
THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO
October 12, 2021**

The Board of Commissioners of the Housing Authority of the County of San Bernardino met in a regular meeting via teleconference and videoconference (Zoom at call-in number (669) 900-6833, Meeting ID 837 1542 8249, Password 064864) at 3:00 p.m. on October 12, 2021.

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

Chair Johnson
Vice Chair Cooper
Commissioner MacDuff
Commissioner Miller
Commissioner Pinedo

Commissioner Tarango arrived after roll call, at 3:02 p.m.

Commissioner Muñoz was recorded as absent.

Also in attendance were: Maria Razo, Executive Director; Gus Joslin, Deputy Executive Director; Rishad Mitha, Director of Operations; Nicole Beydler, Director of Policy and Public Relations; Jennifer Dawson, Director of Human Resources; Kristin Maithonis, Assistant Director of Housing Services; Perlle Liu, Asset Management Analyst; Evan Miles, Project Manager; Angie Lardapide, Procurement and Contracts Supervisor; Renee Kangas, Management Analyst; Tony Bonilla, Management Analyst and Claudia Hurtado, Executive Assistant.

Also present, Fred Galante, Legal Counsel to the Housing Authority and Dr. Brian Distelberg, Knowledge and Education for Your Success (KEYS) Board Chair.

The Chairman called for additions or deletions to the October 12, 2021, agenda. Executive Director, Maria Razo informed the Board of two revisions to Consent Calendar agenda item number 14, page 70 of the board packet, revising the date in two paragraphs, from September 19, 2021, to September 14, 2021. Also, regarding board agenda item number 14, the addition of the following language to page 74, Commissioner MacDuff amended her motion to incorporate Commissioner Tarango's recommendation of moving forward with the vendor and staff's recommendation and obtaining additional information as requested later to include a more detailed scope of work and proposal for this work.

The Chairman provided an opportunity for members of the public to address the Board of Commissioners. There were no public comments.

The Executive Director's Report was requested.

Executive Director Razo gave the Executive Director's Report.

Discussion calendar item number 5 to receive the board building presentation for October 12, 2021, an overview on the Housing Authority of the County of San Bernardino programs presentation was requested.

Director of Policy and Public Relations, Nicole Beydler, provided the presentation for Discussion calendar item number 5.

Chairman Johnson inquired about the number of applicants on the waitlist and the percentage represented of San Bernardino County's population. Nicole Beydler, Director of Policy and Public Relations responded that the number on our waitlist is based on actual applications in which there may be duplication as applicants can apply to be on multiple waitlists. About 30% of applications on our waitlist are duplicate applicants. Nicole Beydler went on to briefly add that household size is not verified for our Tenant-Based vouchers until the family is selected for admission. However, Project-Based Voucher household size is made clear at the time of application because they are based on unit and family size.

Chairman Johnson requested information on the importance of switching Public Housing over to the Rental Assistance Demonstration (RAD) program. Director of Operations, Rishad Mitha, explained the public housing subsidy had undergone proration over the past 10+ years where the program would be funded at around 80% each year. Over time, this created a backlog of needs and affected the amount of capital needs that could be completed of which is the primary reason for the conversion through the RAD program. Rishad Mitha further explained that the Housing Choice Voucher (HCV) subsidy that is provided to landlords is rarely cut. The Housing Authority will have converted 99% of the public housing units by January of 2022. Conversion to RAD has helped HACSB maintain and stabilize those properties long-term. We plan to leave our annual contributions contract open for continued access to streams of funding within Public Housing program.

Chairman MacDuff requested a copy of the presentation slides (Who We Are). Nicole Beydler, Director of Policy and Public Relations stated she would e-mail the presentation to the board members.

Discussion calendar item number 6 to receive update from staff on Emergency Housing Vouchers implementation, was requested.

Executive Director, Maria Razo explained the item.

Chairman Johnson congratulated the Housing Authority for successfully launching the Emergency Housing Voucher (EHV) program and already obtaining 25% of required referrals.

Discussion calendar item number 7 with Staff recommendation to 1) Adopt Resolution No. 122 extending authorization of the Executive Director and designees to waive internal policies and modify operations as necessary in response to the COVID-19 global pandemic through June 30, 2022, 2) Direct the Executive Director to create and deliver to the Board of Commissioners a summary report of all instances where this waiver is utilized, including specifying policies waived, the reason for the waiver and the estimated financial impact. The report shall be included in each Board of Commissioners regular meeting agenda for the duration of the State of California emergency declaration, was requested.

Executive Director Maria Razo explained the item.

Commissioner Miller moved to approve the discussion calendar item number 7, as recommended by Staff, which Commissioner Tarango duly seconded the motion. Upon roll call, the Ayes and Nays were as follows:

Ayes

Chair Johnson
Vice Chair Cooper
Commissioner MacDuff
Commissioner Miller
Commissioner Pinedo
Commissioner Tarango

Nays

Discussion calendar item number 8 with the Staff recommendation to Adopt Resolution No. 124 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.

Commissioner Miller moved to approve the discussion calendar item number 8, as recommended by Staff, Commissioner Tarango duly seconded the motion. Upon roll call, the Ayes and Nays were as follows:

Ayes

Chair Johnson
Vice Chair Cooper
Commissioner MacDuff
Commissioner Miller
Commissioner Pinedo
Commissioner Tarango

Nays

Commissioner Tarango asked if Housing Authority staff were surveyed and whether they favor the policy revision. Maria Razo, Executive Director, explained the decision to go this route is in lieu of mandatory vaccinations. Prior to implementation of the policy, the percentage of staff vaccinated was 29%. Once implemented, the percentage has increased to 59% of staff now vaccinated.

Commissioner MacDuff provided a comment. Chairman Johnson clarified if Commissioner MacDuff's comment was for Item No. 8 or Item No. 9. Commissioner MacDuff withdrew her comment and requested it to be applied to the record for Item No. 9.

Discussion calendar item number 9 with Staff recommendation to 1) Authorize an expenditure of the Housing Authority of the County of San Bernardino's Coronavirus Aid, Relief, and Economic Security Act funds for a staff COVID-19 vaccination incentive in an amount not to exceed \$62,400 through November 19, 2021, 2) Authorize COVID-19 Vaccination Incentive for Employees utilizing Coronavirus Aid, Relief, and Economic Security Act funds, retroactive to September 20, 2021, was requested.

Executive Director Maria Razo explained the item.

Commissioner MacDuff moved to approve the discussion calendar item number 9, as recommended by Staff, which motion was duly seconded by Commissioner Miller, and upon roll call the Ayes and Nays were as follows:

Ayes

Chair Johnson
Vice Chair Cooper
Commissioner MacDuff
Commissioner Miller
Commissioner Pinedo
Commissioner Tarango

Nays

Commissioner MacDuff provided concern stating she would be more comfortable to have the incentive as \$300 across the board rather than include an additional \$200 incentive for front-line employees. She expressed that she is saddened that staff need an economic incentive to receive the COVID-19 vaccine.

Chairman Johnson added by commending the Housing Authority for implementing a policy which resulted in an increase of 29% to 59% of staff receiving the vaccine in a short amount of time. Chairman Johnson added that the cost savings alone of having to replace employees with temporary staff would have exceeded the costs of the implementation of this incentive as several companies and industries struggle with this issue. Executive Director, Maria Razo, commended Jennifer Dawson, Director of Human Resources, on all the hard work she put towards this policy.

Discussion calendar item number 10 with Staff recommendation to adopt Resolution No. 125 authorizing the use of remote teleconference meeting procedures by the Board of Commissioners, as authorized by Government Code Section 54953(e) *et seq.*, for the initial period of October 12, 2021, through November 11, 2021, was requested.

Fred Galante, Legal Counsel to the Housing Authority explained the item.

Commissioner Tarango moved to approve the discussion calendar item number 10, as recommended by Staff, which motion was duly seconded by Commissioner Miller, and upon roll call the Ayes and Nays were as follows:

Ayes

Chair Johnson
Vice Chair Cooper
Commissioner MacDuff
Commissioner Miller
Commissioner Pinedo
Commissioner Tarango

Nays

Commissioner Tarango stated he preferred to continue the meetings via teleconference. Vice Chair Cooper requested clarification regarding the 30-day resolution. Fred Galante, Legal Counsel, explained that a new resolution would be brought back to the board next month to continue the virtual board meetings. The resolution presented today is to confirm the findings of the Governor that the emergency exists, of which next month a resolution to continue the virtual meetings if passed 30 days. Chairman Johnson asked how long we are allowed to continue the resolution for virtual meetings. Fred Galante clarified the legislation for this goes to 2024. Chairman Johnson followed up by saying it is his observation there has been more public attendance joining the teleconference than in-person meetings and recommended to continue to hold the board meetings via teleconference. Chairman Johnson inquired as to when a meeting space would be available if the Board decided to go back to in-person meetings. Maria Razo, Executive Director, shared that HACSB's IT Manager is working on the solution to prepare the room as early as November, but it would be great if more time was provided.

Discussion calendar item number 11 with Staff recommendation to 1) Approve Amendment No. 1 to contract No. PC1180, effective October 12, 2021, with Aleshire & Wynder LLP for General Legal Counsel Services increasing the current contract by \$271,000 for a total amount not to exceed \$401,000 through December 8, 2022, with the option to extend up to three single-year options through December 8, 2025, 2) Authorize and direct the Executive Director to execute and deliver the contract amendment to Aleshire & Wynder LLP and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction, was requested.

Executive Director Maria Razo explained the item.

Commissioner MacDuff moved to approve the discussion calendar item number 11, as recommended by Staff, which motion was duly seconded by Commissioner Miller, and upon roll call the Ayes and Nays were as follows:

Ayes

Chair Johnson
Vice Chair Cooper
Commissioner MacDuff
Commissioner Miller
Commissioner Pinedo
Commissioner Tarango

Nays

Discussion calendar item number 12 with Staff recommendation to 1) Approve the third amendment to the promissory note between the Housing Authority of the County of San Bernardino and Knowledge and Education for Your Success to extend the term three months beginning retroactively from October 1, 2021, through December 31, 2021, 2) Authorize and direct the Executive Director to execute and deliver the amended promissory note to Knowledge and Education for Your Success, 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.

Due to conflict of interest, Commissioner Miller abstained.

Commissioner MacDuff moved to approve discussion calendar item number 12, as recommended by Staff, which motion was duly seconded by Vice Chair Cooper, and upon roll call, the Ayes and Nays were as follows:

<u>Ayes</u>	<u>Abstains</u>	<u>Nays</u>
Chair Johnson	Commissioner Miller	
Vice Chair Cooper		
Commissioner MacDuff		
Commissioner Pinedo		
Commissioner Tarango		

Commissioner MacDuff provided a comment of commending KEYS in obtaining the additional grant funding and understands most of these grants are restricted funds. Commissioner MacDuff went on to provide a recommendation for KEYS to reach out to larger organizations to obtain additional unrestricted funding to repay the loan obtained from the Housing Authority, and for the Housing Authority to use the funds to assist some of the 84,000 families on the waiting lists.

KEYS Board Chair, Dr. Brian Distelberg, offered additional information in regard to seeking additional funding from organizations for unrestricted funds, which is not easily obtained as the restricted funds are prioritized. Commissioner Pinedo, with expertise in non-profits, stated that due to the increase of unrestricted funding requests, the majority of funders have minimized funding efforts or have shifted efforts to fund other specialized non-profit organizations. He also explained that many of the grants provide very little overhead costs, and many non-profits end up developing new programs and creating additional work just to justify the extra funds received. Commissioner Pinedo recommended providing KEYS the \$270,000 as a grant and added that it is better to have KEYS focus on funding that increases the services that they can provide for our residents. Chairman Johnson added that it has been cost-effective to grant KEYS the funds due to the amount of in-kind services they have provided over the years to our HACSB families which far exceeds the amount of the loan. Commissioner Pinedo disclosed that he was a previous KEYS Board member and was at the table when the initial discussions of the loan occurred. Commissioner Miller also shared that she is currently a KEYS Board member and has seen the organization grow tremendously. Vice Chair Cooper provided comment that KEYS annual in-kind contribution of \$134,000 for at least 2 years exceeds the amount of the loan. Chairman Johnson asked Executive Director Maria Razo how many years KEYS has been providing HACSB services and Ms. Razo estimated that it had been about 8 years.

Commissioner MacDuff asked who currently represented the Housing Authority on the KEYS board. Executive Director Maria Razo responded that she represents the Housing Authority on the KEYS board.

Commissioner MacDuff provided an edit to the board item attachment to correct a typo.

Fred Galante, Legal Counsel recommended that Commissioner Miller abstain from voting. Commissioner Miller refrained her motion. Commissioner Copper motioned to approve the item.

Chairman Johnson logged off the meeting at 4:44 p.m.

Discussion calendar item number 13 with Staff recommendation of Acting as the Housing Successor for the former Redevelopment Agency for the City of Redlands: to 1) Adopt Resolution No. 123 amending the Declaration of Covenants, Conditions and Restrictions for 730 S. San Mateo Street in Redlands to facilitate sale of the property, 2) Authorize the Executive Director of the Housing Authority of the County of San Bernardino, upon consultation with Legal Counsel, to execute and deliver ancillary documents necessary to implement the amendment and to release the Participation Agreement and Declaration of Covenants, Conditions, and Restrictions to facilitate sale of the property, 3) Direct the Executive Director of the Housing Authority of the County of San Bernardino to transmit and record all documents as necessary with the San Bernardino County Recorder within 30 days of execution, was requested.

Executive Director Maria Razo and Deputy Executive Director Gus Joslin explained the item.

Commissioner MacDuff moved to approve the discussion calendar item number 13, as recommended by Staff, which motion was duly seconded by Commissioner Tarango, and upon roll call the Ayes and Nays were as follows:

Ayes

Vice Chair Cooper
Commissioner MacDuff
Commissioner Miller
Commissioner Pinedo
Commissioner Tarango

Nays

Commissioner MacDuff provided comment that this property is located in an expensive real estate market in Redlands, and asked if it would be fair to apply the inflation factor on the improvement on the home's value over the years rather than the Consumer Price Index (CPI). Fred Galante, Legal Counsel, provided general information on the document that created the covenants that typically specifies the methodology and in redevelopment law, the document specifically mandates the protection on the agency's investment as low- and moderate-income housing funds which is done through an equity sharing arrangement. Fred Galante goes on to say that the CPI is one way to recoup the time value of money at the location and is within the law. For this item, if an additional amount is appropriate at this point, it will require a negotiation because the document is unclear regarding the CPI. The law requires protection of the investment of housing funds through some mechanism. Commissioner MacDuff asked if the agency would receive the original investment of the loan. Executive Director Maria Razo stated when this was originally approved through the Board of Governors, they agreed on the CPI be included as the methodology and if deviated from the Board of Governor's original approval, it would have to be justified. Commissioner MacDuff asked what the agency is allowed to do with the funds when it is received. Executive Director Maria Razo explained the funds would have to go back into the housing successor funds. Fred Galante, Legal Counsel, also added the receiving Housing Authority can use the funds towards the development of low-income housing. Deputy Executive Director, Gus Joslin also provided information that HACSB plans to put the funds toward a homeownership development phase at Valencia Grove in the city of Redlands. Commissioner Pinedo provided the suggestion of a future board-building presentation to provide

the board a deeper understanding overall. Commissioner Pinedo added that one of the things we know about poverty is that homeownership and taking advantage of the appreciation of that asset is a ticket to the middle class. Vice-Chair Cooper also agreed on utilizing the CPI as previously approved by the Board of Governors on a prior similar action.

Approval of the consent calendar agenda items numbers 14-16 was requested.

Commissioner MacDuff moved to approve consent calendar agenda items numbers 14-16, to:

14) Approve the meeting minutes for the Board of Commissioners of the Housing Authority of the County of San Bernardino Regular Meeting held on September 14, 2021.

15) Approve and file Agency-wide Financial Statements through June 2021.

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

Ayes

Vice Chair Cooper
Commissioner MacDuff
Commissioner Miller
Commissioner Pinedo
Commissioner Tarango

Nays

Vice-Chair Cooper provided an opportunity for individual Board member comments.

Commissioner MacDuff shared that she attended the online NAHRO Conference in early October, and joined the Commissioner Roundtable session, learning about great opportunities for Commissioners connecting with Assembly and Council members, such as reaching out to the Assembly and Council members on the Housing Infrastructure bill. Commissioner MacDuff asked if the board would need to reach out to the Housing Authority staff or Executive Director before reaching out to the members. Executive Director Maria Razo suggested that board members reach out to her before contacting the Assembly and Council members, to ensure the proper information and talking points are provided to the Commissioners. Commissioner MacDuff also added, a recommendation to add information to be added to the commissioner's business cards.

There being no other business, Commissioner Tarango moved for the regular meeting of Tuesday, October 12, 2021, to be adjourned, which motion was duly seconded by Commissioner MacDuff. There being no objection to the call for adjournment, the meeting was adjourned by unanimous consent at 5:21 p.m.

Tim Johnson, Chair

Beau Cooper, Vice Chair

Cassie MacDuff

Sylvia Miller

Minutes of a Regular Meeting of the Board of Commissioners of the Housing Authority of the
County of San Bernardino for October 12, 2021

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Jessie Muñoz

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**

November 9, 2021

FROM

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

SUBJECT

Agency-wide Financial Statements through July 2021

RECOMMENDATION(S)

Approve and file Agency-wide Financial Statements through July 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 July 2021 for Federal Fiscal Year (FFY) 2020-21 is \$3,530,458. The net income is currently greater than the anticipated \$1,008,479 net loss, with a variance of \$4.5 million, primarily due to extra ordinary maintenance that were budgeted, but not completed in the amount of \$1.35 million (reflected in the extraordinary maintenance expenses line).

There were also lower than anticipated costs in administrative and maintenance expenses in the amount of \$2.6 million mainly due to lower maintenance, and contract costs due to deferred internal maintenance because of the pandemic and several vacant positions.

Housing assistance payments are \$3.2 million lower than expected due to late funding notification for the 2021 calendar year. The funding notification was received in March and included an 8% inflationary rate. This was not enough time to increase the lease rate to match the funding received.

A reconciliation of the Housing Choice Voucher administrative fee funding was completed by the United States Department of Housing and Urban Development (HUD) for calendar year 2020 and an additional \$1.5 million was provided to HACSB. This amount represents the difference between the funding provided by HUD during calendar year 2020 and the actual expenses of HACSB for the same time. This is not additional funding, but reimbursement for 2020 calendar year expenses.

Depreciation expense and other non-operating items are not budgeted and amounted to \$4.1 million through July 2021.

Financial Summary	FY 2021 YTD
Revenues	\$129,338,079
Expenses	\$121,708,303
Operating Gain	\$ 7,629,776
Operating Transfers/Non-Operating Items	\$ 4,099,318

Financial Summary	FY 2021 YTD
Net Income/(Loss)	\$ 3,530,458

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 notifications for the 2021 calendar year were received from HUD in late March, which included an unexpected inflation factor of 8%. 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. Based on current analysis, we expect that we will be able to serve approximately 400 additional families through the MTW Housing Choice Voucher tenant-based program, which currently has a waiting list of 20,000+ families. We are also working through the launch of the new Emergency Housing Voucher (EHV) program.

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 as well as due to staffing capacity challenges and the need to complete HUD's rehab timelines related to the RAD conversion. This work is greatly needed and will be recommended in this new fiscal year.
- 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 October 26, 2021.

HACSB Budget Comparison

Period = Oct 2020-Jul 2021

	YTD Actual	YTD Budget	Variance	% Var	Annual
INCOME					
TENANT INCOME					
Total Rental Income	22,313,727	20,561,854	1,751,873	8.52	24,674,224
Total Other Tenant Income	344,319	500,159	-155,840	-31.16	600,191
NET TENANT INCOME	22,658,046	21,062,013	1,596,033	7.58	25,274,415
GRANT INCOME					
TOTAL GRANT INCOME	100,590,707	108,512,593	-7,921,886	-7.30	130,215,112
OTHER INCOME					
TOTAL OTHER INCOME	6,089,327	4,784,067	1,305,260	27.28	5,541,077
TOTAL INCOME	129,338,079	134,358,672	-5,020,593	-3.74	161,030,604
EXPENSES					
GRANT EXPENSES					
TOTAL GRANT EXPENSES	5,215,940	11,497,742	6,281,801	54.64	13,797,290
ADMINISTRATIVE					
Total Administrative Salaries	11,116,243	12,278,122	1,161,879	9.46	14,734,032
Total Legal Expense	270,006	231,470	-38,537	-16.65	277,685
Total Other Admin Expenses	5,025,274	4,733,420	-291,854	-6.17	5,685,778
Total Miscellaneous Admin Expenses	1,614,102	2,149,671	535,568	24.91	2,428,595
TOTAL ADMINISTRATIVE EXPENSES	18,025,625	19,392,682	1,367,056	7.05	23,126,090
TENANT SERVICES					
TOTAL TENANT SERVICES EXPENSES	529,123	432,587	-96,536	-22.32	519,252
UTILITIES					
TOTAL UTILITY EXPENSES	2,985,939	3,188,897	202,957	6.36	3,825,949
MAINTENANCE AND OPERATIONS					
Total General Maint Expense	2,336,247	2,113,409	-222,838	-10.54	2,535,690
Total Materials	706,080	846,163	140,084	16.56	1,015,965
Total Contract Costs	2,334,322	3,669,673	1,335,352	36.39	4,401,221
TOTAL MAINTENANCE EXPENSES	5,376,649	6,629,246	1,252,597	18.90	7,952,877
GENERAL EXPENSES					
TOTAL GENERAL EXPENSES	841,755	956,395	114,640	11.99	1,141,404
EXTRAORDINARY MAINTENANCE EXPENSES					
TOTAL EXTRAORDINARY MAINTENANCE EXPENSES	3,345,371	4,688,051	1,342,680	28.64	5,468,747
HOUSING ASSISTANCE PAYMENTS					
TOTAL HOUSING ASSISTANCE PAYMENTS	84,157,387	87,310,576	3,153,189	3.61	104,772,691
FINANCING EXPENSE					
TOTAL FINANCING EXPENSES	1,230,513	1,270,977	40,464	3.18	1,525,172
TOTAL OPERATING EXPENSES	121,708,303	135,367,152	13,658,849	10.09	162,129,472
OPERATING NET INCOME	7,629,776	-1,008,479	8,638,255	856.56	-1,098,868
NET OPERATING TRANSFER IN/OUT	0	0	0	N/A	0
NON-OPERATING ITEMS					
TOTAL NON-OPERATING ITEMS	4,099,318	0	-4,099,318	N/A	0
NET INCOME	3,530,458	-1,008,479	4,538,938	450.08	-1,098,868

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

November 9, 2021

FROM

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

SUBJECT

Vacated Tenant Accounts for the Authority Owned Portfolio to be Written Off as Collection Loss for the Month of August 2021

RECOMMENDATION(S)

Approve vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month of August 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 loss for the month ending August 31, 2021 is \$28,756.12. 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. Losses during this time period are primarily for voluntary move outs, and skips. The total write off for the month of August 2021 is \$28,756.12 as delineated in the following table. Attached is a worksheet that itemizes the individual accounts.

SUMMARY BY PROPERTY MANAGEMENT		
PROPERTY	NO. VACATED	TOTAL
203 – Maplewood	1	\$1,206.00
207 – Barstow	1	-
407 – Sunset Pointe	1	\$770.00

Vacated Tenant Accounts for the Authority Owned Portfolio to be Written Off as Collection Loss
for the Month of August 2021
November 9, 2021

SUMMARY BY PROPERTY MANAGEMENT		
PROPERTY	NO. VACATED	TOTAL
0408 – Sunrise Vista	4	\$5,662.00
409 – Andalusia	1	(\$40.00)
417 – Yucca	0	-
425a – Sequoia	1	\$7,470.60
432a – Van Leuven 14	1	\$7,749.00
437 – Sunset Gardens	2	\$1,506.00
Concessions Write Off		-
TOTAL RENT WRITE OFF	12	\$24,323.60
Miscellaneous Charges		\$1,675.00
Maintenance Charges		\$11,846.52
Legal Charges		-
Security Deposits Applied		(\$9,089.00)
NET TOTAL WRITE OFF		\$28,756.12

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on October 25, 2021.

Housing Authority County of San Bernardino

COLLECTION WRITE-OFFS - Authority Owned Portfolio

Month End: 08/31/21

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
203 - Maplewood													
1	R.	A.		V	886.00	1,206.00		-	-	-	1,206.00	250.00	956.00
2													
3													
4													
TOTALS:						1,206.00	-	-	-	-	1,206.00	250.00	956.00

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
1	Resident 30-day notice	N/A	N/A	N/A	N/A	N/A		N/A	N/A	08/09/21
2										
3										
4										

207 - Barstow													
1	M.	V.		V	269.00	-			3,412.81		3,412.81	1,300.00	2,112.81
2													
3													
4													
TOTALS:						-	-	-	3,412.81	-	3,412.81	1,300.00	2,112.81

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	Resident 30-day notice	N/A	N/A	N/A	N/A	N/A		N/A	N/A	08/31/21
2										
3										
4										

407 - Sunset Pointe													
1	M.	A.		V	825.00	770.00	-		879.34		1,649.34	800.00	849.34
							-				-		-
TOTALS:						770.00	-	-	879.34	-	1,649.34	800.00	849.34

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	Resident 60-day notice	06/01/21								07/28/21

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

Housing Authority County of San Bernardino

COLLECTION WRITE-OFFS - Authority Owned Portfolio

Month End: 08/31/21

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
408 - Sunrise Vista													
2	R..	N.					-		(569.40)		(569.40)		(569.40)
3	J.	L.		V	825.00	1,083.00	-		609.00		1,692.00	700.00	992.00
4	P.	B.		S	875.00	4,310.00	-	875.00	1,202.00		6,387.00	875.00	5,512.00
5	C.	D.		V	825.00	15.00	-		641.99		656.99	400.00	256.99
6	M.	A.		V	895.00	254.00	-		783.28		1,037.28	895.00	142.28
							-				-		-
TOTALS:						5,662.00	-	875.00	2,666.87	-	9,203.87	2,870.00	6,333.87

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
2	Collection on past due account									
3	Resident 30-day notice	07/16/21								08/19/21
4	SKIP									08/16/21
5	Resident 30-day notice	06/25/21								08/02/21
6	Resident 30-day notice	07/16/21								08/05/21

409 - Andalusia													
1	M.	A.		V	1,250.00	(40.00)			2,158.50		2,118.50	1,650.00	468.50
2													
3													
4													-
5													-
TOTALS:						(40.00)	-	-	2,158.50	-	2,118.50	1,650.00	468.50

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
2	Resident 30-day notice	N/A	N/A	N/A	N/A	N/A		N/A	N/A	08/01/21
3										
3										
4										
5										

417 - Yucca													
7	S.	D.					-		(300.00)		(300.00)		(300.00)
TOTALS:						-	-	-	(300.00)	-	(300.00)	-	(300.00)

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	Payment on bad debt									

Housing Authority County of San Bernardino

COLLECTION WRITE-OFFS - Authority Owned Portfolio

Month End: 08/31/21

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
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425a - Sequoia													
8	C.	J.		S	800.00	7,470.60		800.00	1,411.00		9,681.60	619.00	9,062.60
											-		-
TOTALS:						7,470.60	-	800.00	1,411.00	-	9,681.60	619.00	9,062.60

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
8	SKIP									08/12/21

432a - Van Leuven 14													
9	C.	B.		S	725.00	7,749.00			522.00		8,271.00	500.00	7,771.00
											-		-
TOTALS:						7,749.00	-	-	522.00	-	8,271.00	500.00	7,771.00

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
9	SKIP									07/10/21

437 - Sunset Gardens													
10	B.	E.		D	1,264.00	211.00	-		230.00		441.00	400.00	41.00
11	F.	D.		V	1,295.00	1,295.00	-		866.00		2,161.00	700.00	1,461.00
TOTALS:						1,506.00	-	-	1,096.00	-	2,602.00	1,100.00	1,502.00

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
10	Death									08/05/21
11	Resident 30-day notice	06/15/21								07/31/21

ALL PROPERTY TOTALS:						24,323.60	-	1,675.00	11,846.52	-	37,845.12	9,089.00	28,756.12
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Submitted by: _____ Date: _____ Reviewed by: _____ Date: _____

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