

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

TO BE HELD TELEPHONICALLY  
January 11, 2022 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: 828 0391 9671  
Password: 752957

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](mailto:publiccomment@hacsb.com) and will be read into the record, limited to 3 minutes per comment. Some comments may not be read due to time limitations.

**AGENDA**

**PUBLIC SESSION**

- 1) Call to Order and Roll Call
- 2) Additions or deletions to the agenda
- 3) General Public Comment - Any member of the public may address the Board of Commissioners on any matter not on the agenda that is within the subject matter jurisdiction of the Board. To make a comment on a specific agenda item, 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](mailto:publiccomment@hacsb.com). Your comments will be placed into the record at the meeting. Efforts will be made to read the comments into the record, but some comments may not be read due to time limitations.

## **CLOSED SESSION**

- 4) CONFERENCE WITH LABOR NEGOTIATORS  
Pursuant to Gov't Code Section 54957.6:  
HACSB designated negotiator/representative: Jennifer Dawson, Director of Human Resources  
Employee organization: Teamsters Local 1932

## **DISCUSSION CALENDAR**

(Public comment is available for each item on the discussion calendar)

- 5) Receive the Executive Director's Report for January 11, 2022.  
(Page 1)
- 6) Receive the board building presentation for January 11, 2022, an overview of agency goals and accomplishments.  
(Page 2)
- 7) Receive update from staff on Emergency Housing Vouchers implementation.  
(Page 3-4)
- 8) Adopt Resolution No. 132 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 January 14, 2022 through February 13, 2022.  
(Pages 5-9)
- 9) Adopt Resolution No. 133 approving revisions to the Administrative Plan governing the Housing Authority of the County of San Bernardino's rental assistance programs.  
(Pages 10-66)
- 10) 1 – Approve Amendment No. 1 to contract No. PC1223, effective February 1, 2022, with Nan McKay and Associates, Inc. for Housing Choice Voucher Case Management Services, increasing the current contract amount by \$539,000 for a total amount not to exceed \$714,000 and exercising the option to extend the term by a single year through January 31, 2023.
- 2 – Authorize and direct the Executive Director to execute and deliver the contract amendment to Nan McKay and Associates, Inc. and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.  
(Pages 67-72)
- 11) 1 – Approve Amendment No. 4 to Contract No. PC963, effective February 1, 2022, with Wells Fargo Bank N.A. for Banking Services, increasing the current contract amount by \$93,010.43 for a total contract amount not to exceed \$427,546.71 for the last option year through January 1, 2023.
- 2 – Authorize and direct the Executive Director to execute and deliver the contract amendment to Wells Fargo Bank N.A. and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.  
(Pages 73-86)

## CONSENT CALENDAR

### APPROVAL OF CONSENT ITEMS: # 12 - 14

- 12) Approve the meeting minutes for the Board of Commissioner of the Housing Authority of the County of San Bernardino Regular Meeting held on December 14, 2021.  
(Pages 87-93)
- 13) Approve and file Agency-wide Financial Statements through September 2021.  
(Pages 94-97)
- 14) Approve vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month of October 2021.  
(Pages 98-102)
- 15) Individual Board member Comments
- 16) 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**

**January 11, 2022**

**FROM**

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

**SUBJECT**

Executive Director's Report for January 11, 2022

**RECOMMENDATION(S)**

Receive the Executive Director's Report for January 11, 2022.  
(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 December 28, 2021.

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

**January 11, 2022**

**FROM**

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

**SUBJECT**

Board Building Presentation for January 11, 2022

**RECOMMENDATION(S)**

Receive the board building presentation for January 11, 2022, an overview of agency goals and accomplishments.

(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 agency goals and accomplishments.

**PROCUREMENT**

Not applicable.

**REVIEW BY OTHERS**

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

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

**January 11, 2022**

## **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 part of the continuing reports as requested by the Board and as such this report will focus on 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 that the first families for this program have been housed. We continue to receive referrals and soon will start to create a waiting list as to not over obligate the program. A breakdown of the referrals received as of January 3<sup>rd</sup> is as follows:

<b>Coordinated Entry System (CES)</b>	<b>Victim Service Providers (VSP)</b>	<b>Total submission to Date</b>	<b>Referred for Housing Search/Navigation</b>	<b>Housed</b>
432	58	490	101	2

The data in the table represents about 12 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 incomplete applications continue to be a challenge. HACSB is working with the County of San Bernardino to provide financial resources to referring partners so that more complete applications can be received. Brilliant Corners is currently working with 101 families and the organization continues to secure units for the program, primarily in the city of San Bernardino. However, several families continue to decline these units because they want to be in a different area such as the west side of the county or the high desert. Brilliant Corners will continue to work with these families to assist them in finding a home in the area of their choice.

**PROCUREMENT**

Not applicable.

**REVIEW BY OTHERS**

This item has been reviewed by General Legal Counsel, Fred Galante, on January 04, 2022.

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

**January 11, 2022**

## **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. 132 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 January 14, 2022 through February 13, 2022.

(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.

On November 9, 2021, the Board adopted Resolution No. 127 (Item No. 7) 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.

Continue Resolution AB361 Brown Act Remote Meetings During a State of Emergency  
January 11, 2022

On December 14, 2021, the Board adopted Resolution No. 129 (Item No.2) 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 December 14, 2021 through January 13, 2022.

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 continue 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 through February 13, 2022.

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 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 December 27, 2021.

## HOUSING AUTHORITY RESOLUTION NO. 2022-132

**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 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 JANUARY 14, 2022, THROUGH FEBRUARY 13, 2022**

### 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

**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 continue 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.

**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 authorizes the continued use of the remote teleconferencing procedures for meetings of the Board, as authorized by Government Code section 54953(e) *et seq.*, for the period of January 14, 2022, through February 13, 2022.

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) February 13, 2022, 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, Month Date, 2022.

\_\_\_\_\_  
Secretary

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

**January 11, 2022**

## **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. 133 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 reasons for updating the Administrative Plan are to incorporate new and revised activities from the 2022 MTW Annual Plan and add updated HUD guidance concerning the Veteran Affairs Supportive Housing (VASH) program. Staff is also recommending suspension of the policy prohibiting participants from renting a unit larger than the family's subsidy standard. This will allow a family to use their voucher to lease one unit size larger than the unit size on the family's voucher. It is anticipated that this policy change will reduce barriers to leasing in this tight rental market, especially for a family wanting to use the assistance at their current residence. In addition to these policy changes, 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.

Revisions to the Administrative Plan Governing the Housing Authority of the County of San Bernardino's Rental Assistance Programs  
January 11, 2022

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.

**PROCUREMENT**

Not applicable.

**REVIEW BY OTHERS**

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

**HOUSING AUTHORITY RESOLUTION NO. 2022-133**

**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 incorporate new and revised Moving to Work activities and HUD guidance concerning the Veteran Affairs Supportive Housing program as well as 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, January 11, 2022.

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Secretary

## Summary of Administrative Plan Changes, January 2022

<b>Section</b>	<b>Topic</b>	<b>Change</b>
2.1.3.1.3	Special & Targeted Program Admissions – Moving to Work Activities	Adds No Child Left Unsheltered (NCLU) program to the list of Moving to Work activities that are non-waiting list special admissions
2.2.8.3.3.1	Other Preferences – No Child Left Unsheltered	Adds that an NCLU family is either admitted to the program as a special admission or placed on a waiting list
3.3	Applicant Family Break-Up	Clarifies that a live-in aide is not entitled to the application when the head of household passes away. Additionally, any remaining applicant family members must be eligible for the program that they are applying for
5.5.1 – 5.5.2	Subsidy Standard Changes for Participants	Clarifies that family unit size changes due to birth, adoption, or court-awarded custody will be completed at interim reexamination
5.6-5.6.1	Flexibility of Unit Size Actually Selected	Allows a participant to rent a unit one bedroom size larger than the family's subsidy standard
5.7	Maximum Occupancy Standards	Restores language allowing participants to rent units larger or smaller than the subsidy standard
6.4.2 & 6.4.6	Calculation of Housing Authority Subsidy and Family Rent Share	Removes language prohibiting families from leasing a unit larger than their subsidy standard
6.5.1	Minimum Rent – Streamlined Lease Assistance Programs	Updates section to add revision to the minimum rent policy made under the FY 2022 MTW Annual Plan, Activity 10, which waives the minimum rent for new admissions into homeless serving programs
7.4.1	Verification of Legal Identity	Updates section in accordance with HUD guidance which requires acceptance of a VA identification card as proof of identity for HUD-VASH veterans
7.4.2	Social Security Numbers	Updates section in accordance with HUD guidance which requires use of the DD-214 or 10-10EZ as verification of Social Security Number for HUD-VASH veterans
8.6.1	Family Obligations Agreement or Voucher Conditions - Veteran Affairs Supportive Housing (VASH) and Emergency Housing Voucher Programs	Updates section in accordance with HUD guidance which requires an initial voucher search term of 120 days for HUD-VASH vouchers

### Summary of Administrative Plan Changes, January 2022 (continued)

<b>Section</b>	<b>Topic</b>	<b>Change</b>
8.7	Determination for Split Participant Households	Updates section in accordance with HUD guidance which requires that the HUD-VASH assistance stay with the HUD-VASH veteran unless a family split is due to domestic violence and the veteran is the perpetrator
8.11	Tenant Education	Adds new section about a tenant education program for voucher holders described in the FY 2022 MTW Annual Plan
9.4	Ineligible Types of Housing	Adds more description to ineligible housing types. Also adds special housing types that are not permitted except as required for HUD-VASH families or as a reasonable accommodation
9.6.1	Lease Review – Term-Limited Lease Assistance, Streamlined Lease Assistance, and Traditional, Regulatory Assistance for Special Purpose Programs	Updates section in accordance with HUD guidance which allows for a shorter initial lease term for the tenant-based HUD-VASH program
10.1	Types of Inspections & Pre-inspection	Updates section in accordance with HUD guidance which allows for pre-inspection of units for HUD-VASH participants and adds move-out inspections for programs offering reimbursement for damages
10.1.1	Pre-inspection	Adds VASH to the pre-inspection section
10.1.7	Move-out Inspection	Adds a move-out inspection section
12.8.1	Reporting Interim Changes – Changes in Family Composition	Updates section to align with change in 5.5.1 – 5.5.2
15	Introduction	Clarifies that if the head of household is the reason for the denial of an application, the application cannot be transferred to remaining family members
15.2.3	Consideration of Circumstances	Clarifies that if the head of household is ineligible for assistance, the application is denied and cannot be transferred to other household members
16.2.2	Additional Termination Reasons	Updates section in accordance with the latest HUD guidance which allows assistance to be terminated if a HUD-VASH participant fails to participate in case management

**Summary of Administrative Plan Changes, January 2022 (continued)**

<b>Section</b>	<b>Topic</b>	<b>Change</b>
17	Owner Qualifications, Change of Ownership and Incentives – Introduction	Revises name of chapter and introduction to include owner incentives outlined in the FY 2022 MTW Annual Plan, Activity 28
17.8	Landlord Incentives	Adds section concerning the signing bonus and damage mitigation programs described in the FY 2022 MTW Annual Plan and also describes landlord incentives offered under special programs
19.2.2	Allowable Moves Under Portability for Participants – Traditional, Regulatory Assistance for Special Purpose Programs	Updates section in accordance with HUD guidance which allows HUD-VASH participants to exercise portability without VA approval under the Violence Against Women Act (VAWA)
20.2.7	Additional/Alternative Requirements for Veterans Affairs Supportive Housing (VASH) PBV Housing	Updates section in accordance with HUD guidance, which provides that housing authorities no longer need HUD approval to project-base HUD-VASH vouchers. Additionally, housing authorities may redesignate PBV units as HUD-VASH PBV units and vice versa
20.4.3	Inspecting Units – Annual Inspections	Revises PBV annual inspection requirement to reflect modification to Activity 11, Local Project-Based Voucher Program in the FY 2022 MTW Annual Plan

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#### 2.1.3.1 Special Purpose Program Admissions

Special purpose funding or Moving to Work activities with specific eligibility criteria may be implemented by the Housing Authority. Such housing assistance funding shall be for the individuals and families indicated in the federal, State or local requirements, rules, and regulations for each program. In some cases, use of the tenant-based waiting list is required or a separate waiting list must be established.

##### *2.1.3.1.1 Mainstream Program*

Families will be selected from the general tenant-based voucher wait list based on their eligibility for the Mainstream program, wait list position (application sequence or lottery number), and applicable local preferences. Families may apply for assistance (by applying directly to the wait list or through a referral from a partner agency) at any time when the tenant-based voucher wait list is open. If the general tenant-based voucher wait list is closed and does not have enough applicants to fill the available funding, the Housing Authority may open the wait list only to applicants who qualify for the Mainstream Program.

##### *2.1.3.1.2 Referral Based Special Purpose Programs*

Other special purpose programs are referral based and families may be admitted outside of the waiting lists. A referral based special purpose program may be either a tenant-based or project-based program. Subject to available funding, families are admitted through referrals from designated partners on a first come, first served basis for certain programs, including, but not limited to:

- Continuum of Care (formerly known as Shelter Plus Care)
- Housing Opportunities for People With AIDS (HOPWA)
- Veteran's Affairs Supportive Housing (VASH)
- Family Unification Program (FUP)
- Emergency Housing Vouchers (EHV)

##### *2.1.3.1.3 Moving to Work Activities*

The following HUD approved Moving To Work activities are non-waiting list special admissions:

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- Local Disaster Short-Term Rental Assistance Program<sup>6</sup>
- No Child Left Unsheltered Program<sup>7</sup>

### 2.1.3.2 HUD Special Admissions (Non-Waiting List) [24 CFR 982.203]

The Housing Authority may admit certain types of families outside of the waiting list process. These families do not have to qualify for any preference, are not required to be on the program waiting list and are not required to be referred by an outside entity. The Housing Authority will maintain separate records of these admissions. The following are examples of types of program funding that may be designated by HUD for families living in a specified unit:

- A family displaced because of demolition or disposition of a public or Indian housing project;
- A family residing in a multifamily rental housing project when HUD sells, forecloses, or demolishes the project;
- For housing covered by the Low Income Housing Preservation and Resident Homeownership Act of 1990;
- A family residing in a project covered by a project-based contract at or near the end of the contract term; and
- A non-purchasing family residing in a HOPE 1 or HOPE 2 project.

### 2.1.4 Portability Vouchers from Other Public Housing Authorities

Under portability, families from other housing authorities may become participants in HACSB's Housing Services program. Families who port in from other housing authorities do not apply for the waiting list.

### 2.1.5 Transfers from Other HACSB Programs

In order to afford persons with disabilities an equal opportunity to obtain the same result, to gain the same benefit, or to reach the same level of achievement as those who do not have disabilities, the Housing Authority may relocate a family that is a current participant in any HACSB subsidized housing programs, including but not limited to: Affordable Housing Program or Housing Services program, with a disabled head of household or family member, to another HACSB housing program. Examples include:

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<sup>6</sup> The FY 2017 Moving to Work Annual Plan, Amendment 1, included Activity 26: Local Disaster Short-Term Rental Assistance Program.

<sup>7</sup> The FY 2014 Moving to Work Annual Plan added Activity 27: No Child Left Unsheltered program. Families may be referred to the program as special admissions or placed onto a waiting list.

### 2.2.4.1 Ineligible for Placement on the Waiting List

If the Housing Authority can determine from information provided that a family is ineligible, the family will not be placed on the waiting list. Where a family is determined to be ineligible, the Housing Authority will send a written notification of the ineligibility determination. The notice will specify the reasons for ineligibility and will inform the family of its right to request an informal review as well as the process for requesting an informal review. Persons with disabilities may request to have an advocate attend the informal review as an accommodation.

### 2.2.4.2 Eligible for Placement on the Waiting List

The Housing Authority will send a written notification to all households selected for placement on the waiting list. Placement on the waiting list does not indicate that the family is, in fact, eligible for assistance. A final determination of eligibility will be made when the family is selected from the waiting list. Tenant-based applicants are randomly assigned a lottery number. Applicants will be placed on the waiting list in order of their assigned lottery number and according to the Housing Authority's preference. Project-based applicants are placed on the waiting list based on specified preferences followed by date/time of the pre-application.

### 2.2.5 Method for Placement on the Tenant-Based Waiting List

For the tenant-based waiting list, the Housing Authority will use a lottery system to select and place families on the waiting list. Applications will be accepted for a designated period of time as specified in the announcement notice. After applications are no longer being accepted, the Housing Authority will take applications that are submitted and randomly assign a lottery number to each application. The number of applicants selected for the list will be based on the number of families required to achieve a waiting list adequate to cover the next three (3) to five (5) years.

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

The Housing Authority will determine prioritization of placement for eligible families on the wait list for this program based on the nature of the locally declared disaster. Criteria for determining prioritization may include, but are not limited to: the availability of funds to support the issuance of vouchers under this program, targeting to extremely low-income and very low-income families, and other circumstances related to the displacement of the family.

### 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

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;

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- No Child Left Unsheltered (NCLU) Families described below;<sup>8</sup>
- Families referred by HUD as part of a witness relocation program; or
- Families who are involuntarily displaced as described below.

### *2.2.8.3.3.1 No Child Left Unsheltered (NCLU)*

Under NCLU, the Housing Authority assists unsheltered families with children and young adults participating in the Department of Children and Family Services Foster Care Aftercare Program. Families are either admitted to the program as a special admission or placed on a waiting list for this program.

Families with children must be unsheltered at time of application, but do not otherwise qualify as chronically homeless under the HUD definition, but who:

- Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 90 days immediately preceding the date of application for homeless assistance; and
- Have experienced persistent instability as measured by two moves or more during the six-month period immediately preceding the date of applying for homeless assistance; and
- Can be expected to continue in such status for an extended period of time because of chronic disability, chronic physical health or mental health conditions, substance use disorder, history of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or
- Two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment.

For young adults participating in the Aftercare program, applicants must be between the ages of 18-21 and in need of housing support to transition to stable independent living.

To be eligible for housing support through this component of NCLU, the household must:

- Be referred by San Bernardino County Department of Children and Family Services;
- Be a low-income family as defined by HUD;

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<sup>8</sup> 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.

- Meet HACSB's criminal history background screening requirements; and
- Be an active participant in the Aftercare program.

HACSB has partnered with a variety of local community service providers, including the school system, to identify and refer families, particularly those with school-age children, who are unsheltered. Service coordination for NCLU families is provided by the Department of Behavioral Health.

### *2.2.8.3.3.2 Involuntary Displacement*

The Housing Authority may also provide assistance to the following types of families who are not on the waiting list:

- Displaced HACSB public housing residents
- Displaced participants from other housing authorities
- Disaster victims who are non-participants in any housing services programs at any housing authority
  - Families displaced as a result of federally declared disasters may receive preference over waiting list placeholders.

### **2.2.9 Verification of Preferences**

Any preference claimed on the pre-application or while the family is on the waiting list will be verified in accordance with the Housing Authority's verification policies after the family is selected from the waiting list and prior to completing the full application described in this Chapter. The qualification for the preference must exist at the time the preference is claimed and at the time of verification because a claim of preference determines placement on the waiting list. If the Housing Authority denies a preference, the Housing Authority will notify the applicant in writing of the reasons why the preference was denied and return the applicant to the waiting list without the benefit of the preference. Families who are returned to the waiting list for not meeting the claimed preference are not entitled to an informal review as they have not been found ineligible. Applicants may exercise other rights if they believe they have been discriminated against.

### **2.3 Completion of a Full Application [HCV GB, p. 4-16]**

After an applicant is selected from the waiting list, and any preference is verified (if applicable), the applicant will be contacted through email and mail to complete a full application in the applicant portal or on HACSB supplied forms provided through the mail. All adult members of an applicant's household will be required to complete and sign forms and submit required documentation.

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### 3.2.1.3 Group of Persons

A group of persons is considered a family. This includes two (2) or more persons sharing residency, who are not categorized as an elderly or disabled family, whose income and resources are available to meet family needs. A single person who is pregnant or in the process of adopting or securing legal custody of any individual under the age of eighteen (18) is considered a group of two (2) for the purpose of this definition.

### 3.2.1.4 A Single Person

A single person family is one comprised of a single person who lives alone, or intends to live alone, who is not categorized as elderly, disabled, or the remaining member of a tenant family.

## 3.3 Applicant Family Break Up [24 CFR 982.315]

When a family on the waiting list breaks up into two (2) otherwise eligible families, only one (1) of the new families may retain the original application date. Other former family members may make a new application with a new application date if the waiting list is open.

In the absence of a judicial decision or an agreement among the original family members concerning the disposition of the application, the Housing Authority will determine which family will retain their placement on the waiting list. In making its determination, the Housing Authority will review which family member(s) will retain the application in the following priority order:

1. The domestic violence victim if separation is due to actual or threatened incidents of domestic violence, dating violence, sexual assault or stalking.
2. Which family member applied as head of household.
3. Which members were part of the household at the time of application.
4. Which family member retains the youngest child.

If the head of household dies while on the waiting list, the Housing Authority may transfer the application to a spouse, cohead or other adult household member if that person is listed on the application. The application cannot be transferred to an individual listed as a live-in aide on the application. The remaining applicant family must meet the eligibility criteria for the specific program that they are applying for.

The Housing Authority may request supporting documentation for any of the above factors.

### ***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 subsidy 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 subsidy 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 subsidy 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 subsidy 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 subsidy 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 subsidy size according to the subsidy standards, the appropriate adjustments will be made at the next regularly scheduled recertification.

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.

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### **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 subsidy 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 subsidy 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 subsidy size. For additions due to birth, adoption, or court-awarded custody, the family's subsidy size will be increased at interim reexamination.

### **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 subsidy 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 subsidy size will not be increased at recertification or moves. For example, a head of household with two family members with a 2-bedroom subsidy size could add up to two additional household member. However, the family would not be upgraded to a 3-bedroom unit size. For additions due to birth, adoption, or court-awarded custody, the family's subsidy size will be increased at interim reexamination.

### **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.

### **5.6.1 Term-Limited Lease Assistance and Streamlined Lease Assistance Programs**

In these programs, the Housing Authority may require a family to select a unit that is the same size as their voucher.<sup>13</sup> Families in this program are not permitted to lease an oversized unit.

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<sup>13</sup> The FY 2018 Moving to Work Annual Plan, Activity 20: Term-Limited Lease Assistance program for families and Activity 22: Streamlined Lease Assistance program included a unit size limitation.

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- Larger than Subsidy Standard - ~~For Request for Tenancy Approvals received on or after July 1, 2021, t~~The Housing Authority ~~will~~ may prohibit a family from renting an otherwise acceptable unit because it is too large for the family. In ~~other words, the unit may not be larger than the family's subsidy standard. instances where this is permitted, the rent for the unit must be comparable and the number of bedrooms is not more than one greater than the family's subsidy standard.~~ Example: a family with a two-bedroom subsidy standard may select a unit that has no more than ~~two~~ three bedrooms.
- Smaller than Subsidy Standard - The Housing Authority may permit a family to rent an otherwise acceptable unit with fewer bedrooms than the subsidy standard, provided that the unit does not exceed maximum unit occupancy requirements and that the number of bedrooms is not more than one smaller than the family's subsidy standard. Example: a family with a two-bedroom subsidy standard may select a unit that has no less than one bedroom.
- Subsidy Limitation – For families who select~~ed~~ a unit size larger than the approved size voucher ~~for Request for Tenancy Approvals received prior to July 1, 2021,~~ the Housing Authority may limit the maximum subsidy for over-housed families to the average subsidy rate for families that are not over-housed with the same size voucher. Subsidy will be calculated in accordance with the applicable program as described in Chapter 6. This limitation will not be applicable for families under the fixed subsidy calculation.

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

- Larger than Subsidy Standard - The Housing Authority shall not prohibit a family from renting an otherwise acceptable unit because it is too large for the family, provided that the rent for the unit is comparable and affordable. Affordability is only reviewed at initial occupancy in an assisted unit and a unit is considered affordable as long as the total rent to owner plus utilities does not exceed forty percent (40%) of the family's adjusted monthly income.
- Smaller than Subsidy Standard - The Housing Authority shall not prohibit a family from renting an otherwise acceptable unit with fewer bedrooms than the subsidy standard, provided that the unit does not exceed maximum unit occupancy requirements.

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limitation was in effect for Request for Tenancy Approvals received between July 1, 2021 and January 11, 2022.

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- Subsidy Limitation – The Housing Authority will provide subsidy based on the lower of the payment standard amount for the subsidy standard or the actual unit size rented by the family. Subsidy will be calculated in accordance with the applicable program as described in Chapter 6.
- Utility Allowance – The utility allowance used to calculate the gross rent is based on the lower of the actual unit size or the voucher bedroom size. Subsidy will be calculated in accordance with the applicable program as described in Chapter 6.

### 5.7 Maximum Occupancy Standards [24 CFR 982.402]

The Housing Authority has established maximum occupancy standards in alignment with its inspection standards. Families may choose to live in units larger or smaller than the subsidy standard, but At all times the unit must comply with the maximum occupancy standards. These standards allow two persons per bedroom and one person per living/sleeping room or other available space and permit maximum occupancy levels as shown in the table below:

MAXIMUM OCCUPANCY STANDARDS	
Number of Bedrooms	Maximum Number of Persons in Household
0 Bedroom	2
1 Bedroom	3
2 Bedrooms	5
3 Bedrooms	7
4 Bedrooms	9
5 Bedrooms	11

The levels listed above may be exceeded if another room, in addition to bedrooms and the living room, is used for sleeping.

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annual income, and (4) do not exceed the earned income received by the family member who is enabled to work.

For families who qualify for both medical and disability expenses deduction, when expenses anticipated by a family could be defined as either medical or disability assistance expenses, the Housing Authority will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

### **6.4 Calculation of Housing Authority Subsidy and Family Rent Share**

Each Housing Services program determines the Housing Authority subsidy and family rent share differently. Family rent share describes the amount of rent for which a family is responsible. This previously was known as “Total Tenant Payment.” This section describes the calculation for each program.

#### **6.4.1 Term-Limited Lease Assistance Program**

For families initially leasing under this program prior to November 1, 2017, or as soon as practicable thereafter, the Housing Authority subsidy will be the smaller of the contract rent or fifty percent (50%) of the applicable payment standard, whichever is lower and the Housing Authority will provide that amount to the owner. The participant is responsible for the balance of the rent. No families will be enrolled into this fixed-subsidy component after November 1, 2017 (or as soon as practicable thereafter).

For families initially leasing under this program with a briefing date on or after November 1, 2017, or as soon as practicable thereafter, including applicants pulled from the former Upland Housing Authority waiting list on or after July 1, 2017, the Housing Authority subsidy and family rent portion shall be calculated using the same methodology established via the Streamlined Fixed Lease Assistance for Career-Focused Families Program.

#### **6.4.2 Streamlined Fixed Lease Assistance for Elderly/Disabled Families Program**

For families initially briefed in this program on or before December 31, 2018, HACSB will calculate family rent share by selecting the largest of twenty-four percent (24%) of monthly annual income, the baseline rent, or the minimum rent. For families initially briefed in this program on or after January 1, 2019, (or as soon as practicable thereafter) HACSB will calculate family rent share by selecting the largest of thirty percent (30%) of monthly annual income, the baseline rent, or the minimum rent. The minimum rent is \$125 for the Streamlined Fixed Lease Assistance program. If the family is leasing a unit that is larger than their approved subsidy standard size and the family chooses to remain in the

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unit at program implementation or has chosen to rent a unit that is larger than their approved subsidy standard size while on the program, the family will pay the difference between the amount the Housing Authority will pay under the Streamlined Fixed Lease Assistance Program on behalf of the family and the contract rent. This also applies to the former Upland Housing Authority (UHA) elderly/disabled families as a result of the voluntary transfer on July 1, 2017, with a recertification date of January 1, 2018, or later; future Plan references to Streamlined Fixed Lease Assistance families will also apply to these former UHA families. ~~For Request for Tenancy Approvals received on or after July 1, 2021, the family is required to lease a unit that is no larger than their subsidy standard.~~

### 6.4.3 Streamlined Tiered Lease Assistance for Career-Focused Families Program

For existing SLA participants and families initially leasing under this program, the Housing Authority has established a tiered rent schedule in the Streamlined Tiered Lease Assistance Program for Career Focused Families Program. The family rent share will be calculated based on which of the following is greater:

1. Larger of the applicable rent tier percentage multiplied by monthly annual income, or
2. The highest family rent share previously calculated for the family (the baseline rent); or
3. The minimum rent. (The minimum rent is \$125 for the Streamlined Tiered Lease Assistance program).

The rent tier starts at thirty percent (30%) of monthly annual income and may increase three percent (3%) at every regularly scheduled biennial recertification to a maximum rent tier of thirty-six percent (36%) of monthly annual income at the Housing Authority's discretion. A family's rent share may never drop below the highest family rent share amount. Examples of rent tiers are included in the chart below:

THE BELL FAMILY (EXAMPLE)				
	First Biennial Recertification (30%)	Second Biennial Recertification (33%)	Third Biennial Recertification (36%)	Fourth Biennial Recertification (36%)
<b>Bell Family Monthly Annual Income</b>	\$300	\$300	\$1200	\$700
<b>Bell Family Rent Share</b>	\$125	\$125	\$432	\$432

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Effective February 1, 2018, the Housing Authority will apply the new family rent calculation of thirty percent (30%) of the gross income, the minimum rent, or the Streamlined Lease Assistance baseline rent, whichever is greater. The Housing Authority anticipates that it would use the family's most recently reported income information to process the reexamination, which will serve to minimize the financial impact to families when the new rent calculation is applied. Additionally, the Housing Authority will provide an automatic six-month hardship exemption for all families affected by this change; therefore, the new rent tier will be applied effective August 1, 2018. In the future, the Housing Authority may implement the additional rent tiers of thirty-three percent (33%) and thirty-six percent (36%) only if it is necessary to ensure financial viability of the program without terminating assistance or serving fewer families.

#### **6.4.4 Streamlined Tiered Lease Assistance for Former Upland Housing Authority Participants**

The rent share for families who transitioned from the Upland Housing Authority (UHA) on July 1, 2017 will be calculated based on which of the following is greater:

1. Larger of the applicable rent tier percentage multiplied by monthly annual income, or
2. The highest family rent share previously calculated for the family (the baseline rent); or
3. The minimum rent. (The minimum rent is \$125 for the former Upland Housing Authority participants).

Participants will follow the rent tiers beginning at twenty-one percent (21%) of the monthly annual income and increasing three percent (3%) at every regularly scheduled biennial recertification to a maximum rent tier of thirty percent (30%). UHA families will transition to this activity at their first recertification occurring on or after January 1, 2018. This will also apply at admission to any family who is transitioned from the UHA waiting list to an HACSB waiting list as a result of the July 1, 2017 voluntary transfer.

SMITH FAMILY (EXAMPLE)				
	First Biennial Recertification (21%)	Second Biennial Recertification (24%)	Third Biennial Recertification (27%)	Fourth Biennial Recertification (30%)
<b>Smith Family Monthly Annual Income</b>	\$833	\$1000	\$1000	\$500
<b>Smith Family Rent Share</b>	\$175	\$240	\$270	\$270

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### **6.4.5 Rental Assistance Demonstration (RAD) Project-Based Voucher (PBV)**

This section applies to RAD PBV legacy families (families residing in a RAD-converted PBV unit at the time of conversion) only. The rent share for these families will be calculated based on which of the following is greater:

1. The applicable rent percentage multiplied by monthly annual income; or
2. The highest family rent share previously calculated for the family (the baseline rent); or
3. The minimum rent. (The minimum rent is \$125 for the Rental Assistance Demonstration Project-Based Voucher program).

Non-elderly and non-disabled participants will follow the rent tiers beginning at twenty-one percent (21%) of the monthly annual income and increasing three percent (3%) at every regularly scheduled biennial recertification to a maximum rent tier of thirty percent (30%). (Please see the Smith Family Example, below.)

For elderly and disabled participants, HACSB will calculate family rent share by selecting the largest of twenty-four percent (24%) of monthly annual income, the baseline rent, or the minimum rent.

THE SMITH FAMILY (EXAMPLE)				
	First Biennial Recertification (21%)	Second Biennial Recertification (24%)	Third Biennial Recertification (27%)	Fourth Biennial Recertification (30%)
<b>Smith Family Monthly Annual Income</b>	\$833	\$1000	\$1000	\$500
<b>Smith Family Rent Share</b>	\$175	\$240	\$270	\$270

### **6.4.6 Streamlined Fixed Lease Assistance for Career-Focused Families Program**

The Housing Authority will calculate family rent share by selecting the greatest of thirty percent (30%) of monthly annual income, the baseline rent, or the minimum rent.<sup>21</sup> If the family is leasing a unit that is larger than their approved subsidy standard size and the family chooses to remain in the unit at program implementation or has chosen to rent a unit that is larger than their approved subsidy standard size while on the program, the

<sup>21</sup> The FY 2016 MTW Plan modified Activity 23: Streamlined Lease Assistance to include the Fixed Lease Assistance for Career-Focused Families program.

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family will pay the difference between the amount the Housing Authority will pay under the Streamlined Fixed Lease Assistance Program on behalf of the family and the contract rent. ~~For Request for Tenancy Approvals received on or after July 1, 2021, the family is required to lease a unit that is no larger than their subsidy standard.~~

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

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

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

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

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

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

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### 6.5 Minimum Rent [24 CFR 5.630 and 5.630]

#### 6.5.1 Streamlined Lease Assistance Programs

The Minimum Rent for the Streamlined Lease Assistance program is \$125.00.<sup>22</sup> A policy has been established for a temporary waiver from the minimum rent for families who demonstrate a hardship in paying the required minimum amount. Families may request a temporary waiver to the minimum rent by completing the Minimum Rent Waiver Request Form and providing documentation that supports the hardship for the family.

A temporary waiver of minimum rent may be granted as follows:

- Decrease in Income – The total household income has decreased due to a ‘No Fault’ loss of employment. Supporting documentation may include the notice of loss of employment, legal documentation indicating that family member with income has vacated the unit or other such documentation requested by HACSB.
- Death in the Immediate Family – The total household income has decreased due to the death of an immediate family member. Supporting documentation must include verification of the actual loss of income and verification of the relationship to the deceased family member. Immediate family members include current spouse, cohead, child, legal guardian, sibling, grandparent, grandchild, or mother-, father-, sister-, brother-, son-, or daughter-in-law, or registered domestic partner.

The waiver, if approved, shall be provided on a month to month basis not to exceed a total period of three months. A waiver will be provided only once for each incident that occurs in the household.

Upon approval of the waiver, the total tenant payment shall be calculated at 30% of monthly adjusted income and shall be effective on the first of the month following the month in which the family submitted the waiver request form with all supporting documentation.

A temporary waiver of the minimum rent will also be applied automatically to ~~zero-income vulnerable individuals and families~~ who are initially moving into a ~~Sponsor-Based homeless serving program, such as Permanent Supportive Housing or the Emergency Housing Voucher program~~ Project-Based program until the regularly

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<sup>22</sup> The FY 2009 Moving to Work Annual Plan included Activity 10: Minimum Rent which established a minimum rent of \$125 for all Housing Services programs except Traditional, Regulatory Assistance for Special Purpose Programs.

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scheduled recertification.<sup>23</sup> A family granted the automatic waiver under ~~the Sponsor-Based Project-Based~~ a homeless serving program will not be required to repay the minimum rent.

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

The minimum rent is \$50 for Traditional, Regulatory Assistance for Special Purpose Programs. If a family is unable to pay the minimum rent because of financial hardship, the Housing Authority must grant an exemption from the minimum rent. To qualify for a hardship exemption, a family must submit a request for a hardship exemption in writing. The request must explain the nature of the hardship and how the hardship has affected the family's ability to pay the minimum rent.

The financial hardship exemption applies only to families required to pay the minimum rent. If a family's rent share is higher than the minimum rent, the family is not eligible for a hardship exemption. If the Housing Authority determines that a hardship exists, the family share is the highest of the remaining components of the family's calculated rent share.

Financial hardship includes the following situations:

1. The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program. This includes a family member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.
  - a. A hardship will be considered to exist only if the loss of eligibility has an impact on the family's ability to pay the minimum rent.
    - i. For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following: (1) implementation of assistance, if approved, or (2) the decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.
2. The family would be evicted because it is unable to pay the minimum rent.
  - a. For a family to qualify under this provision, the cause of the potential eviction must be the family's failure to pay rent to the owner or tenant-paid utilities.

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<sup>23</sup> The FY 2022 Moving to Work Annual Plan modified Activity 10: Minimum Rent to allow HACSB to reduce or postpone the minimum rent for individuals in programs serving extremely vulnerable populations.

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In addition to the income verification policies described above, each family member age 18 and older will be asked if there has been any update in criminal activity. If there has been any change in criminal activity, the Housing Authority will obtain verification.

### **7.3.3 Term-Limited Lease Assistance and Streamlined Lease Assistance**

The Housing Authority will verify the following factors at recertification<sup>30</sup>:

- Annual Income
- Student status

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

The Housing Authority will verify the following at recertification:

- Assets<sup>31</sup>
- Annual Income
- Student status
- Allowances
- Deductions

## **7.4 General Verification Procedures**

This section outlines how the Housing Authority will verify each of the above described criteria. All verification factors are described in this section but the Housing Authority will only verify factors that are required for each program type.

### **7.4.1 Verification of Legal Identity**

The Housing Authority requires each household member to provide one of the following forms of verification of legal identity:

Verification of Legal Identity	
Adults	Children
Certificate of birth, naturalization papers, Current, valid driver's license or Department of Motor Vehicles identification card, <u>VA identification card</u> , U.S. military discharge (DD 214), U.S. passport	Certificate of birth Adoption papers Custody agreement Health and Human Services ID School records

<sup>30</sup> HACSB's MTW Activity 20: Term-Limited Lease Assistance and Activity 22: Streamlined Lease Assistance eliminated deductions and allowances from the income and rent calculation.

<sup>31</sup> For Emergency Housing Voucher and Veteran Affairs Supportive Housing programs, assets are excluded from the rent calculation and will not be verified at recertification.

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If none of these documents can be provided and at the Housing Authority's discretion, a third party who knows the person may attest to the person's identity. Legal identity will be verified on an as needed basis.

### **7.4.2 Social Security Numbers [24 CFR 5.216 and Notice PIH 2012-10]**

The family must provide documentation of a valid social security number (SSN) for each member of the household, with the exception of individuals who do not contend eligible immigration status. The only other exception is for existing program participants who were at least sixty-two (62) years of age as of January 31, 2010 and had not previously disclosed an SSN.

The Housing Authority accepts the following documentation as acceptable evidence of the social security number:

- An original SSN card issued by the Social Security Administration (SSA)
- An original SSA-issued document, which contains the name and SSN of the individual
- An original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual. A DD-214 or 10-10EZ form is accepted in place of an SSN card for a HUD-VASH veteran.

When the participant requests to add a new household member who is at least six (6) years of age, or who is under the age of six (6) and has an SSN, the participant must provide the complete and accurate SSN assigned to each new member at the time of reexamination or recertification, in addition to the documentation required to verify it. The Housing Authority cannot add the new household member until such documentation is provided.

When a participant requests to add a new household member who is under the age of six (6) and has not been assigned an SSN, the participant must provide the SSN assigned to each new child and the required documentation within ninety (90) calendar days of the child being added to the household. A ninety (90) day extension will be granted if the Housing Authority determines that the participant's failure to comply was due to unforeseen circumstances and was outside of the participant's control. During the period the Housing Authority is awaiting documentation of the SSN, the child will be counted as part of the assisted household.

- Sample HAP or LAP Contract
- Crime-Free Addendum
- Fraud Pamphlet
- Acknowledgement of Receipt of Documents
- Additional Program Specific Documentation

### **8.4 Encouraging Participation in Areas Without Low Income or Minority Concentration [24 CFR 982.301(a)(3)]**

At the briefing, families are encouraged to search for housing in non-impacted areas. After the briefing, the Housing Authority will assist families who want to search for housing in non-impacted areas who wish to do so. The assistance provided to such families includes:

- Counseling with the family.
- Direct contact with owners.
- Providing information about services in various non-impacted areas.
- Meeting with neighborhood groups to promote understanding.
- Formal or informal discussions with owner groups.
- Formal or informal discussions with social service agencies.
- Meeting with rental referral companies or agencies.
- Meeting with fair housing groups or agencies.

Owners in all neighborhoods within the Housing Authority's jurisdiction are encouraged to post their property listings in various ways (internet listings, newspapers, rental pamphlets, etc.) to ensure greater mobility and housing choice to very low-income households. The Housing Authority will provide information about housing listings. If the family includes a person with disabilities, the family may request a current listing of accessible units known to be available.

### **8.5 Security Deposit Requirements [24 CFR 982.313]**

Security deposits charged by owners may not exceed those charged to unassisted families (or the maximum prescribed by State or local law).

### **8.6 Family Obligations Agreement or Voucher Conditions [24 CFR 982.301(b)(1)]**

During the briefing session, each family is issued a Family Obligations Agreement or Voucher, which represents a contractual agreement between the Housing Authority and the family, specifying the rights and responsibilities of each party. It does not constitute admission to the program, which occurs when the lease and contract become effective.

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In the event the Housing Authority does not have sufficient budget authority to support issued Family Obligations Agreements and/or Vouchers, the Housing Authority may recall the family. If the family is recalled, the Housing Authority will return the family to the waiting list to await new eligibility when funds become available.

The Family Obligations Agreement and Voucher are valid for a period of sixty (60) calendar days from the date of issuance plus any automatic extension. The family must submit a Request For Tenancy Approval (RFTA) within the initial term or approved extension. When a Request for Tenancy Approval is received, the term of the voucher will be suspended while the Housing Authority processes the request.

### ***8.6.1 Veteran Affairs Supportive Housing (VASH) and Emergency Housing Voucher Programs***

The initial search term for a HUD-VASH and an EHV will be 120 days. Any extensions beyond the initial term must meet the requirements of Section 8.6.2.

### ***8.6.2 Extensions [24 CFR 982.303(b)]***

The Housing Authority may grant extensions to Family Obligations Agreements and Vouchers. An extension may be granted automatically when the Family Obligations Agreement or Voucher is issued or a family may request an extension. All requests for extensions must be received, in writing, prior to the expiration date.

Extensions may be granted in thirty (30), or sixty (60) day increments, up to a maximum search term of one-hundred and twenty (120) calendar days (initial sixty (60) days plus a maximum sixty (60) day extension), if necessary for the family to locate a suitable unit. The Housing Authority may make an exception of up to one-hundred and eighty (180) days for extenuating circumstances, such as a long-term illness or other family emergency, or up to a maximum term of two-hundred and seventy (270) calendar days for hospitalization or as a reasonable accommodation. Such matters will be considered on an individual basis and must be supported by verifiable third-party documentation.

### ***8.6.3 Expirations [24 CFR 982.303(a)]***

If the Family Obligations Agreement or Voucher search term has expired, and has not been suspended or extended by the Housing Authority or expires after an extension, the family will be denied assistance. The family will not be entitled to a review or hearing. If the family is currently assisted and remains eligible for participation, they may remain as a participant in their unit if there is an assisted lease/contract in effect and the unit remains eligible.

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### **8.7 Determination for Split Participant Households [24 CFR §982.315]**

When a family assisted under the Housing Services program becomes divided into two (2) otherwise eligible families due to divorce, legal separation, or the division of the family, and the new families cannot agree as to which new family unit should continue to receive the assistance, and there is no determination by a court, the Housing Authority will review which family unit retains the assistance in the following priority order:

1. The domestic violence victim if separation is due to actual or threatened incidents of domestic violence, dating violence, sexual assault, or stalking.
2. Which family members remain in the unit (only if no domestic violence).
3. Which of the two new family units has custody of the youngest child.;
4. Which family member was the head of household when the Family Obligations Agreement or Voucher was initially issued (listed on the initial application).

Documentation of these factors will be the responsibility of the requesting parties. If neither family unit meets any of the above criteria, assistance will be terminated. In the case of a HUD-VASH family break-up, the assistance must stay with the HUD-VASH veteran. However, if it is a case of domestic violence and the veteran is the perpetrator, the victim will continue to be assisted and the veteran will be terminated.

### **8.8 Residual Assistance for Remaining Members**

The head of household may designate a new head of household or relinquish the assistance to remaining household members with HACSB approval, except when the family has been determined to be over-income. In the event the head of household no longer resides in the assisted unit, the remaining adult household member must have been previously approved by the Housing Authority to be living in the unit and to receive continued housing assistance. If the remaining eligible adult household member is disabled or fifty-seven (57) years or older, the family member will be eligible to receive a Voucher until November 1, 2014. After November 1, 2014, the remaining eligible family member who is disabled or fifty-seven (57) years or older will be eligible to receive a Family Obligations Agreement to participate in the Streamlined Fixed Lease Assistance Program. If the remaining family member is not disabled or fifty-seven (57) years of age or older, the remaining adult household member will be processed for eligibility and participation in the Housing Authority's Term-Limited Lease Assistance program and sign a Family Obligations Agreement. The time limit would begin following the processing of the family composition change.

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whenever possible. HACSB will use the service fee for housing navigation services, application fees, landlord signing bonuses, damage mitigation, appliances, and security/utility deposits. The 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 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 described in this section.

### **8.11 Tenant Education**

The Housing Authority may offer a tenant education program<sup>33</sup> that is optional for voucher holders. The program may cover such topics as how to apply for units, understanding the lease agreement and house rules, importance of complying with the lease, preventing and solving problems with neighbors, maintaining the unit, and landlord-tenant relations. Participants, who successfully complete the course, will receive a certificate of completion to present to prospective landlords when applying for units.

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<sup>33</sup> The FY 2022 MTW Annual Plan, Activity 28: Landlord Incentives added a tenant education program.

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### 9.3 Eligible Types of Housing [24 CFR 982.352]

There are a number of criteria that a dwelling unit must meet in order to be eligible for assistance under the Housing Services Program. Generally, a family may choose any available rental dwelling unit on the market in the Housing Authority's jurisdiction. This includes the dwelling unit they are currently occupying. The Housing Authority may approve any of the following types of housing:

- Single-family dwellings, including condos and townhouses;
- Manufactured homes and space for rent (the Housing Authority may also provide assistance for a family that owns the manufactured home and leases only the space). The rent calculation for space rent is included in Chapter 11.5;
- Multifamily dwellings (apartment buildings);
- Shared housing (a single housing unit occupied by an assisted family and another resident or residents); and
- Housing Authority owned units which are not subsidized by the Housing Authority (subject to HUD-prescribed requirements).

A family may own a rental unit but cannot reside in it while being assisted. The Housing Authority may not permit a family to lease a unit which is receiving project-based assistance or any duplicative rental subsidies.

### 9.4 Ineligible Types of Housing [24 CFR 982.352(a)]

The Housing Authority will not approve:

- A unit occupied by the owner or by any person with an interest in the unit, except for a:
  - manufactured home that is owned by the family but leases only the space. Under this circumstance, the Housing Authority will approve the unit; or
  - shared housing arrangement as long as the owner is not a member of the participant's household or related by blood or marriage to the participant;
- Nursing homes, board and care homes, or facilities providing continual psychiatric, medical or nursing services or other institutions that provide care;
- College or other School dormitories;
- and institutional housing Units on the grounds of penal, reformatory, medical, mental, and similar public or private institutions<sup>34</sup>;

<sup>34</sup> HUD regulations allow HUD-VASH families to live on the grounds of a VA facility in units developed to house homeless families.

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- Structures that have not been properly converted. Owners will be required to provide finalized permits for all conversion work when the integrity and/or soundness of structure is in question;
- Converted garages or other structures not intended to be living areas; or
- Any other types of housing prohibited by HUD.

With the exception of VASH program participants or participants with an approved reasonable accommodation, HACSB will not approve the following special housing types: single room occupancy (SRO), congregate housing, group home, and cooperative housing.

### **9.5 Restrictions on Renting to a Relative [24 CFR 982.306]**

Assisted families will not be allowed to rent a unit from an owner (including a principal or other interest party) who is a spouse, parent, child, grandparent, grandchild, sister or brother, aunt, uncle, niece or nephew and/or cousin, of any member of the family or step-family, including in-law relationships, unless the Housing Authority has determined (and has notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities. A determination of whether the owner is a relative to the assisted family will be at the sole discretion of the Housing Authority.<sup>35</sup>

The Housing Authority will review all such requests on a case-by-case basis. The family will be required to provide documentation of disability and how the particular unit, owned by the relative, could benefit the disabled person. Owners must provide the current physical address of their residence (not post office box). If families lease properties owned by relatives, the owner's current address will be compared to the subsidized unit address. Owners must provide a Taxpayer Identification Number or Social Security number, and may also be required to provide a copy of their driver's license or other photo identification. In addition, the Housing Authority may request a copy of the owner's current utility bills and bank statements. Failure to provide adequate documentation, within ten (10) business days from the date of the request will be grounds for denial of such request.

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<sup>35</sup> Under the Moving to Work Demonstration the Housing Authority has replaced HUD's Housing Assistance Payments (HAP) Contract with the HACSB HAP Contract and Lease Assistance Payment (LAP) Contract. These contracts also specify the Housing Authority's definition of relatives.

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In all cases, the owner of the assisted unit may not reside in the unit with the assisted household at any time during the term of the contract between the Housing Authority and the owner. In addition the owner may not store trailers such as RV, motor homes, pull trailers or any such vehicle that allows occupancy on the assisted property. In addition the owner may not utilize any other form of building or structure on the assisted property with the intent to occupy on a short or long term basis. Including any structures that does not have its own assigned city address.

### **9.6 Lease Review [24 CFR 982.305, 982.308 and 982.309]**

The family and the owner must execute and enter into a written dwelling lease for the assisted unit. This written lease is a contract between the family and the owner; the Housing Authority is not a party to this contract. The Lease must include, word-for-word, the prescribed tenancy addendum, which the Housing Authority will provide to the owner.

The tenant must have legal capacity to enter a lease under State and local law. 'Legal capacity' means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner. The Housing Authority will review the lease for compliance with federal regulations. At minimum, the lease must contain all of the required information as listed below:

- The names of the owner and the tenant;
- The unit rented (address, apartment number, and any other information needed to identify the contract unit);
- The term of the lease (initial term and any provisions for renewal);
- The amount of the monthly rent to owner;
- A specification of what utilities and appliances are to be supplied by the owner, and what utilities and appliances are to be supplied by the family; and
- The owner's lease must include the Lead Warning Statement and disclosure information required by 24 CFR 35.92(b).

The lease must include a statement that drug-related criminal activity engaged in by the tenant, any household member, or any guest on or near the premises, or any person under the tenant's control on the premises is grounds to terminate tenancy. The lease must also provide that the owner may evict the family when the owner determines that any household member is illegally using a drug or a pattern of illegal use of drugs by any household member who interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents. The lease must provide that the following types of criminal activity by a "covered person" are grounds to terminate tenancy:

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- Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents (including property management and staff residing on the premises)
- Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the premises
- Any violent criminal activity on or near the premises by a tenant, household member, or guest
- Any violent criminal activity on the premises by any other person under the tenant's control

The lease must provide that the owner may terminate tenancy if a tenant is:

- Fleeing to avoid prosecution or custody or confinement after conviction for a crime, or attempt to commit crime, that is a felony under the laws of the place from which the individual flees
- Violating a condition of probation or parole imposed under Federal or State law

For this purpose, the family is considered to be in possession of the unit when the family has a key to the unit and the unit is fully available for the family's exclusive use.

### ***9.6.1 Term-Limited Lease Assistance, Streamlined Lease Assistance, and Traditional, Regulatory Assistance for Special Purpose Programs***

The initial term of the assisted dwelling lease generally must be for at least one (1) year and match the term of the contract executed between the Housing Authority and the owner. A lease with a shorter term for certain housing types, like shared housing, may be permitted. Some tenant-based Special Purpose Programs, such as HUD-VASH, may allow for a shorter lease term as applicable.

### ***9.6.3 Local Disaster Short-Term Rental Assistance Program***

The initial term of the assisted dwelling lease generally may be for less than one (1) year and match the term of the contract executed between the Housing Authority and the owner.

### ***9.6.4 Family Unification Program***

The initial term of the assisted dwelling lease generally may be for less than one (1) year and match the term of the contract executed between the Housing Authority and the owner.

## CHAPTER 10: INSPECTIONS STANDARDS

### 10. Introduction

Every unit assisted under the Housing Services program must meet the Housing Authority's inspection standards prior to initial occupancy of the unit and throughout the term of the contract between the owner and the Housing Authority. HACSB requires all units to meet Housing Quality Standards (HQS), which are the HUD minimum quality standards for units that receive assistance under the Housing Services program. In addition, the Housing Authority also requires all units to meet additional criteria in alignment with HUD requirements, California law, local codes and other Housing Authority policies. The Housing Authority inspection standards apply to units both in the tenant-based and project-based programs.

This Chapter describes the inspection types and responsibilities of the owner and family and the consequences of non-compliance with the Housing Authority's inspection standards for both families and owners participating in the tenant-based program. Inspection types and responsibilities for the project-based program are described in Chapter 20.

#### 10.1 Types of Inspections [24 CFR 982.405]

There are six types of inspections the Housing Authority will perform:

1. Pre-inspection (VASH and EHV program): For the VASH and EHV Program, the Housing Authority may pre-inspect available units that VASH or EHV families may be interested in leasing in order to maintain a pool of eligible units.
2. Initial/Move-in: The Housing Authority conducts initial inspections upon receipt of a Request for Tenancy Approval (RFTA). The unit must pass the inspection before the effective date of the Contract.
3. Annual: Families who participate in any of the Housing Authority's Traditional, Regulatory Assistance (excluding homeownership families) for Special Purpose programs, except as noted below, will have an annual inspection conducted on their unit.

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4. Biennial<sup>37</sup>: For families who participate in the authorities Moving to Work programs, VASH, EHV and Mainstream, units will be inspected biennially. For these units, an inspection must be conducted within twenty-four (24 months) of the last inspection.
5. Special/Complaint: At request of the owner, the family, an agency, or a third-party a unit will be inspected to ensure compliance with the Housing Authority's Inspection Standards.
6. Quality Control: The Housing Authority will conduct inspections on a random sample of units to ensure consistency and accuracy. Quality Control inspections may also include inspections to determine if additional bedrooms approved for Reasonable Accommodations are being utilized as intended.
- 6-7. Move-Out: Upon request, the Housing Authority will conduct an inspection after the participant has moved out of the unit for any program offering reimbursement for damages.

All utilities must be in service prior to the effective date of the contract between the owner and the Housing Authority. If the utilities are not in service at the time of inspection, the Inspector will schedule a reinspection or accept documentation from the utility companies. The tenant or owner (whoever is responsible for the utilities according to the RFTA) must have them turned on before the effective date of the lease and all verification must be received prior to the start of the lease.

If the tenant is responsible for supplying the stove and/or the refrigerator, the Housing Authority will allow the stove and refrigerator to be placed in the unit after the inspection as long as unit has passed all other inspection criteria. The Housing Authority will accept the tenant's self-certification that the items have been placed in the unit and may conduct a follow-up inspection to verify the self-certification.

### **10.1.1 Pre-inspection (EHV only)**

HACSB may pre-inspect available units that VASH or EHV families may be interested in leasing in order to maintain a pool of eligible units. All pre-inspected units will be inspected in accordance with Housing Quality Standards. The pre-inspection will remain valid for 45 days following the inspection pass date to the date of receipt of the RFTA as long as there has been no intervening tenancy.

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<sup>37</sup> The FY 2010 Moving To Work Annual Plan included a Local Inspection Standards activity which allows the Housing Authority to conduct biennial inspections on certain qualifying units. In addition the June 25, 2014, Federal Register Notice / Vol. 79, No. 122, allows PHA's to transition all recurring inspections to a biennial schedule.

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### **10.1.7 Move-out Inspection**

If the owner is eligible to file a claim for reimbursement for tenant-caused damages beyond normal wear and tear, the Housing Authority must first conduct a move-out inspection to confirm the condition of the unit. The owner or the owner's agent must be present for the move-out inspection.

### **10.2 Unit Deficiencies and Consequences**

Deficiencies identified during inspection must be corrected within the time frames identified in this section.

#### ***10.2.1 Emergency Repairs [24 CFR 982.404(a)]***

Emergency items that are identified through an inspection or verified by another public agency which endanger the family's health or safety must be corrected by the owner within twenty-four (24) hours of notification.

The following items are considered of an emergency nature and must be corrected by within twenty-four (24) hours of notice by the Housing Authority:

- A. Lack of security for the unit
- B. Ceiling in imminent danger of falling
- C. Major plumbing leaks or flooding
- D. Natural gas leak or fumes
- E. Electrical problem which could result in shock or fire
- F. No heat when weather conditions dictate a need for health and safety reasons
- G. Utilities not in service
- H. No running hot water
- I. Broken glass where someone could be injured
- J. Obstacle which prevents tenant's entrance or exit
- K. Lack of functioning toilet
- L. Inoperable smoke detectors
- M. Any condition cited as life-threatening by other agencies with jurisdiction

In those cases where there is leaking gas or potential of fire or other threat to public safety, and the responsible party cannot be notified or it is impossible to make the repair, proper authorities will be notified by the Housing Authority.

If the emergency repair item(s) are not corrected in the time period required by the Housing Authority, and the owner is responsible, the housing assistance payment will be abated and the contract will be terminated.

### 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, changes to the subsidy standard 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.~~ If the increase in subsidy standard is due to birth, adoption or court-awarded custody, At the interim recertification, HACSB will not issue a new voucher update the family's voucher size to reflect the change in family composition at interim reexamination. ~~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.

## CHAPTER 15: DENIAL OF ASSISTANCE TO APPLICANTS AND INFORMAL REVIEW POLICIES

### 15. Introduction [24 CFR 982.552(a)]

The Housing Authority may deny assistance for a family because of the family's action or failure to act. The Housing Authority will provide applicants with a written description of the family obligations under the program, the grounds under which the Housing Authority can deny assistance, and the Housing Authority's informal review and hearing procedures. This chapter describes when the Housing Authority will deny assistance.

The Housing Authority reserves the right, with HUD approval, to use criminal history records maintained by law enforcement agencies as a means of determining prior criminal activity of applicants and the addition of new household members for participants for its assisted housing programs.

The Housing Authority may deny housing assistance to any applicant for any of the grounds specified in the Code of Federal Regulations which relate to the applicable assisted housing program. Decisions on whether to deny assistance for an applicant family will be based on a preponderance of evidence. If the decision is to deny assistance, the family is entitled to an informal review which is described in this Chapter.

If the head of household's action or failure to act is the reason for the denial, the application cannot be transferred to remaining family members unless the circumstances qualify under VAWA. The Housing Authority will deny admission of any additional person(s) which the family proposes to add to the household if such person(s) is/are ineligible for any of the reasons set forth in this chapter.

### 15.1 Mandatory Denial of Assistance Reasons [24 CFR 982.552(b), 982.312, 982.553(a), 982.553(b)]

HUD requires the Housing Authority to deny assistance for certain reasons. Each of these reasons, along with the only mitigating circumstances that may be considered for these mandatory denials are included below (See Section 15.1.1 for reasons for denial of assistance under the Emergency Housing Voucher program):

- a. Abusive or violent behavior includes verbal as well as physical abuse or violence. Use of expletives that are generally considered insulting, racial epithets, or other language, written or oral, that is customarily used to insult or intimidate, may be considered abusive or violent behavior and may result in denial of assistance
  - b. Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.
  - c. Actual physical abuse or violence will always be cause for denial of assistance.
- 11. If any member of the family engages in, or has engaged in drug or alcohol abuse that interferes with the health, safety, and peaceful enjoyment of other residents.
  - 12. If a family fails to submit required documentation within the required time frame concerning any family member's citizenship or eligible immigration status;
  - 13. Evidence of citizenship and eligible immigration status is submitted timely, but USCIS primary and secondary verification does not verify eligible immigration status of a family;
  - 14. Failure to disclose the complete and accurate social security numbers of each household member and the documentation necessary to verify each social security number.

### ***15.2.3 Consideration of Circumstances***

HUD permits the Housing Authority to consider relevant circumstances when deciding whether to deny admission for the criminal activity described in Section 15.2.1. The Housing Authority will use the concept of the preponderance of the evidence as the standard for making all admission decisions. Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

Prior to a determination of denial of assistance for criminal activity and drug-related activity, the Housing Authority may consider the dates, subject to any local criteria, and circumstantial activity, the seriousness of the offense, whether the offense occurred only once or was repeated, and the number and duration of rehabilitation efforts, if any, and whether offender has avoided subsequent criminal activity or behavior since the offense. However, consideration of those circumstances does not guarantee that an applicant will be admitted. Evidence of certain crimes or repeated crimes can result in rejection.

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Evidence of mitigating circumstances or evidence of rehabilitation does not require the Housing Authority to disregard potentially disqualifying activity.

Documentation of rehabilitation or good faith effort to address past criminal history may include, but is not limited to:

- Employment
- Education
- Participation in work training program
- Participation in counseling program
- Involved in a community group
- Certificate of rehabilitation from the state
- Proof of AA, CA, NA weekly meetings
- Letters of support from community leaders, parole, probation, case worker, clergy.

In deciding whether to deny assistance because of action or failure to act by members of the family, the Housing Authority has discretion to consider all of the circumstances in each case, including:

- The seriousness of the case;
- The extent of participation or culpability of individual family members; and
- The length of time since the violation occurred and more recent record of compliance, and the effects of denial of assistance on other family members who were not involved in the action or failure to act.

If the head of household does not meet the Housing Authority's eligibility criteria, the application for the entire household is denied and cannot be transferred to another family member. However, if the reason for the denial involve an action or failure to act by a family member, the Housing Authority may impose, as a condition of assistance for the head of household and other eligible family members, a requirement that other family members who participated in or were culpable for the action or failure, will not reside in the unit. In this case, the Housing Authority may permit the head of household and other eligible members of an applicant family to receive assistance. In such instances, the head of household must certify that family member will not be permitted to visit or to stay as a guest in the assisted unit. After admission to the program, the family must present evidence of the former family member's current address.

If the family includes a person with disabilities, the Housing Authority's decision concerning denial of admission is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8. If the family indicates that the behavior of a family member with a disability is the reason for the proposed denial of assistance, the Housing Authority will determine whether the behavior is related to the disability. If so, upon the family's request, the Housing Authority will determine whether alternative measures are appropriate as a reasonable accommodation. The Housing Authority will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed denial of assistance. See Chapter 2 for a discussion of reasonable accommodation.

Persons evicted from federally-assisted housing programs because of drug-related criminal activity are ineligible for admission to the Housing Services program for a three (3) year period beginning on the date of such eviction. However, the household may be admitted if, after considering the individual circumstances of the household, the Housing Authority determines that the circumstances leading to eviction no longer exist because the criminal household member has died or is imprisoned, or has otherwise been removed from the household.

However, consideration of those circumstances does not guarantee that an applicant will be admitted. Evidence of certain crimes or repeated crimes can result in rejection. Evidence of mitigating circumstances or evidence of rehabilitation does not require the Housing Authority to disregard potentially disqualifying activity.

If a decision of denial is determined, the Housing Authority will notify the family in writing of the denial and provide a copy of the record to the subject of the record, upon request.

### **15.3 Failure to Supply Information or Attend Appointments**

Applicants must supply information, documentation, and certifications as needed for the Housing Authority to complete required processes. The Housing Authority schedules appointments and sets deadlines in order to obtain the required information. Failure to supply requested information or keep scheduled appointments can result in denial of assistance.

### **15.4 Types of Denials of Assistance [24 CFR 982.552(c)(2)(ii)]**

Denial of assistance for an applicant may include any or all of the following:

- Denial for placement on the Housing Authority waiting list;
- Denial or withdrawal of a voucher or family obligations agreement;

destroyed once the purpose for which it was requested is accomplished. All criminal records will be destroyed no later than thirty (30) calendar days after a final determination is made and the hearing decision has been rendered.

### **16.2.2 Additional Termination Reasons**

The Housing Authority will also terminate assistance to participants for the following reasons:

1. A participant or any household member is currently engaging in illegal use of a drug
2. If the Housing Authority determines that it has reasonable cause to believe that a participant's illegal drug use or a pattern of illegal drug use may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents
3. A participant or any member of the household is subject to a lifetime registration required under a state sex offender registration program
4. Any family member violates any family obligation under the program as listed in 24 CFR 982.551 [24 CFR §982.552(c)(1)(i)]
5. Any family member engages in drug-related or violent criminal activity [24 CFR §982.553(a) and §982.551(k)-(l)]
6. Any member of the family has been convicted of perjury or fraud to obtain assistance and/or there is a preponderance of evidence that the fraud actually occurred (i.e., WI 10980(C)(2), Penal Code 118(A) or 487I)
7. Any member of the family has ever engaged in serious lease violations while a resident of federally-assisted housing or within the past five (5) years has been evicted from a federally-assisted housing program [24 CFR §982.552(c)(1)(ii)]
8. If any Housing Authority has ever terminated assistance under the program for any member of the family
9. If any member of the family commits fraud, bribery, Grand Theft Housing, or any other corrupt or criminal act in connection with any federally-assisted housing program
10. The family currently owes rent or other amounts to the Housing Authority or to another housing agency in connection with housing assistance under the Housing Act of 1937 [24 CFR §982.552(c)(1)(v)]
11. The family has not reimbursed the Housing Authority or any housing agency for amounts paid under a contract to an owner for rent, damages to the unit, or other amounts owed by the family under the lease [24 CFR §982.552(c)(1)(vi)]

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12. The family breaches an agreement with any housing agency to pay amounts owed to any housing agency, or amounts paid to an owner by any housing agency [24 CFR §982.552 (c)(1)(vii)]
13. The family has engaged in or threatened abusive or violent behavior toward Housing Authority personnel [24 CFR §982.552 (c)(1)(ix)]
  - a. Abusive or violent behavior includes verbal as well as physical abuse or violence. Use of expletives that are generally considered insulting, racial epithets, or other language, written or oral, that is customarily used to insult or intimidate, may be considered abusive or violent behavior and may result in termination of assistance
  - b. Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.
  - c. Actual physical abuse or violence will always be cause for termination of assistance.
14. If any member of the family engages in, or has engaged in drug or alcohol abuse that interferes with the health, safety, or peaceful enjoyment of other participants/residents
15. If an assisted family is absent from the unit for more than one-hundred and eighty (180) consecutive calendar days
16. If the family is residing in a unit owned by a relative owner (even if the relative owner is a live-in aide)
17. If the family has an annual income exceeding eighty percent (80%) of the area median income. Families will be given a six (6) month transition period and then will be terminated from the program.<sup>49</sup>
- 17-18. If HUD-VASH participant fails to participate in case management services.

### 16.2.2.1 Term-Limited Lease Assistance Program

In addition to the above described reasons, the Housing Authority may terminate the contract if a participant in the Term-Limited Lease Assistance program has reached its five year term of participation.<sup>50</sup> There is no appeal to the expiration of assistance; however, the family may request an extension of the assistance as a hardship exemption.

A hardship exemption policy has been established that defines the circumstances under which households may request an extension to the term limit. Families may be eligible

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<sup>49</sup> The FY 2014 Moving to Work Annual Plan included Activity 24: Transition for Over-Income Public Housing/Housing Choice Voucher families.

<sup>50</sup> The FY 2012 Moving to Work Annual Plan created Activity 20: Term-Limited Lease Assistance program.

## CHAPTER 17: OWNER QUALIFICATIONS, ~~AND~~ CHANGE OF OWNERSHIP, AND INCENTIVES

### 17. Introduction [24 CFR 982.4(b), 982.306, 982.453]

It is the policy of the Housing Authority to recruit rental property owners to participate in the Housing Services program. The Housing Authority will provide owners with prompt and professional service in order to maintain an adequate supply of available housing throughout the jurisdiction of the Housing Authority. As funding permits, the Housing Authority may offer landlord incentives to encourage broader acceptance of the program.<sup>52</sup>

Federal regulations define when the Housing Authority must disallow an owner participation in the program, and they provide the Housing Authority discretion to disapprove or otherwise restrict the participation of owners in certain categories. This chapter describes the criteria for owner disapproval, and the various penalties for owner violations.

If all program requirements are met, including owner qualifications, the Housing Authority can enter into a contract with the owner. The Housing Authority will enter into a Lease Assistance Payment (LAP) Contract for families participating in the Term-Limited Lease Assistance and Streamlined Lease Assistance programs. The Housing Authority will enter into a Housing Assistance Payment (HAP) contract for families participating in the Traditional, Regulatory Assistance for Special Purpose programs. The Housing Authority generally refers to the LAP and HAP collectively as simply “the contract” or “contract between the Housing Authority and the owner” throughout this Administrative Plan.

#### 17.1 Owner Qualifications [24 CFR 982.306(e)]

The Housing Authority does not formally approve an owner to participate in the Housing Services program. However, there are a number of criteria where Housing Authority may deny approval of an assisted tenancy based on past owner behavior, conflict of interest, or other owner-related issues. No owner has a right to participate in the Housing Services program. The Housing Authority will only enter into a contractual relationship with the legal owner of a qualified unit. No tenancy will be approved without acceptable documentation of legal ownership (e.g., deed of trust, proof of taxes for most recent year).

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<sup>52</sup> The FY 2022 MTW Annual Plan adds Activity 28: Landlord Incentives.

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### **17.8 Landlord Incentives**

To encourage landlord participation and support the leasing success of families assisted under the tenant-based Moving to Work (MTW) programs, the Housing Authority may offer the landlord incentives described in this section as funding permits. The MTW landlord incentives apply only to HACSB's MTW Housing Choice Voucher (HCV) programs and may not apply to programs that lack MTW fungability unless noted.<sup>55</sup>

#### **17.8.1 Signing Bonus**

Under the Signing Bonus program, HACSB will provide a one-time \$1,000 signing bonus for each new HAP Contract signed for units meeting the following criteria:

- The assisted unit must be located in HACSB's service area
- Voucher holder must be:
  - a new program participant or
  - existing program participant who is new to the rental property

The following properties are not eligible for the signing bonus:

- Tax credit properties
- Units under a project-based voucher (PBV) HAP contract
- HACSB and HACSB affiliate owned units

The following situations do not qualify for a signing bonus:

- An existing program participant is signing a new lease to remain in their current subsidized unit.
- An existing voucher participant is moving from one unit to another in the same apartment complex, such as a tenant moving from upstairs to downstairs.
- A non-HCV tenancy, such as HOPWA or CoC programs.

The Signing Bonus program may be offered under the HUD-VASH and Mainstream programs if these programs have sufficient administrative reserves. The Signing Bonus program is offered under the EHV program using services fee funding and administrative fees.

#### **17.8.2 Damage Mitigation**

Under the Damage Mitigation Program, participating landlords may be eligible to apply for reimbursement of tenant-caused damages beyond normal wear and tear, unpaid rent and related court costs. The maximum reimbursement is \$2,500 after the tenant's security deposit is applied. This program is subject to available funding.

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<sup>55</sup> The FY 2022 MTW Annual Plan adds Activity 28: Landlord Incentives including signing bonus, damage mitigation and tenant education.

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When an HCV participant moves out, an owner may file a claim under the following circumstances:

- The length of tenancy was less than seven years
- The owner must have collected a security deposit of at least \$500 as indicated on the lease
- Owner must request move-out inspection within five business days following tenant vacate and prior to any repairs (of a non-emergency nature)
- Damages are not covered under the property's insurance policy
- The owner or owner's representative is present during the move-out inspection
- The owner must demonstrate that a good faith effort has been made to collect charges from the tenant and provide proof of actions taken
- The amount of the tenant's security deposit will be deducted from the claim amount and HACSB will pay the balance of the claim up to \$2,500
- A Damage Reimbursement Claim form must be received by the Housing Authority with receipts and proof of collection attempts within 60 days of HACSB's move-out inspection

Claims will be reviewed and adjusted according to the age of the item that is damaged and the length of the tenancy. HACSB will determine whether damages are beyond normal wear and tear. Deferred and/or routine owner maintenance costs are not covered. Receipts for repairs and supplies are required. The owner may not bill for his/her own labor. The tenant is not required to repay the Housing Authority for damage claims.

### 17.8.2.1 Emergency Housing Voucher (EHV) Program

Up to \$5,000 per tenancy is offered under the Damage Mitigation program. An owner may make a claim at tenant move-out if the owner collected at least one month's rent as a security deposit. Additionally, the owner may file a claim for an existing tenancy. In the case of an existing tenancy, the damages must exceed the higher of \$500 or the tenant's original security deposit and the landlord must agree to keep the tenant housed or rehouse the tenant within 30 days if the unit is uninhabitable.

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### ***19.1.2 Traditional, Regulatory Assistance for Special Purpose Programs, Except for the Emergency Housing Voucher Program***

If neither the head of household nor the spouse/cohead of an applicant family had a domicile (legal residence) in the Housing Authority's jurisdiction at the time the family's application for assistance was submitted, the family must live in the County of San Bernardino with assistance for at least twelve (12) months before requesting portability.

The Housing Authority will consider exceptions to this policy for purposes of special purpose program regulatory compliance, reasonable accommodation or reasons related to domestic violence, dating violence, sexual assault, or stalking. However, any exception to this policy is subject to the approval of the receiving Housing Authority. HUD also gives the Housing Authority discretion to deny a portability move by an applicant family for insufficient funding and grounds for denial or termination of assistance.

The Housing Authority is responsible for determining whether the family is income eligible in the area to which the family wishes to move. If the applicant family is not income eligible in that area, the Housing Authority must inform the family that they may not move there and receive assistance.

### ***19.1.3 Emergency Housing Voucher (EHV) Program***

Families assisted through the EHV program may exercise portability regardless of the family's residency at time of application. If the receiving PHA does not administer an EHV program, it may absorb the family under its own ACC or bill the initial PHA. If the receiving PHA does administer EHV, it may either bill or absorb the family if an EHV voucher is available. If portability is in connection to the family's initial lease-up under EHV, the initial PHA and receiving PHA must consult and coordinate on EHV services and assistance.

### ***19.1.4 Local Disaster Short-Term Rental Assistance Program***

Families assisted through this program may not exercise portability to another jurisdiction unless the receiving PHA will absorb the family.

## **19.2 Allowable Moves Under Portability for Participants [24 CFR 982.353(d)(2) and 24 CFR 982.355(c)(1)]**

The Housing Authority will determine whether a participant family may move out of the jurisdiction with continued assistance in accordance with the policies described in this Chapter and Chapter 13 of this Administrative Plan.

The Housing Authority will not provide portable assistance for a participant if a family has moved out of its assisted unit in violation of the lease. VAWA creates an exception to this

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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 may not require participants porting to other jurisdictions to comply with the Housing Authority's local requirements, while the participant's assistance is being administered by another Housing Authority.

### ***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, except for moves due to VAWA, 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 a VASH participant ports to another jurisdiction outside the VA's catchment area due to VAWA, the receiving VA must admit the veteran escaping violence into their caseload.

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-VASH voucher is available and case management can be provided through a VA facility that partners with the receiving PHA.

Continuum of Care, HOPWA and No Child Left Unsheltered families may not port out to other jurisdictions.

### 19.3 Search Term Extensions

The Housing Authority will not approve extensions to a voucher or family obligations agreement issued to an applicant or participant family porting out of the Housing Authority's jurisdiction except under the following circumstances:

- The initial term will expire before the portable family will be issued a voucher by the receiving PHA;
- The family decides to return to the Housing Authority's jurisdiction and search for a unit there;
- The family decides to search for a unit in a third PHA's jurisdiction. In such cases, the policies on extensions set forth in the Chapter 8 of this Administrative Plan will apply, including the requirement that the family apply for an extension in writing prior to the expiration of the initial term.

To receive or continue receiving assistance under the Housing Authority's Housing Services program, a family that moves to another PHA's jurisdiction under portability must be under contract in the receiving PHA's jurisdiction within sixty (60) days following the expiration date of the Housing Authority's voucher or family obligations agreement term (including any extensions).

### 19.4 Billing Procedures [Notice PIH 2011-03]

As receiving PHA, the Housing Authority will initiate billing by submitting to the initial Housing Authority form HUD-52665, Part II-B as well as a copy of the initial HUD-50058 form. The billing cycle for other amounts, including administrative fees will be monthly unless requested otherwise by the initial Housing Authority.

The receiving Housing Authority will bill one hundred percent (100%) of the payment to the owner, and the lesser of eighty percent (80%) \ of the administrative fee (at the initial Housing Authority's rate, pro-rated if applicable) or one-hundred percent (100%) of the receiving Housing Authority administrative fee (pro-rated if applicable) for each "portability" unit leased as of the first day of the month.

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.

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The HACSB will ensure that the site will avoid an undue concentration of assisted persons in areas that contain a high proportion of low-income persons. The HACSB must, however, take into consideration that areas designated as revitalization, redevelopment, enterprise and empowerment zones as well as HUD designated Enterprise Zones, Economic Communities, or Renewal Communities will more than likely already contain a large number of low-income persons and that providing affordable housing that is decent, safe and sanitary in these areas can leverage such families out of poverty and expand housing and economic opportunities especially if the PBV site will provide supportive services.

The HACSB will ensure that the site is accessible to social, recreational, educational, commercial, and health facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents.

The HACSB will consider whether travel time and cost via public transportation or private automobile to places of employment providing a range of jobs for low income workers is excessive.

### ***20.2.7 Additional/ Alternative Requirements for Veterans Affairs Supportive Housing (VASH) PBV Housing***

~~Upon request from HACSB, HUD (with the HACSB may convert tenant-based HUD-VASH vouchers to project-based HUD-VASH vouchers with support of the Veterans Administration Medical Center (VAMC) up to the established PBV cap.) will consider on a case-by-case basis to project base a HUD-VASH voucher in accordance with 24 C.F.R Part 983.~~

In consultation with the VAMC, HACSB and a project owner may amend the PBV HAP contract to redesignate a regular PBV unit as a unit specifically designated for HUD-VASH. Conversely, HACSB and an owner may redesignate a HUD-VASH PBV unit as a regular PBV unit as long as the unit is not funded by a HUD-VASH PBV set-aside award and the unit is eligible for regular PBV. HACSB will not use the waiting list to fill a HUD-VASH PBV unit vacancy.

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~~PBV Program Requirements:~~ All projects newly established PBV units must be selected, developed and operate in accordance with PBV program regulations and as defined in Section 20 of this Administrative Plan, except as described below.

### VASH Program Requirements:

Tenants shall be selected in accordance with 3.11.5.2 of this Administrative Plan.

#### A. Right to Move

- The family may terminate the assisted lease any time after the first year of occupancy. If the family has elected to terminate the lease in this manner, the HACSB must offer the family the opportunity for continued tenant-based rental assistance in the form of either assistance under the voucher program or other comparable tenant-based rental assistance as defined in 24 CFR 983.3. Comparable rental assistance would be a subsidy or other means to enable a family to obtain decent housing in the PHA jurisdiction renting at a gross rent that is not more than 40 percent of the family's adjusted monthly gross income.
- However, before providing notice to terminate the lease (with a copy to the HACSB), the family must contact the HACSB to request comparable tenant-based rental assistance if the family wishes to move with continued assistance. If a voucher or other comparable tenant-based rental assistance is not immediately available, the HACSB must give the family priority to receive the next available opportunity for continued tenant-based rental assistance.

#### B. Continued Case Management Service Requirement:

- A HUD-VASH family must receive case management services from the VAMC or CBOC; however, a VAMC or CBOC determination that the participant family no longer requires case management is not grounds for termination of assistance. In such cases where a HUD-VASH family wishes to move from its PBV unit, at its option, the HACSB may offer the family continued HCV assistance through one of its regular vouchers to free up the HUD-VASH voucher for another eligible family referred by the VAMC or CBOC.
- Where case management is still required, tenant-based rental assistance will be limited to jurisdictions where VAMC or CBOC case management

# Housing Authority of the County of San Bernardino

## Housing Services Program Administrative Plan

Revised: ~~November 2021~~ January 2022

services are available as defined in section II.f. of the Operating Requirements and any other applicable notices.

- If no HUD-VASH voucher or comparable tenant-based rental assistance is available, the HACSB must:

C. If a HUD-VASH tenant-based voucher is not available at the time the family wants (and is eligible) to move, the PHA could require the family to wait for a HUD-VASH tenant-based voucher for a period not to exceed 180 days;

D. If a HUD-VASH tenant-based voucher is still not available after that period of time, the family must be allowed to move with its HUD-VASH voucher and the HACSB would be required to replace the assistance in the PBV unit with one of its regular vouchers unless the HACSB and owner agree to remove the unit from the HAP contract; and

E. If after 180 days, a HUD-VASH tenant-based voucher does not become available and the PHA does not have sufficient available funding in its HCV program to attach assistance to the PBV unit, the family may be required to remain in its PBV unit until such funding becomes available. In determining if funding is insufficient, the PHA must take into consideration its available budget authority, which also includes unspent prior year HAP funds in the PHA's Net Restricted Assets account.

### **20.3 Dwelling Units [24 CFR 983.101 and 983.101(c)]**

The Inspection Standards described in Chapter 10 of this Administrative Plan for the tenant-based assistance program generally apply to the project-based assistance program. The physical condition standards at 24 CFR 5.703 do not apply to the project-based assistance program.

The lead-based paint requirements for the tenant-based program do not apply to the project-based assistance program. Instead, the Lead-based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856) and implementing regulations at 24 CFR part 35, subparts A, B, H and R apply to the project-based assistance program.

The housing must comply with program accessibility requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8. The Housing Authority must ensure that the percentage of accessible dwelling units

# Housing Authority of the County of San Bernardino

## Housing Services Program Administrative Plan

Revised: ~~November 2021~~ January 2022

complies with the requirements of section 504 of the Rehabilitation Act of 1973 as implemented by HUD regulations at 24 CFR 8, subpart C. Housing first occupied after March 13, 1991 must comply with design and construction requirements of the Fair Housing Amendments Act of 1998 and implementing regulations at 24 CFR 100.201 as applicable.

### **20.3.1 Unit Types**

The Housing Authority may attach project-based assistance to existing housing or newly constructed or rehabilitated housing in accordance with 24 CFR 983.52. The Housing Authority may also attach project-based assistance to the following other housing types listed at 24 CFR 983.53: Shared housing; units on the grounds of a penal, reformatory, medical, mental health, or similar public or private institution; nursing homes or facilities providing continuous psychiatric, medical, nursing services, board and care, or intermediate care; manufactured homes; transitional housing; single-room occupancy; and congregate housing. The Housing Authority may attach project-based assistance to other housing types as needed.<sup>62</sup>

## **20.4 Inspecting Units [24 CFR 983.103(a)]**

### **20.4.1 Pre-HAP Contract Inspections**

The Housing Authority must inspect each contract unit prior to execution of the HAP contract. The Housing Authority may not enter into a HAP contract covering a unit until the unit fully complies with inspection standards. Any newly constructed development that has a Certificate of Occupancy less than one (1) year old at execution of a HAP Contract with the Housing Authority will be considered to meet Pre-HAP contract inspection requirements<sup>63</sup>.

### **20.4.2 Turnover Inspections**

Before providing assistance to a new family in a contract unit, the Housing Authority must inspect the unit. The Housing Authority may not provide assistance on behalf of the family until the unit fully complies with Housing Authority inspection standards.

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<sup>62</sup> The modification to HACSB's MTW Activity 11 made through the FY 2017 MTW Plan allows the Agency to attach Project-Based Assistance to other housing types.

<sup>63</sup> The FY 2009 MTW Plan created a local Project-Based Voucher program that allows the Agency to use the Certificate of Occupancy.

# Housing Authority of the County of San Bernardino

## Housing Services Program Administrative Plan

Revised: ~~November 2021~~ January 2022

### **20.4.3 Annual Inspections**

At least annually during the term of the HAP contract, the Housing Authority ~~must~~ will inspect a random sample consisting of at least twenty percent (20%) of the ~~contract~~ in each building covered under the HAP Contract to determine if the contract units and the premises are being maintained in accordance with inspection standards. Turnover inspections are not counted toward meeting this annual inspection requirement.<sup>64</sup>

### **20.4.4 Other Inspections**

The Housing Authority must inspect contract units whenever needed to determine that contract units comply with inspection standards and that the owner is providing maintenance, utilities, and other services in accordance with the HAP contract. The Housing Authority must also take into account complaints and other information coming to its attention in scheduling inspections.

The Housing Authority must conduct follow-up inspections needed to determine if the owner (or if applicable, the family) has corrected an inspection violation, and must conduct inspections to determine the basis for exercise of contractual and other remedies for owner or family violations of inspection standards.

### **20.4.5 Inspecting Housing Authority-Owned or Affiliated-Owned Units**

Inspections for Housing Authority-owned or affiliate-owned units must be performed by an independent agency designated by the Housing Authority.

### **20.5 Rehabilitated and Newly Constructed Units [24 CFR 983.151]**

In order to offer project-based assistance in rehabilitated or newly constructed units, the Housing Authority must enter into an Agreement to Enter into Housing Assistance Payments Contract (AHAP) with the owner of the property.

In the Agreement the owner agrees to develop the project-based contract units to comply with inspection standards and the Housing Authority agrees that upon timely completion of such development in accordance with the terms of the AHAP, the Agency will enter into a HAP contract with the owner for the contract units.

If an Agreement covers the development of nine (9) or more contract units (whether or not completed in stages) the owner and the owner's contractors and subcontractors must pay Davis-Bacon wages to laborers and mechanics employed in the development of

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<sup>64</sup> The FY 2022 MTW Plan modified Activity 11: Local Project-Based Voucher Program to group all units under a single HAP contract into a single building for the purpose of determining the number of inspections to be performed.

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

**January 11, 2022**

## **FROM**

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

## **SUBJECT**

**Contract Amendment with Nan McKay and Associates, Inc. for HCV Case Management Services**

## **RECOMMENDATION(S)**

1. Approve Amendment No. 1 to contract No. PC1223, effective February 1, 2022, with Nan McKay and Associates, Inc. for Housing Choice Voucher Case Management Services, increasing the current contract amount by \$539,000 for a total amount not to exceed \$714,000 and exercising the option to extend the term by a single year through January 31, 2023.
2. Authorize and direct the Executive Director to execute and deliver the contract amendment to Nan McKay and Associates, Inc. and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.

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

## **GOALS & OBJECTIVES**

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

**HACSB 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**

This item is not expected to exceed \$714,000 through January 31, 2023, which will be included in the Housing Authority of the County of San Bernardino's (HACSB) 2021-2022 mid-year budget revision and will be funded by HACSB's Housing Choice Voucher program operating budget.

## **BACKGROUND INFORMATION**

On August 1, 2021, HACSB entered into a six-month contract, expiring January 31, 2022, with Nan McKay and Associates, Inc. to provide Housing Choice Voucher (HCV) case management services. The goal of the contract was to have temporary case management services available to address ongoing staff leave of absences and vacancies in the Housing Services Department temporarily aiding with staff workloads. The initial six-month contract term was considered a trial period to test the effectiveness of the vendor. However, after the Board of Commissioners (Board) approved the contract in July, staff were required to meet and confer with the union which consequently delayed the implementation of contract services. In November, staff began assigning files to the vendor and has found the services from Nan McKay and Associates, Inc. satisfactory to date. Staff is recommending an increase in the contract amount to assist with staff workload and prepare for potential future additional capacity issues or new voucher awards as the need arises. Therefore, staff is recommending a one-year extension and increase in the contract amount of \$539,000 for a total contract amount not to exceed \$714,000.

**PROCUREMENT**

HACSB previously issued a Request for Proposal (RFP) PC1223 on May 4, 2021, which resulted in the receipt of three proposals. Proposals were evaluated per the requirements of the RFP in which Nan McKay and Associates, Inc. was the most qualified and most responsive vendor selected to provide these services to the HACSB.

On July 13, 2021, the Board approved (Item No. 10) awarding a contract to Nan McKay and Associates, Inc. for case management services in an amount not to exceed \$175,000 for a six-month term through January 31, 2022 with the option to extend up to four single-year options through January 31, 2026.

**REVIEW BY OTHERS**

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



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

**AMENDMENT #1 TO CONTRACT FOR HCV CASE MANAGEMENT SERVICES  
(PC1223)**

**BETWEEN**

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

**And**

**NAN MCKAY AND ASSOCIATES, INC.**

This Amendment No. 1, dated February 1, 2022 ("First Amendment"), to Contract for HCV Case Management Services (PC1223), is entered into by and between the Housing Authority of the County of San Bernardino, a California public body, ("Authority") and Nan McKay and Associates, Inc. ("Contractor").

**RECITALS**

**WHEREAS**, the Authority and Contractor entered into that certain Consulting, Services, and Non-Routine Maintenance Related Services Agreement (Non-Construction), dated August 1, 2021 relating to HCV Case Management Services ("Contract") with a total price of \$175,000.00;

**WHEREAS**, the Authority and Contractor now wish to enter into this Amendment No. 1 to the contract to exercise option year one through January 31, 2023 with an increase of \$539,000 for a total contract amount of \$714,000.

**OPERATIVE PROVISIONS**

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

**Section 1.** Article 3 of the Agreement is hereby amended to extend the term for an additional one (1) additional year and expiring on January 31, 2023. 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 First Agreement, all provisions of the Agreement, as amended, shall remain unchanged and in full force and effect. From and after the date of this First Amendment, whenever the term "Agreement" appears in the Agreement, it shall mean the Agreement, as amended by this first 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 this amendment as provided herein. Each party represents and warrants to the other that the Agreement, as amended by this Amendment number one, is currently an effective, valid, and binding obligation.

Consultant represents and warrants to Authority that, as of the date of this First 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 First 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 First 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.

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Housing Authority of the County of San Bernardino and Nan McKay & Associates, Inc.

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**NAN MCKAY & ASSOCIATES, INC.**

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

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

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

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

Name: Maria Razo or Gus Joslin for Maria Razo

Title:\_\_\_\_\_

Title: Executive Director

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

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

## Exhibit A-1

**Schedule Dates:**

Effective Date: February 1, 2022

Completion Date: January 31, 2023

**Total Contract Cost:** Not to exceed \$714,000.00

<b>Original Contract Amount Not to Exceed</b>	<b>\$175,000.00</b>
<b>Net Change Orders Previously Approved</b>	<b>\$0.00</b>
<b>Net Change Order Previously Approved – Amendment #1</b>	<b>\$539,000.00</b>
<b>Contract Value as Amended Not to Exceed</b>	<b>\$714,000.00</b>

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

**January 11, 2022**

## **FROM**

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

## **SUBJECT**

Contract Amendment with Wells Fargo Bank N.A. for Banking Services

## **RECOMMENDATION(S)**

1. Approve Amendment No. 4 to Contract No. PC963, effective February 1, 2022, with Wells Fargo Bank N.A. for Banking Services, increasing the current contract amount by \$93,010.43 for a total contract amount not to exceed \$427,546.71 for the last option year through January 1, 2023.
  2. Authorize and direct the Executive Director to execute and deliver the contract amendment to Wells Fargo Bank N.A. and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.
- (Presenter: Maria Razo, Executive Director, 332-6305)

## **GOALS & OBJECTIVES**

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

## **FINANCIAL IMPACT**

Approval of this amendment will increase the current contract amount by \$93,010.43 for a total contract amount not to exceed \$427,546.71, which is funded by the Housing Authority of the County of San Bernardino's (HACSB) banking fees account and approved in the FY 2021-22 annual budget and will be included for the subsequent fiscal year included in this contract.

## **BACKGROUND INFORMATION**

Currently, HACSB utilizes Wells Fargo Bank N.A. (Wells Fargo) for its general banking services. Approval of this amendment will increase the contract through January 31, 2023.

In 2020, banking services costs increased when compared to prior years due to the decrease in the earned credit rate (ECR). The ECR is a daily calculation of interest that a bank pays based on a customer's deposits of which is correlated with the United States Treasury bill rate, which has decreased significantly in this past year due to the COVID-19 global pandemic and the overall change to the economic environment. When financial institutions use ECRs, it reduces the fees customers pay for various banking services and provides other incentives. When the ECR decreases, those cost savings to the customer are not available. Although we do not anticipate a significant increase in overall banking services, HACSB will have to pay more for these services since the earned credit that would have covered these costs in the past has significantly decreased.

On October 10, 2017 (Item No. 11) HACSB's Housing Commission awarded a contract to Wells Fargo for banking services for a two-year base term beginning February 1, 2018, through January 31, 2020 with three one-year extension options through January 31, 2023 for an estimated amount not to exceed \$194,000 for the two-year base period.

On March 7, 2018, the Executive Director executed Amendment No. 1 increasing the amount by \$19,400 for a total contract amount not to exceed \$213,400. A change order was implemented within the 10% authority of the Executive Director to approve.

On February 1, 2020, the Executive Director executed Amendment No. 2 to the contract exercising a one-year extension through January 31, 2021 with no additional cost to the contract.

On February 4, 2021, HACSB sent Wells Fargo a letter confirming the automatic extension of the term for the second option year of the Agreement, subject to approval by HACSB's Board of Commissioners at its April 2021 meeting of an additional appropriation to cover the funding for such option year.

On April 13, 2021, (Item No. 12) the Board of Commissioners approved amendment No. 3 to the contract increasing the contract by \$121,136.28 through January 31, 2022.

#### **PROCUREMENT**

The Procurement and Contracts Department previously released a Request for Proposal (RFP) PC963 on July 24, 2017. Outreach efforts included invitations to seven vendors and posting on the agency's website. Four proposals were received in response to this RFP. Proposals were evaluated per the requirements of the RFP in which Wells Fargo Bank N.A. was the most qualified, best priced, and most responsive vendor selected to provide these services to the agency.

#### **REVIEW BY OTHERS**

This item has been reviewed by General Legal Counsel, Fred Galante, on December 28, 2022.



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

**AMENDMENT #4 TO CONTRACT FOR BANKING SERVICES  
(PC963)**

**BETWEEN**

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

**And**

**WELLS FARGO BANK N.A.**

This Amendment No. 4, dated January 11, 2022, ("Forth Amendment") to Services Agreement (PC963), is entered into by and between the Housing Authority of the County of San Bernardino, a California public body ("Authority" or "HACSB") and Wells Fargo Bank, N.A., a national bank ("Contractor"). Authority and Contractor are collectively referred to as "Parties."

**RECITALS**

**WHEREAS**, the Authority and Contractor entered into that certain Services Agreement (Non-Construction), dated February 1, 2018, relating to Banking Services ("Agreement") with an Agreement Price of \$194,000.00.

**WHEREAS**, on March 7, 2018, the Authority and Contractor entered into Amendment No. 1 to the Agreement to increase the contract by \$19,400.00 needed to purchase additional property-based check scanners; and

**WHEREAS**, on February 1, 2020, the Authority and Contractor entered into Amendment No. 2 to the Agreement to exercise option year one of the Agreement with no additional cost to the contract.

**WHEREAS**, on February 4, 2021, the Authority sent Contractor a letter confirming the automatic extension of the term for the second option year of the Agreement, subject to approval by the Authority Board at its April, 2021 meeting of an additional appropriation to cover the funding for such option year.

**WHEREAS**, on April 13, 2021, the Authority and Contractor entered into Amendment No. 3 to the Agreement to increase the contract by \$121,136.28 for a total amount not-to-exceed \$334,536.30 and replace Exhibits A and D to reflect the updated Statement of Work and Fee Schedule.

**WHEREAS**, the Authority and Contractor now wish to enter into this fourth Amendment to the Agreement to increase the contract by \$93,010.43 for a total amount not-to-exceed \$427,546.71 and replace Exhibits A and D to reflect the updated Statement of Work and Fee Schedule.

## **OPERATIVE PROVISIONS**

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

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

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

**Section 2.** Exhibit “A” referenced in and part of the Agreement shall be replaced in its entirety with the Exhibit “A” entitled “Original Statement of Work,” attached hereto and incorporated herein by this reference.

**Section 3.** Exhibit “A” shall include Contractor’s Fee Schedule. Contractor’s “Fee Schedule” or “fee schedule” shall mean the Wells Fargo Treasury Management Proposal dated December 2021, attached hereto as Exhibit 1, and incorporated herein by this reference.

**Section 4.** Exhibit “D” referenced in Article 3 of the Agreement and part of the Agreement shall be replaced in its entirety with the Exhibit “D” attached hereto and incorporated herein by this reference.

**Section 5.** Pursuant to Article 3 of the Agreement, the Agreement is extended through January 31, 2023.

**Section 6.** Article 4 of the Agreement is amended to read as follows, with the understanding that Contractor’s Fee Schedule shall apply beginning on the effective date of this Forth Amendment, as set forth in Section 7 below:

**“Article 4. Price.** Authority agrees to pay Contractor for the provision of the Work per Contractor’s Fee Schedule that is included in Exhibit A.

**Section 7.** The effective date of this amendment is February 1, 2022.

**Section 8.** This Fourth Amendment may be executed in one or more counterparts, all of which taken together shall constitute a single document.

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

IN WITNESS WHEREOF, the Housing Authority of the County of San Bernardino and Wells Fargo Bank N.A. have caused this Forth Amendment to be duly executed and bound thereby.

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**WELLS FARGO BANK N.A.**

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

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

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

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

Name: Maria Razo

Title: \_\_\_\_\_

Title: Executive Director

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

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

## **Exhibit A**

### **Original Statement of Work**

Contractor shall furnish sufficient organization, personnel and management staff with the necessary skill and judgment to perform all the duties and responsibilities normally associated with providing comprehensive banking services to a large organization with public funds and federal reporting requirements as outlined in the RFP document.

#### **Demand Depository**

The Authority anticipates maintaining an average collected balance in excess of \$22 million.

#### **Wire Transfer**

Authority requires incoming wires, initiates outgoing wires and completes intra-book transfers.

#### **ACH**

Authority currently initiates two separate set of landlord payments via ACH files transmitted electronically for its Housing Choice Voucher Program. The estimated monthly ACH file amounts are \$1.2M and \$7.4M. Authority would also like to transition its account payable vendors to ACH/EFT. Total monthly ACH/EFT payments to vendors could range from \$500k to \$1M.

#### **Collateralization of Deposits**

HUD guidelines require the banking institution to sign a general depository agreement and meet any statutory requirements to provide services, including:

- Eligible collateral instruments
- Independent third-party safekeeping requirement
- Substitution requirements

#### **Online Banking**

Authority currently utilizes Yardi Systems, Inc. financial management system and uses daily online banking services with current financial institutions.

#### **Monthly Statements and Account Analysis**

Contractor shall provide monthly statements in paper copy via mail but also has online access.

#### **Electronic Storage of Documents**

Contractor shall provide electronic storage of documents including check transactions on CD.

#### **Account Reconciliation**

Contractor shall provide partial account reconciliation with daily transmissions from the bank of checks paid information. Contractor shall provide full and deposit reconciliation.

#### **Positive Payor "Payee" Positive Pay** Respondent should provide information on this service, such as:

Describe service, including positive pay services and verification items

- Teller data update schedules
- Data transmission method and time windows
- Control options - notification of default
- Internet/online access (including technical capabilities and system requirements)
- Provide sample report from the bank

## Stop Payment

In addition to normal services provided for accounts, Contractor shall provide the following:

1. Electronic transmission to/from Authority computers, by mail or internet access of the following items:
  - a. Daily reports on balances in each account
  - b. Daily debit and credit transactions for each account
  - c. Inquiry of status of checks
  - d. Request and confirmation of stop payments
  - e. Transfer of funds between Authority accounts
  - f. Transfer of funds to other financial institutions
  - g. Direct deposit of Section 8 payments. ACH credit should be scheduled to appear on the payees' accounts on the day of the submission. Authority software must be able to interface with ACH software.
  - h. Other various payments or receipts by ACH such as tax payments, HUD electronic payments and accounts payable payments.
  - i. Account reconciliation file or the ability to produce a file for reconciling all of the accounts.
  - j. View and print paid checks and deposits
2. Acknowledgement of all ACH transfers on the date received. Advice narrative provided by remitter should be provided no later than the next business day after the night that the ACHs are posted.
3. Printed two-part encoded deposit slips for each deposit account.
4. Same day processing of stop payment orders made by phone or electronic transmission.
5. Prompt delivery of bank statements after the last day of each month (not later than 5 business days) preferably through web/Internet interface.
6. Bank reconciliation files for all designated accounts within 10-15 days after end of month.
7. Phone or e-mail notification of discrepancies in deposits (e.g., cash shortages).
8. Designation of an account manager, who will be a single source of point of contact for all inquiries and problem resolution.
9. Ability to make ACH/EFT vendor payments.
10. Identify branch offices convenient to all Authority offices (available at website, [www.hacsb.com](http://www.hacsb.com))
11. Furnish research items within 24 hours.
12. Stop payments at no charge.
13. Sign and execute HUD required General Depository Agreement (HUD Form 51999) at no charge.
14. Lockbox service options and feature.

**Exhibit D**  
**Work Authorization**

**Schedule Dates:**

Start Date: February 1, 2022

Completion Date: January 31, 2023

**Total Agreement Price for the term February 1, 2022 through January 31, 2023:**

**Not to exceed \$427,546.71 – Option year 3.**

<b>Original Agreement Amount Not to Exceed</b>	<b>\$194,000.00</b>
<b>Net Change Orders Previously Approved</b>	<b>\$0.00</b>
<b>Net Change Order Previously Approved – Amendment #1</b>	<b>\$19,400.00</b>
<b>Net Change Order Previously Approved – Amendment #2</b>	<b>0.00</b>
<b>Net Change Order Previously Approved – Amendment #3</b>	<b>\$121,136.28</b>
<b>Net Change Order - Amendment #4</b>	<b>\$93,010.43</b>
<b>Agreement Value as Amended Not to Exceed</b>	<b>\$427,546.71</b>

Statement of Work (“Exhibit A”) (including the Wells Fargo Treasury Management Proposal, dated December 2021 (“Contractor’s Fee Schedule”), attached as Exhibit 1 to Amendment #4 to Contract for Banking Services and made part of Exhibit “A”)

Work Authorization (“Exhibit D”)

**Exhibit 1**  
**Wells Fargo Treasury Management Proposal**  
**Dated December 2021**

# Wells Fargo Treasury Management Proposal



## Housing Authority of San Bernardino

Pricing as of December 2021

### Summary Position

Total Monthly Activity Charges	12,079.17
Available Balance	67,192,723.75
Earnings Credit Rate	0.25%
Earnings Allowance	14,266.95
Balance Required to Offset Services	56,888,994.19
Estimated Fees Due	2,187.78

### Activity Charge Detail

Service Description	Charge Basis	Price	Monthly Volume	Activity Charges
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#### ACH Fraud Filter

ACH CEO FRAUD FILTER REVIEW MO BASE	Account	5.00000	14	70.00
ACH CEO FRAUD FILTER STOP MTHLYBASE	Account	5.00000	16	80.00
ACH CEO FRAUD FILTER STOP - ITEM	Transaction filter	0.50000	0	0.00
ACH CEO FRAUD FILTER REVIEW - ITEM	Transaction filter	0.50000	0	0.00
<b>Subtotal</b>				<b>150.00</b>

#### ACH Origination

ACH ONLINE INQ 13 MONTHS RETENTION	Company ID	0.00000	3	0.00
ACH CEO RETURN SUBSCRIPTION - ITEM	Item accessed	0.05000	35	1.75
ACH CEO RETURN SUBSCRIPTION-ACCOUNT	ACH company II	15.00000	8	120.00
ACH MONTHLY BASE	Subscription	25.00000	7	175.00
ACH FUTURE DATED ITEM	Transaction	0.04500	318	14.31
ACH ON-US ONE DAY	Transaction	0.00000	0	0.00
ACH SAME DAY	Transaction	0.25000	2,880	720.00
ACH ORIGINATED - ADDENDA REC	Addenda record	0.02500	3,129	78.23
ACH RETURN ADMIN -ELECTRONIC	Return	1.00000	3	3.00
ACH RETURN ITEM-ELECTRONIC	Return	1.00000	0	0.00
ACH RETURN UNAUTHORIZED -ELECTRONIC	Return	1.00000	0	0.00
ACH RETURN UNAUTHORIZED QUALITY FEE	Return	5.00000	0	0.00
ACH TRANSMISSION SPECIAL	Batch/file	3.00000	20	60.00
ACH MAIL SERVICE	Page	10.00000	0	0.00
ACH EXCEPTION PROCESS-DUPPLICAT FILE	Batch/file	40.00000	0	0.00
ACH REVERSAL - ITEM	Reversal	2.00000	0	0.00
ACH CUSTOMER REPORTS	Business day	20.00000	0	0.00
ACH SPECIAL INVESTIGATION	Inquiry	35.00000	0	0.00
ACH NOC - ELECTRONIC	Transaction	0.00000	0	0.00
ACH NOC - INFO REPORTING ADVICE	Transaction	0.00000	5	0.00
ACH WELLS FARGO NOC-INFO REPT ADVIC	Transaction	0.00000	8	0.00
ACH TRANSMITTAL SERVICE	Customer ID	25.00000	0	0.00
ACH CEO SUBSCRIPTION - ACCOUNT	Account/compar	0.00000	17	0.00
ACH CEO SUBSCRIPTION - ITEM	Item accessed	0.00000	142	0.00
CEO ACH HYP ITM DET INQ - PER ITEM	Inquiry	0.00000	11	0.00
<b>Subtotal</b>				<b>1,172.29</b>

#### ACH Receive

ACH RECEIVED ITEM	Transaction	0.05000	178	8.90
<b>Subtotal</b>				<b>8.90</b>

#### Account Reconciliation

**Activity Charge Detail**

Service Description	Charge Basis	Price	Monthly Volume	Activity Charges
ARP STMTS & RPTS (CSV/EXCEL) / ITEM	Transaction	0.00000	1,675	0.00
ARP STMTS & RPTS (CSV/EXCEL) BASE	Account	0.00000	6	0.00
CEO CHECK ISSUES-ITEM	Check issued	0.01000	305	3.05
ARP AGED ISSUE RECORDS ON FILE-ITEM	Record	0.01000	141	1.41
ARP FULL RECON-ITEM	Check issued	0.02000	291	5.82
ARP MONTHLY BASE - FULL	Account	25.00000	5	125.00
ARP PAPER STATEMENT/REPORT DELIVERY	Statement	30.00000	0	0.00
ARP PAPER STMT/REPORT MONTHLY BASE	Account	35.00000	0	0.00
CEO ARP STMT & RPTS MONTHLY BASE	Account	0.00000	6	0.00
<b>Subtotal</b>				<b>135.28</b>
<b>Branch Services</b>				
CASH DEPOSITED IN WF BRANCH	Dollar	0.00300	0	0.00
CASH ORDER FEE IN A WF BRANCH	Transaction	9.00000	0	0.00
ROLLED COIN FURNISHED BY WF BRANCH	Coin roll	0.50000	0	0.00
CURRENCY FURNISHED BY WF BRANCH	Dollar	0.00300	0	0.00
WF CHK CASHED FOR NONACCT HOLDER	Check cashed	0.00000	3	0.00
BRANCH DEPOSIT	Deposit	1.50000	17	25.50
<b>Subtotal</b>				<b>25.50</b>
<b>Desktop Deposit/Electronic Check</b>				
DESKTOP DEPOSIT IMAGES RETRIEVED	Image	0.10000	212	21.20
DESKTOP DEPOSIT MONTHLY BASE	Account	20.00000	10	200.00
DESKTOP DEPOSIT REPORT PER ITEM	Item reported	0.00000	212	0.00
DESKTOP DEPOSIT-DEPOSIT CREDITED	Credit	0.50000	289	144.50
DESKTOP DEPOSIT-DEPOSITED ITEM	Check deposit	0.08000	2,049	163.92
ELECTRONIC DEPOSIT - DEP ADJUSTMENT	Adjustment	17.00000	2	34.00
<b>Subtotal</b>				<b>563.62</b>
<b>General Account Services</b>				
ACCT MAINTENANCE	Account	10.00000	30	300.00
DEBITS POSTED	Debit	0.05000	140	7.00
ELECTRONIC CREDITS POSTED	Credit	0.05000	358	17.90
DDA STATEMENT - PAPER	Statement	0.00000	0	0.00
CLIENT ANALYSIS STATEMENT-PAPER	Statement	1.00000	0	0.00
<b>Subtotal</b>				<b>324.90</b>
<b>General Disbursement Services</b>				
CHECK CASHING THRESHOLD MO BASE	Account	0.00000	19	0.00
CHECKS PAY TO INDIV BLOCK MO BASE	Account	0.00000	19	0.00
OTC DEBIT BLOCK MONTHLY BASE	Account	0.00000	19	0.00
PYMT AUTH MAX CHECK MTHLY BASE	Account	10.00000	20	200.00
STOP PAYMENT - ONLINE	Stop payment	0.00000	3	0.00
DDA CHECKS PAID	Check paid	0.10000	283	28.30
<b>Subtotal</b>				<b>228.30</b>
<b>Image Delivery</b>				
CEO SEARCH	Inquiry	0.50000	64	32.00
CEO IMAGE VIEW < 90 DAYS - ITEM	Image retrieved	0.10000	79	7.90
CEO IMAGE VIEW > 90 DAYS - ITEM	Image retrieved	0.10000	2	0.20
IFI MAINTENANCE PER PRODUCT	Customer ID	125.00000	1	125.00
IFI PAID CHECKS - IMAGE	Image	0.03000	256	7.68
<b>Subtotal</b>				<b>172.78</b>

### Activity Charge Detail

Service Description	Charge Basis	Price	Monthly Volume	Activity Charges
<b>Incoming Wire Transfers</b>				
WIRE IN DRAWDOWN RESPONSE-USA ACCT	Message	22.00000	0	0.00
WIRE IN TO USA ACCT-USA DOMESTIC	Transfer	5.00000	1	5.00
<b>Subtotal</b>				<b>5.00</b>
<b>Information Reporting</b>				
CEO ALERTS SERVICE - EMAIL	Email	0.25000	636	159.00
CEO ALERTS SERVICE - TEXT	Message	0.75000	0	0.00
CEO PREV DAY REPORTING ITEMS LOADED	Item loaded	0.02000	867	17.34
CEO PREV DAY REPORTING SUBSCRIPTION	Account	17.50000	11	192.50
<b>Subtotal</b>				<b>368.84</b>
<b>MSC-TM</b>				
ACCOUNT ANALYSIS-CREDIT ADJUSTMENT	\$ pass through	1.00000	0	0.00
PRINTING & SUPPLIES-VENDOR	Account	0.01000	0	0.00
<b>Subtotal</b>				<b>0.00</b>
<b>Other Non TM</b>				
RECOUPMENT MONTHLY	Deposit assessn	0.12750	6,209	791.65
RECOUPMENT MONTHLY IB	Deposit assessn	0.12750	61,026	7,780.82
<b>Subtotal</b>				<b>8,572.46</b>
<b>Paper Checks Deposited</b>				
DEPOSITED CHECK	Check depositec	0.12000	345	41.40
<b>Subtotal</b>				<b>41.40</b>
<b>Positive Pay</b>				
PAYEE VALIDATION STANDARD-ITEM	Check paid	0.01500	283	4.25
POSITIVE PAY EXCEPTION - CEO IMAGE	Image retrieved	0.15000	0	0.00
POS PAY CHECKS WITH NO ISSUE RECORD	Check	0.50000	0	0.00
POSITIVE PAY EXCEPTION CHECKS RETND	Check returned	2.00000	0	0.00
POSITIVE PAY EXCEPTIONS - ITEM	Exception	1.00000	0	0.00
POSITIVE PAY MONTHLY BASE	Account	15.00000	5	75.00
POSITIVE PAY ONLY - ITEM	Check issued	0.08000	12	0.96
POSITIVE PAY ONLY MONTHLY BASE	Account	15.00000	5	75.00
<b>Subtotal</b>				<b>155.21</b>
<b>Returned Items</b>				
CEO RETURN ITEM RETRIEVAL-IMAGE	Transaction	0.10000	7	0.70
CEO RETURN ITEM SERVICE MTHLY BASE	Customer ID	0.00000	7	0.00
RETURN ITEM - CHARGEBACK	Transaction	3.00000	5	15.00
RETURN ITEM REDEPOSITED	Transaction	2.00000	0	0.00
CEO RETN ITEM SUBSCRIPTION PER ACCT	Subscription	0.00000	10	0.00
CEO RETN ITEM SUBSCRIPTION PER ITEM	Item accessed	0.00000	6	0.00
<b>Subtotal</b>				<b>15.70</b>
<b>Wells Tax</b>				
WELLSTAX CEO PAYMENT	Transaction	2.00000	0	0.00
WELLSTAX CEO SUBSCRIPTION	Access code	5.00000	1	5.00
WELLSTAX RECEIPT	Receipt	1.00000	0	0.00
WELLSTAX STATEMENT QUARTERLY	Statement	5.00000	0	0.00

### Activity Charge Detail

Service Description	Charge Basis	Price	Monthly Volume	Activity Charges
<b>Subtotal</b>				<b>5.00</b>
<b>Wires Origination and Reporting</b>				
WIRE INQUIRY DETAIL PER ITEM-CEO	Inquiry	3.50000	4	14.00
WIRE TRANSFER REPORT BASE-CEO	Account	1.50000	2	3.00
WIRE WF CUST DRAWDOWN RESPONSE-USA	Transaction	15.00000	6	90.00
WIRE RISK	Exception	0.00000	0	0.00
WIRE BOOK TRANSFER CEO/API	Transfer	2.00000	10	20.00
WIRE OUT DOMESTIC CEO/API	Transfer	3.50000	2	7.00
WIRE TRANSFER RPRT PER ITEM-CEO	Item accessed	0.25000	0	0.00
<b>Subtotal</b>				<b>134.00</b>
<b>Total Monthly Activity Charges</b>				<b>12,079.17</b>

<b>Setup Charges</b>				
ACH FRAUD FILTER - SET UP	Account	0.00000	0	0.00
ACH SET UP	Setup	0.00000	0	0.00
ARP SET UP	Account	0.00000	0	0.00
WELLSTAX ACCESS CODE SET UP	Access code	0.00000	0	0.00
WIRE ACCOUNT ADD CEO/API	Account	0.00000	0	0.00
<b>Total Setup Charges</b>				<b>0.00</b>

Balances and ECR may also be applied against Balance Based Setup Charges.



### Disclosures

We created this proposal for you based on our understanding of your requirements and the services in which you expressed interest. This proposal confirms the deposit and treasury management services and the pricing we plan to provide you based on certain assumptions including projected volumes and other relevant information you provided.

This document is confidential. Please do not share it without first obtaining our written permission. The services and pricing contained in this proposal are valid for 90 days. The pricing is subject to change if the actual volume or scope of services differs from the assumptions upon which we based the pricing.

Please let us know if you believe this proposal does not accurately represent the prices or services we discussed with you. If you have questions about the services in this proposal, please contact your Treasury Management Sales Consultant or visit: [www.wellsfargo.com/accountanalysis](http://www.wellsfargo.com/accountanalysis) for additional information about the services.

### Regarding your services

#### Alerts Service

Charges are assessed against the volume of Alerts per user, per company, per month basis. Users are only charged for the first 80 events/alerts per month, per delivery mechanism (email or text). There is no per company cap for billing.

## Activity Charge Detail

Service Description	Charge Basis	Price	Monthly Volume	Activity Charges
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### Wire Book Transfer

A CEO Wire book transfer is between two accounts initiated via CEO Wires Book Transfer workflow. A Payment Manager Book transfer is charged when the debit and credit accounts are setup in a single CEO Company id and entitled to Book Transfer.

### Services with No Volumes

Services listed with zero volume are not included in the estimated monthly analysis fee but are included in the event the service is used in the future.

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

**January 11, 2022**

**FROM**

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

**SUBJECT**

Regular Meeting Minutes for Meeting Held on December 14, 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 December 14, 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 December 14, 2021 and attached are the meeting minutes for review and approval by the Board.

**PROCUREMENT**

Not applicable.

**REVIEW BY OTHERS**

This item has been reviewed by General Legal Counsel, Fred Galante, on January 4, 2022.

**MINUTES OF A REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF  
THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO  
December 14, 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 862 1098 9330, Password 397766) at 3:00 p.m. on December 14, 2021.

Detail of the meeting discussion can be obtained through the recording of the Board of Commissioners meeting through a Public Records Request submitted in person or through the HACSB website: <https://hacsb.com/public-records-request/>

**1) Call to Order and Roll Call**

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

Chair Johnson  
Vice Chair Cooper  
Commissioner MacDuff  
Commissioner Miller

Commissioner Muñoz, Commissioner Pinedo and Commissioner Tarango were recorded as absent.

Also in attendance were Maria Razo, Executive Director; Gus Joslin, Deputy Executive Director; Rishad Mitha, Director of Operations; Jennifer Dawson, Director of Human Resources; Kristin Maithonis, Assistant Director of Housing Services; Perlie Liu, Asset Management Analyst; Evan Miles, Project Manager; Angie Lardapide, Procurement and Contracts Supervisor; Jesse Diaz, Finance Manager; Ronald Kennedy, Management Analyst; George Silva, Family Empowerment Services Manager and Claudia Hurtado, Executive Assistant.

Also present, Fred Galante and Colin Tanner, Legal Counsel to the Housing Authority.

**2) Resolution No. 129**

Discussion Calendar item number 2 to Adopt Resolution No. 129 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 December 14, 2021 through January 13, 2022, was requested.

Executive Director Maria Razo and Legal Counsel Fred Galante explained the item.

Commissioner MacDuff moved to approve the discussion calendar item number 2, as recommended by staff and Commissioner Miller seconded the motion. Upon roll call, the Ayes and Nays were as follows:

Ayes  
Chair Johnson  
Vice Chair Cooper  
Commissioner MacDuff  
Commissioner Miller

Nays

### **3) Additions or Deletions to the Agenda**

The Chairman called for additions or deletions to the December 14, 2021, agenda. There were none.

### **4) General Public Comment**

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

### **5) Closed Session**

Closed Session described as follows was held by the HACSB Board of Commissioners, designated leadership team and Legal Counsel:

CONFERENCE WITH LABOR NEGOTIATORS Pursuant to Gov't Code Section 54957.6: HACSB designated negotiator/representative: Jennifer Dawson, Director of Human Resources; Employee organization: Teamsters Local 1932

Following closed session, General Counsel Fred Galante reported that the Board of Commissioners held a closed session to discuss the item, as listed on the agenda, and no reportable action was taken.

### **6) Executive Director's Report**

The Executive Director's Report was requested.

Executive Director Razo gave the Executive Director's Report.

### **7) Emergency Housing Vouchers Implementation Update**

Discussion calendar item number 7 to receive update from staff on Emergency Housing Vouchers implementation, was requested.

Executive Director Razo explained the item.

### **8) Resolution No. 131**

Discussion calendar item number 8 to Adopt Resolution No. 131 approving revisions to the Housing Authority of the County of San Bernardino's Employee Personnel Handbook, was requested.

Executive Director Razo explained the item.

Commissioner MacDuff moved to approve the discussion calendar item number 8, as recommended by Staff, and Commissioner Miller duly seconded the motion.

Discussion amongst the Board of Commissioners took place regarding the item.

Fred Galante, Legal Counsel, provided the suggestion for the record, to modify the policy adding language that clearly visible signage shall be installed notifying the public of the presence of surveillance cameras with audio capabilities and conversations may be overheard on such devices.

Commissioner MacDuff modified the motion to approve the discussion calendar item number 8, as recommended by Staff, with the modification adding language of signage regarding surveillance, and Commissioner Miller duly seconded the motion. Upon roll call, the Ayes and Nays were as follows:

Ayes

Chair Johnson

Vice Chair Cooper

Commissioner MacDuff

Commissioner Miller

Nays

**9) Pre-Development Loan Agreement with Housing Partners I, Inc.**

Discussion calendar item number 9 with the Staff recommendation to 1) Authorize the Housing Authority of the County of San Bernardino to enter into a Pre-Development Loan Agreement and Promissory Note in an amount not to exceed \$2,185,341 with Housing Partners I, Inc., to serve as pre-development financing for the Valencia Grove and Arrowhead Grove revitalization projects, said Pre-Development Loan and Promissory Note to be executed in substantially the form attached, such approval to be evidenced conclusively by the execution and delivery thereof, 2) Authorize and direct the Executive Director upon consultation with Legal Counsel, to execute and make modifications as necessary to the Pre-Development Loan Agreement and Promissory Note and the documents or exhibits attached to the Pre-Development Loan Agreement and Promissory Note and to execute all documents or certificates which are necessary or appropriate to carry out and close the transaction as contemplated in the Pre-Development Loan Agreement and Promissory Note, was requested.

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

Commissioner Miller moved to approve the discussion calendar item number 9, as recommended by Staff, and Commissioner MacDuff duly seconded the motion.

Discussion amongst the Board of Commissioners took place regarding the item.

Upon roll call, the Ayes and Nays were as follows:

Ayes

Chair Johnson

Vice Chair Cooper

Commissioner MacDuff

Commissioner Miller

Nays

**10) Resolution No. 130**

Discussion calendar item number 10 with Staff recommendation to adopt Resolution No. 130 approving revisions to the Admissions and Continued Occupancy Plan governing the Housing Authority of the County of San Bernardino's public housing program, was requested.

Executive Director Razo explained the item.

Commissioner MacDuff moved to approve the discussion calendar item number 10 as recommended by Staff. The 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

Nays

**11) Contract PC 1232**

Discussion calendar item number 11 with Staff recommendation to 1) Award contract No. PC1232, effective January 1, 2022, to S & Sons Electrical Contractors Corporation for the electrical panel upgrades to the 98 units in the Los Olivos Public Housing community in the city of Upland, in an amount not to exceed \$509,500, 2) Authorize and direct the Executive Director to execute and deliver the contract to S & Sons Electrical Contractors Corporation, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction, was requested.

Executive Director Razo explained the item.

Commissioner MacDuff moved to approve the discussion calendar item number 11, as recommended by Staff. The motion was duly seconded by Commissioner Cooper.

Discussion amongst the Board of Commissioners took place regarding the item.

Upon roll call the Ayes and Nays were as follows:

Ayes

Chair Johnson

Vice Chair Cooper

Commissioner MacDuff

Commissioner Miller

Nays

**12) Grant of Easement and Right of Way to Southern California Edison**

Discussion calendar item number 12 with Staff recommendation to 1) Approve a grant of easement and right of way to Southern California Edison, to use and maintain above ground

electrical power system on real property owned by the Housing Authority of the County of San Bernardino, at 508 The Terrace in the City of Redlands, 2) Authorize and direct the Executive Director, upon consultation with Legal Counsel, to accept and sign ancillary documents or exhibits necessary to finalize and record the grants of easement with the County of San Bernardino Recorder, was requested.

Executive Director Razo explained the item.

Commissioner MacDuff moved to approve the discussion calendar item number 12, as recommended by Staff. The 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

Nays

**13) Contract No. PC973**

Discussion calendar item number 13 with Staff recommendation to 1) Approve Amendment No. 3 to Contract No. PC973, effective January 1, 2022, with Kimball, Tirey, & St. John LLP for Eviction and Non-Eviction Services increasing the current contract by \$50,000 for a total amount not to exceed \$316,000 and extending the term through December 31, 2023, 2) Authorize and direct the Executive Director to execute and deliver the contract amendment to Kimball, Tirey & St. John LLP and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction, was requested.

Executive Director Razo explained the item.

Commissioner MacDuff moved to approve discussion calendar item number 13, 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

Nays

**14-17) Consent Items**

Approval of the consent calendar agenda items numbers 14 - 17 was requested.

Commissioner MacDuff moved to approve consent calendar agenda items numbers 14-15, 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 October 12, 2021.

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

16) Approve and file Agency-wide Financial Statements through August 2021.

17) Approve vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month of September 2021.

The motion was duly seconded by Vice Chair Cooper and upon roll call the Ayes and Nays were as follows:

Ayes

Chair Johnson

Vice Chair Cooper

Commissioner MacDuff

Commissioner Miller

Nays

Chair Johnson provided an opportunity for individual Board member comments. There were no comments.

There being no other business, Commissioner MacDuff moved for the regular meeting of Tuesday, December 14, 2021, to be adjourned, which motion was duly seconded by Commissioner Miller. There being no objection to the call for adjournment, the meeting was adjourned by unanimous consent at 4:30 p.m.

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Tim Johnson, Chair

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Beau Cooper, Vice Chair

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Cassie MacDuff

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Sylvia Miller

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Jessie Muñoz

---

Bobby Tarango

---

Dr. Ciriaco “Cid” Pinedo

Attest:

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Secretary

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

**January 11, 2022**

## **FROM**

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

## **SUBJECT**

**Agency-wide Financial Statements through September 2021**

## **RECOMMENDATION(S)**

**Approve and file Agency-wide Financial Statements through September 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 September 2021 for Federal Fiscal Year (FFY) 2020-21 is \$2,551,959. The net income is currently greater than the anticipated \$1,098,868 net loss, with a variance of \$3.7 million, primarily due to extraordinary maintenance expenses that were budgeted, but not completed in the amount of \$1 million (reflected in the extraordinary maintenance expenses line).

There were also lower than anticipated costs in administrative and maintenance expenses in the amount of \$2.2 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 \$4.3 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 \$1.9 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 \$6.7 million through September 2021.

Financial Summary	FY 2021 YTD
Revenues	\$157,001,381
Expenses	\$147,787,593
Operating Net Income/(Loss)	\$ 9,213,788
Operating Transfers/Non-Operating Items	\$ 6,661,829
<b>Net Income/(Loss)</b>	<b>\$ 2,551,959</b>

### **BACKGROUND INFORMATION**

HACSB administers multiple housing programs and is the largest provider of affordable housing in the County of San Bernardino. The FFY 2020-21 budget and financial operations continue to support the vision and mission of HACSB and are in line with its Strategic Plan and Moving to Work Annual Plans. Overall, HACSB has demonstrated fiscal stability even through the challenges presented by the pandemic.

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. We continue to work on leasing up 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.

As a result of the federal Continuing Resolution (CR), the final federal fiscal year funding for Calendar Year 2022 is currently unknown, which would be effective January 1, 2022. The CR freezes funding at 2021 levels; therefore, starting in January of 2022 we will continue to receive funding at 2021 levels. This will continue until a final Appropriations bill is approved by Congress and signed by the President. We will continue to track the progress of the federal funding appropriations bills.

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 December 27, 2021.

## HACSB Budget Comparison

Period = Oct 2020-Sep 2021

	YTD Actual	YTD Budget	Variance	% Var	Annual
INCOME					
TENANT INCOME					
Total Rental Income	26,777,407	24,674,224	2,103,183	8.52	24,674,224
Total Other Tenant Income	428,046	600,191	-172,145	-28.68	600,191
NET TENANT INCOME	27,205,453	25,274,415	1,931,038	7.64	25,274,415
GRANT INCOME					
TOTAL GRANT INCOME	122,992,906	130,215,112	-7,222,205	-5.55	130,215,112
OTHER INCOME					
TOTAL OTHER INCOME	6,803,022	5,541,077	1,261,945	22.77	5,541,077
TOTAL INCOME	157,001,381	161,030,604	-4,029,222	-2.50	161,030,604
EXPENSES					
GRANT EXPENSES					
TOTAL GRANT EXPENSES	6,732,997	13,797,290	7,064,292	51.20	13,797,290
ADMINISTRATIVE					
Total Administrative Salaries	13,559,422	14,734,032	1,174,610	7.97	14,734,032
Total Legal Expense	321,210	277,685	-43,524	-15.67	277,685
Total Other Admin Expenses	6,360,812	5,685,778	-675,035	-11.87	5,685,778
Total Miscellaneous Admin Expenses	1,935,249	2,428,595	493,346	20.31	2,428,595
TOTAL ADMINISTRATIVE EXPENSES	22,176,694	23,126,090	949,396	4.11	23,126,090
TENANT SERVICES					
TOTAL TENANT SERVICES EXPENSES	799,299	519,252	-280,047	-53.93	519,252
UTILITIES					
TOTAL UTILITY EXPENSES	3,871,125	3,825,949	-45,177	-1.18	3,825,949
MAINTENANCE AND OPERATIONS					
Total General Maint Expense	2,863,516	2,535,690	-327,826	-12.93	2,535,690
Total Materials	839,980	1,015,965	175,985	17.32	1,015,965
Total Contract Costs	3,010,970	4,401,221	1,390,251	31.59	4,401,221
TOTAL MAINTENANCE EXPENSES	6,714,466	7,952,877	1,238,411	15.57	7,952,877
GENERAL EXPENSES					
TOTAL GENERAL EXPENSES	1,021,132	1,141,404	120,273	10.54	1,141,404
EXTRAORDINARY MAINTENANCE EXPENSES					
TOTAL EXTRAORDINARY MAINTENANCE EXPENSES	4,529,731	5,468,747	939,016	17.17	5,468,747
HOUSING ASSISTANCE PAYMENTS					
TOTAL HOUSING ASSISTANCE PAYMENTS	100,466,812	104,772,691	4,305,879	4.11	104,772,691
FINANCING EXPENSE					
TOTAL FINANCING EXPENSES	1,475,337	1,525,172	49,835	3.27	1,525,172
TOTAL OPERATING EXPENSES	147,787,593	162,129,472	14,341,879	8.85	162,129,472
<b>OPERATING NET INCOME</b>	<b>9,213,788</b>	<b>-1,098,868</b>	<b>10,312,657</b>	<b>938.48</b>	<b>-1,098,868</b>
NET OPERATING TRANSFER IN/OUT	0	0	0	N/A	0
NON-OPERATING ITEMS					
TOTAL NON-OPERATING ITEMS	6,661,829	0	-6,661,829	N/A	0
NET INCOME	2,551,959	-1,098,868	3,650,827	332.24	-1,098,868

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

January 11, 2022

**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 October 2021

**RECOMMENDATION(S)**

Approve vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month of October 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 October 31, 2021, is \$18,888.89. 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, skips, and an eviction due to criminal activity. The total write-off for the month of October 2021 is \$18,888.89, as delineated in the following table. Attached is a worksheet that itemizes the individual accounts.

<b>SUMMARY BY PROPERTY MANAGEMENT</b>		
<b>PROPERTY</b>	<b>NO. VACATED</b>	<b>TOTAL</b>
481130/203 – Maplewood	1	\$1,093.00
205 – Redlands	1	\$11,924.00

Vacated Tenant Accounts for the Authority Owned Portfolio to be Written Off as Collection Loss  
for the Month of October 2021  
January 11, 2021

<b>SUMMARY BY PROPERTY MANAGEMENT</b>		
<b>PROPERTY</b>	<b>NO. VACATED</b>	<b>TOTAL</b>
481170/207 – Barstow	1	\$1,628.75
407 – Sunset Pointe	0	-
408 – Sunrise Vista	2	\$346.96
409 – Andalusia	1	\$1,661.00
423 – Mesa Gardens	1	\$39.00
467 – Hillcrest	0	-
Concessions Write Off		-
<b>TOTAL RENT WRITE OFF</b>	10	\$16,692.71
Miscellaneous Charges		-
Maintenance Charges		\$6,590.18
Legal Charges		\$850.00
Security Deposits Applied		(\$5,244.00)
<b>NET TOTAL WRITE OFF</b>		\$18,888.89

**PROCUREMENT**

Not applicable.

**REVIEW BY OTHERS**

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

# Housing Authority County of San Bernardino

COLLECTION WRITE-OFFS - Authority Owned Portfolio

Month End: 10/31/21

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
<b>203 - Maplewood</b>													
1	P.	C.		V	125.00	1,093.00			785.00	-	1,878.00	1,099.00	779.00
<b>TOTALS:</b>						<b>1,093.00</b>	<b>-</b>	<b>-</b>	<b>785.00</b>	<b>-</b>	<b>1,878.00</b>	<b>1,099.00</b>	<b>779.00</b>
Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date		Vacate Date		
1	Resident - 14 Day Notice (VAWA)	10/08/21	N/A	N/A	N/A	N/A			N/A		10/28/21		

<b>205 - Redlands</b>													
1	B.	V.		V	\$1,807	11,924.00			486.00	-	12,410.00	1,033.00	11,377.00
<b>TOTALS:</b>						<b>11,924.00</b>	<b>-</b>	<b>-</b>	<b>486.00</b>	<b>-</b>	<b>12,410.00</b>	<b>1,033.00</b>	<b>11,377.00</b>
Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date		Vacate Date		
1	30 Day Notice to Pay	09/09/21	Posted	N/A	N/A	N/A		N/A	N/A		10/02/21		

<b>207 - Barstow</b>													
1	R.	T.		S	558.00	1,628.75			2,826.68		4,455.43	1,413.00	3,042.43
<b>TOTALS:</b>						<b>1,628.75</b>	<b>-</b>	<b>-</b>	<b>2,826.68</b>	<b>-</b>	<b>4,455.43</b>	<b>1,413.00</b>	<b>3,042.43</b>
Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date		Vacate Date		
1	Notice of Belief of Abandonment	10/04/21	10/04/21	N/A	N/A	N/A		N/A	N/A		10/25/21		

\*Reasons: E=Eviction S=Skip V=Voluntary T=Terminated Tenancy

\*\*Unpaid Misc. D=Deceased Stipulated agreements for rent, maintenance charges, late charges, etc.

# Housing Authority County of San Bernardino

COLLECTION WRITE-OFFS - Authority Owned Portfolio

Month End: 10/31/21

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
<b>407 - Sunset Pointe</b>													
1	W.	B.					-		(298.97)		(298.97)		(298.97)
							-				-		-
<b>TOTALS:</b>						-	-	-	(298.97)	-	(298.97)	-	(298.97)
Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date		Vacate Date		
1	Collection on bad debt												

<b>408 - Sunrise Vista</b>													
1	H.	T.					-		(489.54)		(489.54)		(489.54)
2	W.	J.		V	725.00	-	-		403.00		403.00	100.00	303.00
3	T.	L.		S	825.00	346.96	-		1,435.00		1,781.96	400.00	1,381.96
							-				-		-
<b>TOTALS:</b>						346.96	-	-	1,348.46	-	1,695.42	500.00	1,195.42
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	Correction to previous month writeoff												
2	Resident - 60 Day Notice	07/30/21									09/30/21		
3	Skip										10/08/21		

<b>409 - Andalusia</b>													
1	B.	E.		E	1,250.00	1,661.00			1,086.00	850.00	3,597.00	799.00	2,798.00
													-
													-
<b>TOTALS:</b>						1,661.00	-	-	1,086.00	850.00	3,597.00	799.00	2,798.00
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	3 Day Notice for criminal activity	09/01/21	09/01/21	09/08/21	09/13/21	N		N/A	N/A		10.08/2021		

\*Reasons: E=Eviction S=Skip V=Voluntary T=Terminated Tenancy

\*\*Unpaid Misc. D=Deceased Stipulated agreements for rent, maintenance charges, 101 charges, etc.

# Housing Authority County of San Bernardino

COLLECTION WRITE-OFFS - Authority Owned Portfolio

Month End: 10/31/21

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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## 423 - Mesa Gardens

1	T.	T.		V	880.00	39.00	-	-	495.00		534.00	400.00	134.00
TOTALS:						39.00	-	-	495.00	-	534.00	400.00	134.00

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 - 60 Day Notice	07/30/21								10/02/21

## 467 - Hillcrest

1	G.	L.							(137.99)		(137.99)		(137.99)
TOTALS:						-	-	-	(137.99)	-	(137.99)	-	(137.99)

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

ALL PROPERTY TOTALS:						16,692.71	-	-	6,590.18	850.00	24,132.89	5,244.00	18,888.89
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Submitted by: Lucy Leslie Date: 11/17/2021 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.