

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

TO BE HELD AT 715 EAST BRIER DRIVE
SAN BERNARDINO, CALIFORNIA
MARCH 14, 2023 AT 3:00 P.M.

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 or, alternatively, please submit your comments via email 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/> or email at publiccomment@hacsb.com. Your comments will be placed into the record at the meeting. Efforts will be made to read the comments into the record, but some comments may not be read due to time limitations.

DISCUSSION CALENDAR

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

- 4) Receive the Executive Director's Report for March 14, 2023.
(Page 1)
- 5) Receive the board building presentation for March 14, 2023, an overview from the Housing Authority of the County of San Bernardino's legislative platform in preparation for Capitol Hill visits.
(Page 2)
- 6) Approve a non-financial Memorandum of Understanding, effective April 1, 2023, between the Housing Authority of the County of San Bernardino, San Bernardino County Human Services Transitional Assistance Department, and San Bernardino County Human Services Research, Outcomes and Quality Support Division to exchange information of mutual customers for a three-year period through March 31, 2026.
(Pages 3-13)

- 7) 1 – Approve the Agreement to Enter into a Project Based Voucher Housing Assistance Payments contract, for 55 units, with Redlands Supportive Housing, L.P., a limited partnership formed by non-profit organization, A Community of Friends, effective March 27, 2023 for a period of 600 days from effective date, through November 16, 2024.
- 2 – Authorize and direct the Executive Director to execute and deliver the contract with Redlands Supportive Housing, L.P., and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.
- 3 – Approve the subsequent Project Based Voucher Agreement authorized via the Agreement of Housing Assistance Payments contract.
(Page 14-132)

CONSENT CALENDAR

- APPROVAL OF CONSENT ITEMS: # 8-10
- 8) Approve the meeting minutes for the regular meeting of the Board of Commissioners of the Housing Authority of the County of San Bernardino held on February 14, 2023.
(Pages 133-137)
- 9) Approve and file Agency-wide Financial Statements through November 2022.
(Pages 138-140)
- 10) Approve vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month of December 2022.
(Pages 141-145)
- 11) Individual Board member comments.
- 12) 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 meeting.

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**

March 14, 2023

FROM

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

SUBJECT

Executive Director's Report for March 14, 2023

RECOMMENDATION(S)

Receive the Executive Director's Report for March 14, 2023.
(Presenter: Maria Razo, Executive Director, 332-6305)

STRATEGIC PLAN ALIGNMENT

Aspirational Statement #2: To be known as a trusted provider of safe, dignified, and desirable homes and environments that enrich and add value to the community.

Aspirational Statement #3: To pursue continued financial stability, monitoring, and accountability as stewards of limited funding.

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 February 28, 2023.

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

March 14, 2023

FROM

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

SUBJECT

Board Building Presentation for March 14, 2023

RECOMMENDATION(S)

Receive the board building presentation for March 14, 2023, an overview from the Housing Authority of the County of San Bernardino's legislative platform in preparation for Capitol Hill visits. (Presenter: Maria Razo, Executive Director, 332-6305)

STRATEGIC PLAN ALIGNMENT

Aspirational Statement #3: To pursue continued financial stability, monitoring, and accountability as stewards of limited funding.

FINANCIAL IMPACT

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

BACKGROUND INFORMATION

Per the United States Department of Housing and Urban Development'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 HACSB's legislative platform in preparation for Capitol Hill visits.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on, February 27, 2023.

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

March 14, 2023

FROM

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

SUBJECT

Memorandum of Understanding with San Bernardino County Transitional Assistance Department and Research, Outcomes and Quality Support Division for Data Sharing

RECOMMENDATION(S)

Approve a non-financial Memorandum of Understanding, effective April 1, 2023, between the Housing Authority of the County of San Bernardino, San Bernardino County Human Services Transitional Assistance Department, and San Bernardino County Human Services Research, Outcomes and Quality Support Division to exchange information of mutual customers for a three-year period through March 31, 2026.

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

STRATEGIC PLAN ALIGNMENT

Aspirational Statement #3: To pursue continued financial stability, monitoring, and accountability as stewards of limited funding.

Aspirational Statement #5: To create, build and utilize partnerships that provide opportunities and create a meaningful difference in the lives of the families that we serve, maximizing out resources by mobilizing the talents of our community partners.

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 cost associated with this item.

BACKGROUND INFORMATION

This item will approve a new Memorandum of Understanding (MOU) between HACSB, the San Bernardino County (County) Human Services Transitional Assistance Department (TAD), and the San Bernardino County Human Services Research, Outcomes and Quality Support (ROQS) Division for the exchange of information of mutual customers. Since 2013, HACSB has partnered with both TAD and ROQS to work on ways to better serve mutual customers. In 2014, and then again in 2019, both HACSB and TAD entered into a non-financial data sharing agreement to identify mutual customers who are sanctioned from TAD services. HACSB works closely with sanctioned families to ensure that they come into compliance with TAD requirements. Mutual customers whose sanction is lifted are eligible to receive additional TAD services to assist in the personal and economic advancement of the household, and as a result families are more successful in both HACSB and TAD programs.

The original 2014 non-financial MOU was prompted as a result of the California Work Opportunity and Responsibility to Kids Family Stabilization (FS) Program, which provides intensive case management and services to customers to ensure a basic level of stability within a family prior to,

or concurrently with, participation in Welfare-to-Work activities. The California Department of Social Services encourages counties to establish and/or expand FS by working with local service providers and other partners in order to maximize the success of the FS Program. All customers participating in the FS Program are required to sign a written authorization for release of information authorizing the County to release to, or obtain from, other individuals or agencies specific information necessary for the administration of the program and/or customer's case.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on, February 28, 2023.

MEMORANDUM OF UNDERSTANDING
Between
HUMAN SERVICES
TRANSITIONAL ASSISTANCE DEPARTMENT
and
HUMAN SERVICES
RESEARCH, OUTCOMES AND QUALITY SUPPORT DIVISION
and
HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO
for
DATA SHARING

APRIL 1, 2023

WHEREAS, The Transitional Assistance Department, hereafter referred to as “TAD,” is responsible for administering the California Work Opportunity and Responsibility to Kids (CalWORKs) Welfare-to-Work (WTW) program in San Bernardino County; and

WHEREAS, Assembly Bill 74 implemented the CalWORKs Family Stabilization (FS) Program effective January 1, 2014, that provides intensive case management and services to customers to ensure a basic level of stability within a family prior to, or concurrently with, participation in WTW activities; and

WHEREAS, Research, Outcomes and Quality Support Division, hereafter referred to as “ROQS,” can provide Ad Hoc Reports of statistical and demographic data for customers enrolled or applying for the County’s assistance programs; and

WHEREAS, The California Department of Social Services encourages counties to establish and/or expand FS by working with local service providers and other partners in order to maximize the success of the FS Program; and

WHEREAS, The Housing Authority of the County of San Bernardino, hereafter referred to as “HACSB,” provides individuals and families in need to achieve an enriched quality of life by providing housing opportunities and resources throughout San Bernardino County; and

WHEREAS, TAD, ROQS, also hereafter referred to as “County,” and HACSB desire to exchange information of mutual customers to identify customers who may be in need of and eligible for TAD and HACSB services; and

NOW THEREFORE, TAD, ROQS, and HACSB mutually agree to the following terms and conditions:

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I. TAD SERVICE RESPONSIBILITIES

TAD shall:

- A. Provide HACSB with a primary point of contact.
- B. Provide HACSB with information pertaining to TAD customers currently applying for or receiving HACSB services following the Human Services Personally Identifiable Information (PII) policy. Provide updates to customer lists to HACSB monthly or as otherwise agreed upon by the parties.
- C. Provide HACSB with an electronic list of customers with an address indicating a HACSB property. Specific data elements will be identified and agreed upon by TAD and HACSB.
- D. Review and approve HACSB marketing materials before mailings are conducted.
- E. Provide HACSB with mailing labels as requested.
- F. Communicate and work collaboratively with HACSB staff to maximize services to mutual customers.
- G. Adhere to all federal, state and county laws relating to customer confidentiality and data protection, including electronic transmission of customer data and confidential information.
- H. Contact the HACSB Executive Director with any concerns or suggestions.
- I. Comply with the Welfare and Institutions Code in notifying customers when their information is shared with HACSB.
- J. Work collaboratively with HACSB to develop and implement outcomes reporting procedures.

II. ROQS SERVICE RESPONSIBILITIES

ROQS shall:

- A. Analyze data provided by HACSB and run a query to identify mutual customers of TAD and HACSB.
- B. Adhere to all federal, state and county laws relating to customer confidentiality and data protection, including electronic transmission of customer data and confidential information.
- C. Assist TAD in facilitating notification to customers whose information is shared with HACSB.
- D. Provide TAD point of contact with an electronic list of customers with an address indicating a HACSB property. Specific data elements will be identified and agreed upon by TAD and HACSB.

III. HACSB SERVICE RESPONSIBILITIES

HACSB shall:

- A. Provide TAD and ROQS with a primary point of contact.

- B. Provide ROQS with an electronic list of current or waitlisted HACSB customers monthly or as otherwise agreed upon by the parties. The list shall contain the customer's name and date of birth and other data elements agreed upon by TAD and HACSB for the purpose of matching customer data. The list will be secured and delivered following the Human Services PII policy.
- C. Conduct bulk mailings to HACSB customers at HACSB cost.
- D. Obtain TAD approval of marketing materials prior to conducting mailings.
- E. Accept calls from interested customers and encourage and assist customers to apply on-line for County assistance services via C4 Yourself website.
- F. Refer customers who wish to apply in person to the appropriate TAD office.
- G. Adhere to all federal, state and county laws relating to customer confidentiality and data protection, including electronic transmission of customer data and confidential information.
- H. Communicate and work collaboratively with TAD and ROQS staff to maximize services to mutual customers.
- I. Work collaboratively with TAD and ROQS staff to develop and implement outcomes reporting procedures.
- J. Contact the TAD Administration Regional Manager with any concerns or suggestions.

IV. MUTUAL RESPONSIBILITIES

- A. TAD, ROQS, and HACSB shall protect from unauthorized use or disclosure names and other identifying information concerning persons receiving services pursuant to this Memorandum of Understanding (MOU), except for statistical information not identifying any participant. TAD, ROQS, and HACSB shall not use or disclose any identifying information for any other purpose other than carrying out obligations under this MOU, except as may be otherwise required by law. This provision will remain in force even after the termination of the MOU.
- B. TAD, ROQS, and HACSB shall ensure that all staff, volunteers and/or subcontractors performing services under this MOU comply with the items below prior to providing any services. Additional information concerning these requirements is specified at <http://hss.sbcounty.gov/Privacy>. The information contained thereat is hereby incorporated by this reference.
 - 1. Read, understand, and comply with the Privacy and Security Requirements Summary.
 - 2. Ensure employees, sub-contractors, agents, volunteers, and interns who have access to PII complete the Privacy and Security Training and execute the training acknowledgement form and other training materials annually.
 - 3. Ensure employees, sub-contractors, agents, volunteers, and interns who have access to PII sign the Confidentiality Statement annually.
 - 4. Report actual, suspected or potential breaches of PII immediately to the Human Services Privacy and Security Office via email at: HSPrivacySecurityOfficer@hss.sbcounty.gov.
- C. TAD, ROQS, and HACSB agree to establish mutually satisfactory methods for the exchange of such information as may be necessary in order that each party may perform the duties and

functions under this MOU; and appropriate procedures to ensure all information is safeguarded from improper disclosure in accordance with applicable State and Federal laws and regulations.

- D. TAD, ROQS, and HACSB agree to establish mutually satisfactory methods for problem resolution at the lowest possible level as the optimum, with a procedure to mobilize problem resolution through the appropriate chain of command, as deemed necessary.

- E. Indemnity and Insurance – HACSB and the County agree to and shall comply with the following indemnification and insurance requirements:

1. Indemnification – HACSB agrees to indemnify, defend (with counsel reasonably approved by the County) and hold harmless the County and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, and/or liability arising out of this MOU from the negligence of HACSB, including the acts, errors or omissions of HACSB, and for any costs or expenses incurred by the County on account of any claim resulting from the acts or negligence of HACSB or its authorized officers, employees, agents, and volunteers, except where such indemnification is prohibited by law.

The County agrees to indemnify, defend (with counsel reasonably approved by HACSB) and hold harmless HACSB and its authorized officers, employees, agents, and volunteers from any and all claims, actions, losses, damages, and/or liability arising out of this MOU from the negligence of the County, including the acts, errors or omissions of the County and for any costs or expenses incurred by HACSB on account of any claim resulting from the acts or negligence of the County or its authorized officers, employees, agents, and volunteers, except where such indemnification is prohibited by law.

In the event that the County and/or HACSB are determined to be comparatively at fault for any claim, action, loss or damage which results from their respective obligations under this MOU, the County and/or HACSB shall indemnify the other to the extent of its comparative fault.

2. Additional Insured – HACSB will ensure all policies in respect to this MOU, except for the Workers' Compensation, Errors and Omissions and Professional Liability policies, shall contain endorsements naming the County and its officers, employees, agents and volunteers as additional insured with respect to liabilities arising out of the performance of services hereunder. County will ensure all policies in respect to this MOU, except for the Workers' Compensation, Errors and Omissions and Professional Liability policies, shall contain endorsements naming HACSB and its officers, employees, agents and volunteers as additional insured with respect to liabilities arising out of the performance of services hereunder. The additional insured endorsements shall not limit the scope of coverage for the County to vicarious liability but shall allow coverage for the County to the full extent provided by the policy. Such additional insured coverage shall be at least as broad as Additional Insured (Form B) endorsement form ISO, CG 2010.11 85.
3. Waiver of Subrogation Rights – HACSB shall require the carriers of required coverages to waive all rights of subrogation against the County, its officers, employees, agents, volunteers, contractors, and subcontractors. All general or auto liability insurance coverage provided shall not prohibit HACSB and HACSB's employees or agents from waiving the right of subrogation prior to a loss or claim. HACSB hereby waives all rights of subrogation against the County.

4. Policies Primary and Non-Contributory – All policies required herein are to be primary and non-contributory with any insurance or self-insurance programs carried or administered by the County.
5. Severability of Interests – HACSB agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and there will be no cross liability exclusions that preclude coverage for suits between HACSB and the County or between the County and any other insured or additional insured under the policy.
6. Proof of Coverage – HACSB and County shall furnish Certificates of Insurance to the departments administering the MOU evidencing the insurance coverage, including endorsements, as required, prior to the commencement of performance of services hereunder, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice to the department, and HACSB and the County shall maintain such insurance from the time HACSB and County commences performance of services hereunder until the completion of such services. Within fifteen (15) days of the commencement of this MOU, HACSB and the County shall furnish a copy of the Declaration page for all applicable policies and will provide complete certified copies of the policies and endorsements immediately upon request.
7. Acceptability of Insurance Carrier – Unless otherwise approved by Risk Management, insurance shall be written by insurers authorized to do business in the State of California and with a minimum “Best” Insurance Guide rating of “A-VII”.
8. Deductibles and Self-Insured Retention - Any and all deductibles or self-insured retentions in excess of \$10,000 shall be declared to and approved by Risk Management.
9. Failure to Procure Coverage – In the event that any policy of insurance required under this MOU does not comply with the requirements, is not procured, or is canceled and not replaced, the County or HACSB has the right, but not the obligation or duty to cancel the MOU or obtain insurance if it deems necessary.
10. Insurance Review – Insurance requirements are subject to periodic review by the County. The Director of Risk Management or designee is authorized, but not required, to reduce, waive or suspend any insurance requirements whenever Risk Management determines that any of the required insurance is not available, is unreasonably priced, or is not needed to protect the interests of the County. In addition, if the Department of Risk Management determines that heretofore unreasonably priced or unavailable types of insurance coverage or coverage limits become reasonably priced or available, the Director of Risk Management or designee is authorized, but not required, to change the above insurance requirements to require additional types of insurance coverage or higher coverage limits, provided that any such change is reasonable in light of past claims against the County, inflation, or any other item reasonably related to the County’s risk.

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

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

11. HACSB is insured through a formal risk pooling program under California statutory provisions for purposes of general liability, property insurance, and automobile liability. The Contractor agrees to provide insurance through the Housing Authorities Risk Retention Pool set forth in accordance with the requirements herein.

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

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

If HACSB has no employees, it may certify or warrant to the County that it does not currently have any employees or individuals who are defined as "employees" under the Labor Code and the requirement for Workers' Compensation coverage will be waived by the County's Director of Risk Management.

With respect to Contractors that are non-profit corporations organized under California or Federal law, volunteers for such entities are required to be covered by Workers' Compensation insurance.

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

1. Premises operations and mobile equipment.
2. Products and completed operations.
3. Broad form property damage (including completed operations).
4. Explosion, collapse, and underground hazards.
5. Personal injury.
6. Contractual liability.
7. \$2,000,000 general aggregate limit.

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

If HACSB is transporting one (1) or more non-employee passengers in performance of contract services, the automobile liability policy shall have a combined single limit of two million dollars (\$2,000,000) for bodily injury and property damage per occurrence.

If HACSB owns no autos, a non-owned auto endorsement to the General Liability policy described above is acceptable.

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

If insurance coverage is provided on a “claims made” policy, the “retroactive date” shall be shown and must be before the date of the start of the contract work. The claims made insurance shall be maintained or “tail” coverage provided for a minimum of five (5) years after contract completion.

- e. Cyber (internet) and Electronic Data Processing (EDP) Insurance – Cyber Liability Insurance with limits of no less than \$1,000,000 for each occurrence or event with an annual aggregate of \$2,000,000 covering claims involving privacy violations, information theft, damage to or destruction of electronic information, intentional and/or unintentional release of private information, alteration of electronic information, extortion and network security. The policy shall protect the involved College and County entities and cover breach response cost as well as regulatory fines and penalties.

V. FISCAL PROVISIONS

There shall be no remuneration for the services provided through this MOU.

VI. TERM

This MOU is effective as of April 1, 2023, and expires March 31, 2026, but may be terminated earlier in accordance with provisions of Section VII of this MOU.

VII. EARLY TERMINATION

This MOU may be terminated without cause upon thirty (30) days written notice by any party. The TAD Director, or his/her appointed designee, is authorized to exercise TAD's rights with respect to any termination of this MOU. The Assistant Executive Officer for Human Services is authorized to exercise ROQS' rights with respect to any termination of this MOU. The HACSB Executive Director, or his/her appointed designee, is authorized to exercise HACSB's rights with respect to any termination of this MOU.

VIII. GENERAL PROVISIONS

- A. No waiver of any of the provisions of the MOU documents shall be effective unless it is made in a writing which refers to provisions so waived and which is executed by the Parties. No course of dealing and no delay or failure of a Party in exercising any right under any MOU document shall affect any other or future exercise of that right or any exercise of any other right. A Party shall not be precluded from exercising a right by its having partially exercised that right or its having previously abandoned or discontinued steps to enforce that right.
- B. Any alterations, variations, modifications, or waivers of provisions of the MOU, unless specifically allowed in the MOU, shall be valid only when they have been reduced to writing, duly signed, and approved by the Authorized Representatives of all parties as an amendment to this MOU. No oral understanding or agreement not incorporated herein shall be binding on any of the Parties hereto.

IX. CONCLUSION

- A. This MOU, consisting of nine (9) pages, is the full and complete document describing services to be rendered by TAD, ROQS, and HACSB including all covenants, conditions, and benefits.
- B. The signatures of the Parties affixed to this MOU affirm that they are duly authorized to commit and bind their respective departments to the terms and conditions set forth in this document.
- C. This Contract may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same Contract. The parties shall be entitled to sign and transmit an electronic signature of this Contract (whether by facsimile, PDF or other email transmission), which signature shall be binding on the party whose name is contained therein. Each party providing an electronic signature agrees to promptly execute and deliver to the other party an original signed Contract upon request.
- D. IN WITNESS WHEREOF, the Board of Supervisors of the County of San Bernardino has caused this MOU to be subscribed to by the Clerk thereof, and HACSB has caused this MOU to be subscribed in its behalf by its duly authorized officers, the day, month, and year written.

SAN BERNARDINO COUNTY

►

Dawn Rowe, Chair, Board of Supervisors

Dated: _____

SIGNED AND CERTIFIED THAT A COPY OF THIS
DOCUMENT HAS BEEN DELIVERED TO THE
CHAIRMAN OF THE BOARD

Lynna Monell
Clerk of the Board of Supervisors
San Bernardino County

By: _____

Deputy

Transitional Assistance Department

By ► _____

Name: Gilbert Ramos

Title: Director

Dated: _____

Research, Outcomes and Quality Support Division

By ► _____

Name: Diana Alexander

Title: Assistant Executive Officer of
Department Operations

Dated: _____

Housing Authority of the County of San Bernardino

By ► _____

Name: Maria Razo

Title: Executive Director

Dated: _____

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

March 14, 2023

FROM

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

SUBJECT

Agreement to Enter into a Project Based Voucher Housing Assistance Payment Contract with Redlands Supportive Housing, L.P., a limited partnership formed by A Community of Friends

RECOMMENDATION(S)

1. Approve the Agreement to Enter into a Project Based Voucher Housing Assistance Payments contract, for 55 units, with Redlands Supportive Housing, L.P., a limited partnership formed by non-profit organization, A Community of Friends, effective March 27, 2023 for a period of 600 days from effective date, through November 16, 2024.
2. Authorize and direct the Executive Director to execute and deliver the contract with Redlands Supportive Housing, L.P., and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.
3. Approve the subsequent Project Based Voucher Agreement authorized via the Agreement of Housing Assistance Payments contract.

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

STRATEGIC PLAN ALIGNMENT

Aspirational Statement #2: To be known as a trusted provider of safe, dignified, and desirable homes and environments that enrich and add value to the community.

Aspirational Statement #3: To pursue continued financial stability, monitoring, and accountability as stewards of limited funding.

Aspirational Statement #5: To create, build and utilize partnerships that provide opportunities and create a meaningful difference in the lives of the families that we serve, maximizing out resources by mobilizing the talents of our community partners.

FINANCIAL IMPACT

The subsequent Project Based Voucher (PBV) Housing Assistance Payment contract for 55 units will be funded through Veterans Affairs Supportive Housing (VASH) funding appropriated by the U.S Department of Housing and Urban development (HUD). It is difficult to quantify the annual assistance amount as the development is approximately two years from completion and the subsidy amounts will depend upon the income of the participants and the rental market.

BACKGROUND INFORMATION

The recommended action will assist in the overall effort to prevent and end veteran homelessness by providing permanent supportive housing units dedicated to serve eligible low-income veterans as well as homeless veterans with supportive services provided in partnership with local government and non-profit service providers.

In July of 2021, the Housing Authority of the County of San Bernardino (HACSB) awarded non-profit organization, A Community of Friends (ACOF), 55 VASH project-based vouchers via a competitive Request for Proposal (RFP) process. Housing Authorities are allowed to convert up to 20% of their annual budget authority under the VASH program from tenant based to project

based. This recommended award would fully meet the conversion cap of 20%. HACSB currently has a total of 629 VASH vouchers authorized. This award was designated for a new development named Liberty Lane in the city of Redlands. Since these are VASH vouchers, the units to be subsidized will be reserved for homeless veterans.

This site is being developed by A Community of Friends (ACOF) in collaboration with San Bernardino County Department of Community Development and Housing (CDH), San Bernardino County Department of Behavioral Health (DBH), and Veteran's Administration Loma Linda Healthcare Systems. The project will provide specialized service co-ordination, and education, health and wellness, and skill building classes, tailored to meet the specific and timely needs of veteran tenants and their families. Units will contain a fully equipped kitchen/bath and common areas include a large and centralized community area with a clubhouse, children's play area, community garden, BBQ's, and classroom/counseling facilities. The HAP Contract will be with Redlands Supportive Housing, L.P. as the owner, a limited partnership formed by A Community of Friends for the purpose of developing and owning the project.

This project was originally awarded 68 project-based vouchers by the Housing Authority's Board of Governors on February 14, 2017. However, delays to the project brought about by legal challenges by parties opposed led to HUD's rescission of the vouchers that had been competitively awarded to HACSB. The voucher award subsequent to the RFP mentioned above replenishes vouchers to the project now that court action allows the project to proceed.

As the financing of the development nears finalization, the AHAP is needed as a condition to close the financing process for the developer. This will allow for a 20-month construction process to begin and eventually create much needed housing for homeless veterans.

PROCUREMENT

The Procurement and Contracts Department advertised a "Request for Proposal" (RFP) for Veterans Affairs Supportive Housing (VASH) (PC1208) on March 2, 2021, which resulted in the receipt of one proposal. Outreach efforts included email invitations to 8 organizations directly, posting on our Planet Bids eBidding website, and posting on the agency's external website. The proposal was evaluated per the requirements of the RFP where A Community of Friends was deemed responsive and qualified to provide these services to HACSB.

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on, March 02, 2023.

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

SECTION 8 PROJECT-BASED VOUCHER PROGRAM

**AGREEMENT TO ENTER INTO A
HOUSING ASSISTANCE PAYMENTS CONTRACT**

NEW CONSTRUCTION OR REHABILITATION

PART I

Public reporting burden for this collection of information is estimated to average 0.5 hours. This includes the time for collecting, reviewing and reporting the data. The information is being collected as required by 24 CFR 983.152, which requires the PHA to enter into an Agreement with the owner prior to execution of a HAP contract for PBV assistance as provided in §983.153. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number. Assurances of confidentiality are not provided under this collection.

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

1.1 Parties

This Agreement to Enter into Housing Assistance Payments Contract ("Agreement") is between:

_____ ("PHA") and
_____ ("owner").

1.2 Purpose

The owner agrees to develop the Housing Assistance Payments Contract ("HAP Contract") units to in accordance with Exhibit B and to comply with Housing Quality Standards ("HQS"), and the PHA agrees that, upon timely completion of such development in accordance with the terms of the Agreement, the PHA will enter into a HAP Contract with the owner of the Contract units.

1.3 Contents of Agreement

This Agreement consists of Part I, Part II, and the following Exhibits:

EXHIBIT A: The approved owner's PBV proposal. (Selection of proposals must be in accordance with 24 CFR 983.51.)

EXHIBIT B: Description of work to be performed under this Agreement, including:

- if the Agreement is for rehabilitation of units, this exhibit must include the rehabilitation work write-up and, where the PHA has determined necessary, specifications and plans.
- if the Agreement is for new construction of units, the work description must include the working drawings and specifications.
- any additional requirements beyond HQS relating to quality, design and architecture that the PHA requires.
- work items resulting from compliance with the design and construction requirements of the Fair Housing Act and implementing regulations at 24 CFR 100.205, the accessibility requirements under section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR 8.22 and 8.23, and accessibility requirements under Titles II and III of the Americans with Disabilities Act at 28 CFR parts 35 and 36, as applicable.

EXHIBIT C: Description of housing, including:

- project site.
- total number of units in project covered by this Agreement.
- locations of contract units on site.
- number of contract units by area (size) and number of bedrooms and bathrooms.
- services, maintenance, or equipment to be supplied by the owner without charges in addition to the rent to owner.
- utilities available to the contract units, including a specification of utility services to be paid by the owner (without charges in addition to rent) and utility services to be paid by the tenant.

- estimated initial rent to owner for the contract units.

EXHIBIT D: The HAP contract.

1.4 Significant Dates

- A. Effective Date of the Agreement: The Agreement must be executed promptly after PHA notice of proposal selection to the owner has been given. The PHA may not enter this Agreement with the owner until a subsidy layering review has been performed and an environmental review has been satisfactorily completed in accordance with HUD requirements.
- B. A project may either be a single-stage or multi-stage project. A single-stage project will have the same Agreement effective date for all contract units. A multi-stage project will separate effective dates for each stage.

_____ Single-stage project

- i. Effective Date for all contract units: _____
- ii. Date of Commencement of the Work: The date for commencement of work is not later than _____ calendar days after the effective date of this Agreement.
- iii. Time for Completion of Work: The date for completion of the work is not later than _____ calendar days after the effective date of this Agreement.

_____ Multi-Stage Project

Enter the information for each stage upon execution of the Agreement for the corresponding stage.

STAGE	NUMBER OF UNITS	EFFECTIVE DATE	DATE OF COMMENCEMENT OF WORK	TIME FOR COMPLETION OF WORK

1.5 Nature of the Work

_____ This Agreement is for **New Construction** of units to be assisted by the project-based Voucher program.

_____ This Agreement is for **Rehabilitation** of units to be assisted by the project-based Voucher program.

1.6 Schedule of Completion

- A. Timely Performance of Work: The owner agrees to begin work no later than the date for commencement of work as stated in Section 1.4. In the event the work is not commenced, diligently continued and completed as required under this Agreement, the PHA may terminate this Agreement or take other appropriate action. The owner agrees to report promptly to the PHA the date work is commenced and furnish the PHA with progress reports as required by the PHA.
- B. Time for Completion: All work must be completed no later than the end of the period stated in Section 1.4. Where completion in stages is provided for, work related to units included in each stage shall be completed by the stage completion date and all work on all stages must be completed no later than the end of the period stated in Section 1.4.
- C. Delays: If there is a delay in the completion due to unforeseen factors beyond the owner's control as determined by the PHA, the PHA agrees to extend the time for completion for an appropriate period as determined by the PHA in accordance with HUD requirements.

1.7 Changes in Work

- A. The owner must obtain prior PHA approval for any change from the work specific in Exhibit B which would alter the design or quality of the rehabilitation or construction. The PHA is not required to approve any changes requested by the owner. PHA approval of any change may be conditioned on establishment of a lower initial rent to owner at the amounts determined by PHA.

- B. If the owner makes any changes in the work without prior PHA approval, the PHA may establish lower initial rents to owner at the amounts determined by PHA in accordance with HUD requirements.
- C. The PHA (or HUD in the case of insured or coinsured mortgages) may inspect the work during rehabilitation or construction to ensure that work is proceeding on schedule, is being accomplished in accordance with the terms of the Agreement, meets the level of material described in Exhibit B and meets typical levels of workmanship for the area.

1.8 Work completion

- A. Conformance with Exhibit B: The work must be completed in accordance with Exhibit B. The owner is solely responsible for completion of the work.
- B. Evidence of Completion: When the work is completed, the owner must provide the PHA with the following:
 - 1. A certification by the owner that the work has been completed in accordance with the HQS and all requirements of this Agreement.
 - 2. A certification by the owner that the owner has complied with labor standards and equal opportunity requirements in the development of the housing. (See 24 CFR 983.155(b)(1)(ii).)
 - 3. Additional Evidence of Completion: At the discretion of the PHA, or as required by HUD, this Agreement may specify additional documentation that must be submitted by owner as evidence of completion of the housing. Check the following that apply:
 - _____ A certificate of occupancy or other evidence that the contract units comply with local requirements.
 - _____ An architect's or developer's certification that the housing complies with:
 - _____ the HQS;
 - _____ State, local, or other building codes;
 - _____ Zoning;
 - _____ The rehabilitation work write-up for rehabilitated housing;

- _____ The work description for newly constructed housing; or
- _____ Any additional design or quality requirements pursuant to this Agreement.

1.9 Inspection and Acceptance by the PHA of Completed Contract Units

- A. Completion of Contract Units: Upon receipt of owner notice of completion of Contract units, the PHA shall take the following steps:
 - 1. Review all evidence of completion submitted by owner.
 - 2. Inspect the units to determine if the housing has been completed in accordance with this Agreement, including compliance with the HQS and any additional requirements imposed by the PHA under this Agreement.
- B. Non-Acceptance: If the PHA determines the work has not been completed in accordance with this Agreement, including non-compliance with the HQS, the PHA shall promptly notify the owner of this decision and the reasons for the non-acceptance. The parties must not enter into the HAP contract.
- C. Acceptance: If the PHA determines housing has been completed in accordance with this Agreement, and that the owner has submitted all required evidence of completion, the PHA must submit the HAP contract for execution by the owner and must then execute the HAP contract.

1.10 Acceptance where defects or deficiencies are reported:

- A. If other defects or deficiencies exist, the PHA shall determine whether and to what extent the defects or deficiencies are correctable, whether the units will be accepted after correction of defects or deficiencies, and the requirements and procedures for such correction and acceptance.
- B. Completion in Stages: Where completion in stages is provided for, the procedures of this paragraph shall apply to each stage.

1.11. Execution of HAP Contract

- A. Time and Execution: Upon acceptance of the units by the PHA, the owner and the PHA execute the HAP contract.

- B. Completion in Stages: Where completion in stages is provided for the number and types of units in each stage, and the initial rents to owner for such units, shall be separately shown in Exhibit C of the contract for each stage. Upon acceptance of the first stage, the owner shall execute the contract and the signature block provided in the contract for that stage. Upon acceptance of each subsequent stage, the owner shall execute the signature block provided in the contract for such stage.
- C. Form of Contract: The terms of the contract shall be provided in Exhibit D of this Agreement. There shall be no change in the terms of the contract unless such change is approved by HUD headquarters. Prior to execution by the owner, all blank spaces in the contract shall be completed by the PHA.
- D. Survival of owner Obligations: Even after execution of the contract, the owner shall continue to be bound by all owner obligations under the Agreement.

1.12 Initial determination of rents

- A. The estimated amount of initial rent to owner shall be established in Exhibit C of this Agreement.
- B. The initial amount of rent to owner is established at the beginning of the HAP contract term.
- C. The estimated and initial contract rent for each units may in no event exceed the amount authorized in accordance with HUD regulations and requirements. Where the estimated initial rent to owner exceeds the amount authorized in accordance with HUD regulations, the PHA shall establish a lower initial rent tow owner, in accordance with HUD regulations and requirements.

1.13 Uniform Relocation Act

- A. A displaced person must be provided relocation assistance at the levels described in and in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4201-4655) and implementing regulations at 49 CFR part 24.
- B. The cost of required relocation assistance may be paid with funds provided by the owner, or with local public funds, or with funds available from other sources. Payment of relocation assistance must be paid in accordance with HUD requirements.

- C. The acquisition of real property for a project to be assisted under the program is subject to the URA and 49 CFR part 24, subpart B.
- D. The PHA must require the owner to comply with the URA and 49 CFR part 24.
- E. In computing a replacement housing payment to a residential tenant displaced as a direct result of privately undertaken rehabilitation or demolition of the real property, the term “initiation of negotiations” means the execution of the Agreement between the owner and the PHA.

1.14 Protection of In-Place Families

- A. In order to minimize displacement of in-place families, if a unit to be placed under Contract is occupied by an eligible family on the proposal selection date, the in-place family must be placed on the PHA’s waiting list (if they are not already on the list) and, once their continued eligibility is determined, given an absolute selection preference and referred to the project owner for an appropriately sized unit in the project.
- B. This protection does not apply to families that are not eligible to participate in the program on the proposal selection date.
- C. The term “in-place family” means an eligible family residing in a proposed contract unit on the proposal selection date.
- D. Assistance to in-place families may only be provided in accordance with the program regulations and other HUD requirements.

1.15 Termination of Agreement and Contract

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

1.16 Rights of HUD if PHA Defaults Under Agreement

If HUD determines that the PHA has failed to comply with this Agreement, or has failed to take appropriate action to HUD’s satisfaction or as directed by HUD, for enforcement of the PHA’s rights under this Agreement, HUD may assume the PHA’s rights and obligations under the Agreement, and may perform the obligations and enforce the rights of the PHA under the Agreement. HUD will, if it determines that the owner is not in default, pay Annual Contributions for the purpose of providing housing assistance payments with respect to the dwelling unit(s) under this Agreement for the duration of the HAP contract.

1.17 Owner Default and PHA Remedies

A. Owner Default

Any of the following is a default by the owner under the Agreement:

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

B. PHA Remedies

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

3. The PHA's rights and remedies under the Agreement include, but are not limited to: (i) terminating the Agreement; and (ii) declining to execute the HAP contract for some or all of the units.

C. PHA Remedy is not Waived

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

1.18 PHA and Owner Relation to Third Parties

A. Selection and Performance of Contractor

1. The PHA has not assumed any responsibility or liability to the owner, or any other party for performance of any contractor, subcontractor or supplier, whether or not listed by the PHA as a qualified contractor or supplier under the program. The selection of a contractor, subcontractor or supplier is the sole responsibility of the owner and the PHA is not involved in any relationship between the owner and any contractor, subcontractor or supplier.
2. The owner must select a competent contractor to undertake rehabilitation or construction. The owner agrees to require from each prospective contractor a certification that neither the contractor nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in contract by the Comptroller General or any federal Department or agency. The owner agrees not to award contracts to, otherwise engage in the service of, or fund any contractor that does not provide this certification.

B. Injury Resulting from Work under the Agreement: The PHA has not assumed any responsibility for or liability to any person, including a worker or a resident of the unit undergoing work pursuant to this Agreement, injured as a result of the work or as a result of any other action or failure to act by the owner, or any contractor, subcontractor or supplier.

C. Legal Relationship: The owner is not the agent of the PHA and this Agreement does not create or affect any relationship between the PHA and any lender to the owner or any suppliers, employees, contractor or subcontractors used by the owner in the implementation of the Agreement.

D. Exclusion of Third Party Claims: Nothing in this Agreement shall be construed as creating any right of any third party (other than HUD) to

enforce any provision of this Agreement or the Contract, or to assert any claim against HUD, the PHA or the owner under the Agreement or the Contract.

- E. Exclusion of owner Claims against HUD: Nothing in this Agreement shall be construed as creating any right of the owner to assert any claim against HUD.

1.19 PHA-Owned Units

Notwithstanding Section 1.18 of this Agreement, a PHA may own units assisted under the project-based voucher program, subject to the special requirements in 24 CFR 983.59 regarding PHA-owned units.

1.20 Conflict of Interest

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

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

1.21 Interest of Member or Delegate to Congress

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

1.22 Transfer of the Agreement, HAP Contract, or Property

A. PHA Consent to Transfer

The owner agrees that the owner has not made and will not make any transfer in any form, including any sale or assignment, of the Agreement, HAP contract, or the property without the prior written consent of the PHA. A change in ownership in the owner, such as a stock transfer or transfer of the interest of a limited partner, is not subject to the provisions of this section. Transfer of the interest of a general partner is subject to the provisions of this section.

B. Procedure for PHA Acceptance of Transferee

Where the owner requests the consent of the PHA for a transfer in any form, including any sale or assignment, of the Agreement, the HAP contract, or the property, the PHA must consent to a transfer of the Agreement or HAP contract if the transferee agrees in writing (in a form acceptable to the PHA) to comply with all the terms of the Agreement and HAP contract, and if the transferee is acceptable to the PHA. The PHA's criteria for acceptance of the transferee must be in accordance with HUD requirements.

C. When Transfer is Prohibited

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

1.23 Exclusion from Federal Programs

A. Federal Requirements

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

B. Disclosure

The owner certifies that:

1. The owner has disclosed to the PHA the identity of the owner and any principal or interested party.

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

1.24 Lobbying Certifications

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

1.25 Subsidy Layering

- A. Owner Disclosure

The owner must disclose to the PHA, in accordance with HUD requirements, information regarding any related assistance from the Federal government, a State, or a unit of general local government, or any agency or instrumentality thereof, that is made available or is expected to be made available with respect to the contract units. Such related assistance includes, but is not limited to, any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance.

B. Limit of Payments

Housing assistance payments under the HAP contract must not be more than is necessary, as determined in accordance with HUD requirements, to provide affordable housing after taking account of such related assistance. The PHA will adjust in accordance with HUD requirements the amount of the housing assistance payments to the owner to compensate in whole or in part for such related assistance.

1.26 Prohibition of Discrimination

- A. The owner may not refuse to lease contract units to, or otherwise discriminate against, any person or family in leasing of a contract unit, because of race, color, religion, sex, national origin, disability, age, or familial status.
- B. The owner must comply with the following requirements:
1. The Fair Housing Act (42 U.S.C. 3601–19) and implementing regulations at 24 CFR part 100 *et seq.*;
 2. Executive Order 11063, as amended by Executive Order 12259 (3 CFR 1959–1963 Comp., p. 652, and 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing Programs) and implementing regulations at 24 CFR part 107;
 3. Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d–2000d–4) (Nondiscrimination in Federally Assisted Programs) and implementing regulations at 24 CFR part 1;
 4. The Age Discrimination Act of 1975 (42 U.S.C. 6101–6107) and implementing regulations at 24 CFR part 146;
 5. Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at part 8 of this title;
 6. Title II of the Americans with Disabilities Act, 42 U.S.C. 12101 *et seq.*;
 7. 24 CFR part 8;
 8. Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135;

9. Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086, and 12107 (3 CFR, 1964–1965 Comp., p. 339; 3 CFR, 1966–1970 Comp., p. 684; 3 CFR, 1966–1970 Comp., p. 803; 3 CFR, 1978 Comp., p. 230; and 3 CFR, 1978 Comp., p. 264, respectively) (Equal Employment Opportunity Programs) and implementing regulations at 41 CFR chapter 60;
10. Executive Order 11625, as amended by Executive Order 12007 (3 CFR, 1971–1975 Comp., p. 616 and 3 CFR, 1977 Comp., p. 139) (Minority Business Enterprise Development); and
11. Executive Order 12138, as amended by Executive Order 12608 (3 CFR, 1977 Comp., p. 393, and 3 CFR, 1987 Comp., p. 245) (Women’s Business Enterprise).
12. HUD’s Equal Access Rule at 24 CFR 5.105. [OGC-Nonconcurrence: This section failed to reference protections with respect to actual or perceived sexual orientation, gender identity, or marital status in accordance with HUD’s Equal Access Rule at 24 CFR 5.105(a). Revising as indicated above is sufficient to resolve this concern.

- C. The PHA and the owner must cooperate with HUD in the conducting of compliance reviews and complaint investigations pursuant to all applicable civil rights statutes, Executive Orders, and all related rules and regulations.

1.27 Owner Duty to Provide Information and Access to HUD and PHA

- A. The owner must furnish any information pertinent to this Agreement as may be reasonably required from time to time by the PHA or HUD. The owner shall furnish such information in the form and manner required by the PHA or HUD.
- B. The owner must permit the PHA or HUD or any of their authorized representatives to have access to the premises during normal business hours and, for the purpose of audit and examination, to have access to any books, documents, papers, and records of the owner to the extent necessary to determine compliance with this Agreement.

1.28 Notices and Owner Certifications

- A. Where the owner is required to give any notice to the PHA pursuant to this Agreement, such notice shall be in writing and shall be given in the manner designated by the PHA.

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

1.29 HUD Requirements

- A. The Agreement and the HAP contract shall be interpreted and implemented in accordance with all statutory requirements, and will all HUD requirements, including amendments or changes in HUD requirements. The owner agrees to comply with all such laws and HUD requirements.
- B. HUD requirements are requirements that apply to the project-based voucher program. HUD requirements are issued by HUD Headquarters as regulations, *Federal Register* notices, or other binding program directives.

1.30 Applicability of Part II Provisions — Check All that Apply

- _____ Training, Employment, and Contracting Opportunities
Section 2.1 applies if the total of the contract rents for all units under the proposed HAP contract, over the maximum term of the contract, is more than \$200,000.
- _____ Equal Employment Opportunity
Section 2.2 applies only to construction contracts of more than \$10,000.
- _____ Labor Standards Requirements
Sections 2.4, 2.8, and 2.10 apply only when this Agreement covers nine or more units.
- _____ Flood Insurance
Section 2.11 applies if units are located in areas having special flood hazards and in which flood insurance is available under the National Flood Insurance Program.

EXECUTION OF THE AGREEMENT

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

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

SECTION 8 PROJECT-BASED VOUCHER PROGRAM

**AGREEMENT TO ENTER INTO A
HOUSING ASSISTANCE PAYMENTS CONTRACT**

NEW CONSTRUCTION OR REHABILITATION

PART II

Public reporting burden for this collection of information is estimated to average 0.5 hours. This includes the time for collecting, reviewing and reporting the data. The information is being collected as required by 24 CFR 983.152, which requires the PHA to enter into an Agreement with the owner prior to execution of a HAP contract for PBV assistance as provided in §983.153. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number. Assurances of confidentiality are not provided under this collection.

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

2.1 Training, Employment, and Contracting Opportunities

- A. The project assisted under this Agreement is subject to the requirements of section 3 of the Housing Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. The owner shall carry out the provisions of section 3 and the regulations issued by HUD as set forth in 24 CFR part 135 and all applicable rules and orders of HUD issued thereunder prior to the execution of this Agreement. This shall be a condition of the Federal financial assistance provided to the project, binding upon the owner, the owner's contractors and subcontractors, successors and assigns. Failure to fulfill these requirements shall subject the owner, the owner's contractors and subcontractors, successors and assigns to the sanctions specified by this Agreement, and to such sanctions as are specified by 24 CFR part 135.
- B. The owner shall incorporate or cause to be incorporated into any contract or subcontract for work pursuant to this Agreement in excess of \$100,000 the following clause:

1. The work to be performed under this contract is subject to the requirements of section 3 of the Housing Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3 shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
2. The parties to this Agreement agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this Agreement, the parties to this Agreement certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
3. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, and shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
4. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.
5. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135

require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

6. Pursuant to 24 CFR §135.90, recipients of HUD financial assistance that is subject to Part 135 requirements, are required to submit Section 3 Annual Reports on Form HUD-60002 to the Office of Fair Housing and Equal Opportunity (FHEO). This form must be submitted electronically and can be found at www.hud.gov/section3.
7. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD assisted contracts.
8. With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 405e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible: (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprise. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

2.2 Equal Employment Opportunity

- A. The owner shall incorporate or cause to be incorporated into any contract in excess of \$10,000 for construction work, or modification thereof, as defined in the regulations of the Secretary of Labor at 41 CFR chapter 60, which is to be performed pursuant to this Agreement, the following nondiscrimination clause:

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

1. The contractor will not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, creed, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising;

layoffs or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

2. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, creed, sex, or national origin.
3. The contractor will send to each labor union or representative of workers with which the contractor has a collective bargaining agreement or other contract or understanding, a notice to be provided by or at the direction of the Government advising the labor union or workers representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
4. The contractor of will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and with the rules, regulations, and relevant orders of the Secretary of Labor.
5. The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by HUD and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
6. In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the rules, regulations, or orders, the contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions as may be imported and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor or as otherwise provided by law.

7. The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the Government may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Government, the contractor may request the United States to enter into such litigation to protect the interest of the United States.
- B. The owner agrees to be bound by the above nondiscrimination clause with respect to his or her own employment practices when participating in federally assisted construction work.
- C. The owner agrees to assist and cooperate actively with HUD and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the nondiscrimination clause and the rules, regulations, and relevant orders of the Secretary of Labor, to furnish HUD and the Secretary of Labor such information as they may require for the supervision of such compliance, and to otherwise assist HUD in the discharge of HUD's primary responsibility for securing compliance.
- D. The owner further agrees to refrain from entering into any contract or contract modification subject to Executive Order No. 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the nondiscrimination clause as may be imposed upon contractors and subcontractors by HUD or the Secretary of Labor pursuant to the Executive Order. In addition, if the owner fails or refuses to comply with these undertakings, HUD may take any or all of the following actions; cancel, terminate, or suspend in whole or in part this Agreement; refrain from extending any further assistance to the owner under the program with respect to which the failure or refusal occurred until satisfactory assurance of future compliance has been received from the owner, and refer the case to the Department of Justice for appropriate legal proceedings.

2.3 Reserved

2.4 HUD—Federal Labor Standards Provisions

The owner is responsible for inserting the entire text of section 2.4 of this Agreement in all construction contracts and, if the owner performs any rehabilitation work on the project, the owner must comply with all provisions of section 2.4. (Note: Sections 2.4(b) and (c) apply only when the amount of the prime contract exceeds \$100,000.)

(a)(1) Minimum Wages. (i) All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project) will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made part hereof regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under section l(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-

1321)) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

(ii)(A) Any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination;

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, U.S. Department of Labor, Washington, D. C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (1)(B) or (C) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determinations or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program: Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

(2) Withholding. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractors under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), all or part of the wages required by the contract, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and

on account of the contractor or subcontractor to the respective employees to whom they are due.

(3)(i) Payrolls and Basic Records. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work (or under the United States Housing Act of 1937, or under the Housing Act of 1949, in the construction or development of the project). Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section l(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5 (a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section l(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

*(ii)(A) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD the PHA. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included in weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g. the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at:
<http://www.dol.gov/esa/whd/forms/wh347instr.htm> or its successor*

site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit them to the applicant, sponsor, or owner, as the case may be, for transmission to HUD, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sponsoring government agency (or the applicant, sponsor, or owner).

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under 29 CFR 5.5(a)(3)(ii), the appropriate information is being maintained under 29 CFR 5.5(a)(3)(i) and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution

under section 1001 of Title 18 and section 231 of Title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(4) Apprentices and Trainees.(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the

contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employee and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted

under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal Employment Opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

(5) Compliance with Copeland Act Requirements. The contractor shall comply with the requirements of 29 CFR part 3 which are incorporated by reference in this Agreement.

(6) Subcontracts. The contractor or subcontractor will insert in any subcontracts the clauses contained in section 2.4(a)(1) through (11) and such other clauses as HUD or its designee may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this section 2.4(a).

(7) Contract Terminations; Debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with Davis-Bacon and Related Act Requirements. All rulings and interpretations of the Davis-Bacon and related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes Concerning Labor Standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the PHA, HUD, the U. S. Department of Labor, or the employees or their representatives.

(10) Certification of Eligibility. (i) By entering into this Agreement, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR part 24.

(ii) No part of this Agreement shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR part 24.

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001. Additionally, U.S. Criminal Code, section 1010, Title 18, U.S.C., "Federal Housing Administration transactions, provides in part: "Whoever, for the purpose of ...influencing in any way the action of such Administration...makes, utters or publishes any statement, knowing the same to be false... shall be fined not more than \$5,000 or imprisoned not more than two years, or both."

11. Complaints, Proceedings, or Testimony by Employees. No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this Agreement are applicable shall be discharged or in any other manner discriminated against by the Contractor or any subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this Agreement to his employer.

(b) Contract Work Hours and Safety Standards Act. The provisions of this paragraph (b) are applicable only where the amount of the prime contract exceeds \$100,000. As used in this paragraph, the terms "laborers" and "mechanics" include watchmen and guards.

(1) Overtime Requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the

basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; Liability for Unpaid Wages; Liquidated Damages. In the event of any violation of the clause set forth in subparagraph (1) of this paragraph, the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum of \$25 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (1) of this paragraph.

(3) Withholding for Unpaid Wages and Liquidated Damages. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any monies payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (2) of this paragraph.

(4) Subcontractors. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (4) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (4) of this paragraph.

(c) Health and Safety. The provisions of this paragraph (c) are applicable only where the amount of the prime contract exceeds \$100,000.

- (1) No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous to his health and safety as established under construction safety and health standards promulgated by the Secretary of Labor by regulation.*
- (2) The contractor shall comply with all regulations issue by the Secretary of Labor pursuant to Title 29 part 1926 and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act, 40 USC 3701 et seq.*
- (3) The contractor shall include the provisions of this paragraph in every subcontract so that such provisions will be binding on each subcontractor. The contractor shall take such action with respect to any subcontract as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.*

2.5 Reserved

2.6 Reserved

2.7 Reserved

2.8 Wage and Claims Adjustments

The owner shall be responsible for the correction of all violations under section 2.4, including violations committed by other contractors. In cases where there is evidence of underpayment of salaries or wages to any laborers or mechanics (including apprentices and trainees) by the owner or other contractor or a failure by the owner or other contractor to submit payrolls and related reports, the owner shall be required to place an amount in escrow, as determined by HUD sufficient to pay persons employed on the work covered by the Agreement the difference between the salaries or wages actually paid such employees for the total number of hours worked and the full amount of wages required under this Agreement, as well as an amount determined by HUD to be sufficient to satisfy any liability of the owner or other contractor for liquidated damages pursuant to section 2.4. The amounts withheld may be disbursed by HUD for and on account of the owner or other contractor to the respective employees to whom they are due, and to the Federal Government in satisfaction of liquidated damages under section 2.4.

2.9 Reserved

2.10 Evidence of Unit(s) Completion; Escrow

- A. The owner shall evidence the completion of the unit(s) by furnishing the PHA, in addition to the requirements listed in Part I of this Agreement, a certification of compliance with the provisions of sections 2.4 and 2.8 of this Agreement, and that to the best of the owner's knowledge and belief there are no claims of underpayment to laborers or mechanics in alleged violation of these provisions of the Agreement. In the event there are any such pending claims to the knowledge of the owner, the PHA, or HUD, the owner will place a sufficient amount in escrow, as directed by the PHA or HUD, to assure such payments.
- B. The escrows required under this section and section 2.8 of shall be paid to HUD, as escrowee, or to an escrowee designated by HUD, and the conditions and manner of releasing such escrows shall be designated and approved by HUD.

2.11 Flood Insurance

If the project is located in an area that has been identified by the Federal Emergency Management Agency as an area having special flood hazards and if the sale of flood insurance has been made available under the National Flood Insurance Program, the owner agrees that: (1) the project will be covered, during the life of the property, by flood insurance in an amount at least equal to its development or project cost (less estimated land cost) or to the limit of coverage made available with respect to the particular type of property under the National Flood Insurance Act of 1968, whichever is less; and (2) that it will advise any prospective purchaser or transferee of the property in writing of the continuing statutory requirement to maintain such flood insurance during the life of the property.

EXHIBIT A: OWNER'S PROPOSAL



April 29, 2021

**PRESIDENT &
CHIEF EXECUTIVE OFFICER**
Dora Leong Gallo

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PCL Construction Services

*Former Board Chair

Mr. Gustav Joslin
Deputy Executive Director
Housing Authority of the County of San Bernardino
715 E. Brier Drive
San Bernardino, CA 92408

**RE: Request for Proposals –PC1208
Veterans Affairs Supportive Housing (VASH) Project Based Vouchers
Project Name: Liberty Lane**

Dear Mr. Joslin:

In response to the Request for Proposals (RFP) for Veteran Affairs Supportive Housing (VASH) Project-Based Vouchers (PBVs) A Community of Friends (ACOF) submits this application for 55 VASH Project Based Vouchers for Liberty Lane and would like to express our interest in partnering with the Housing Authority of the County of San Bernardino (HACSB). The 55 VASH vouchers and partnership with HACSB will be critical to ensuring the affordability of the supportive housing units for homeless veterans at Liberty Lane.

Liberty Lane will be a new construction, 100% affordable housing development on a relatively flat 4.72-acre infill site in the City of Redlands in San Bernardino County. The Project will provide 80-units of affordable housing in four (4) two-story buildings, including 62 units for homeless veterans, of which 39 will target homeless veterans with a disability. All 62 supportive housing units will be leased in compliance with the Housing First approach. The remaining 17 affordable units will target low-income families at 60% AMI or below, with a preference for veterans. The development also includes one (1) unrestricted managers' units. Some of the projects' amenities include a community garden, outdoor dining area near the lobby and community room and a walking trail, bocce ball court and fitness center.

ACOF has assembled an experienced team that has the capacity to successfully develop, own, and operate permanent supportive housing for low-income households like Liberty Lane. In addition, the team has strong experience in administering Project Based VASH vouchers. If selected the project team will operate the project in compliance with the Housing First approach. Below is list of key team members followed by a brief description of each team member's experience:

- Developer: A Community of Friends
- Property Manager: A Community of Friends
- Owner: Redlands Supportive Housing, L.P.
- Lead Service Provider: United States Veteran Initiative

Lead Developer and Proposer: A Community of Friends

As one of the largest developers and providers of permanent supportive housing in Southern California, ACOF has completed 2,154 units in 51 properties, with 12 properties in various stages of development. While most of ACOF's work is in Los Angeles County, ACOF geographic footprint includes Orange County, San Bernardino County, Riverside County, and Ventura County. Forty-three (43) buildings are currently in ACOF's portfolio, where ACOF is the direct owner or managing general partner (in tax credit limited partnerships). Completed projects include 19 substantial rehabilitation communities and 32 new construction projects, which range in size from seven (7) to 114 units. In the past ten years, ACOF has completed 15 affordable developments, creating 783 housing units. In the past five years, ACOF has completed seven (7) supportive housing developments, creating 297 units. ACOF has developed 19 properties with project-based vouchers.

Property Manager: A Community of Friends

ACOF began providing property management services in 2007 to five (5) properties within its portfolio. In 2009 ACOF began co-managing five tax credit projects and added eight more properties in 2011. Currently, ACOF manages or co-manages 15 tax credit properties and five (5) non tax credit properties totaling 565 units. ACOF's property management team includes a Director, property supervisors, a compliance specialist, administrative support, maintenance technicians, a senior property manager, and multiple property managers. ACOF's Property Management department strives towards excellence in providing high quality housing. ACOF treats tenants with respect regardless of their circumstances and challenges. Tenants at ACOF's properties are given the same rights, privileges and obligations of any tenant in any building, and they are expected to understand and adhere to the occupancy agreement and house rules. While Services focuses on the individual tenant, property management focuses on creating a community where all tenants can feel safe and at home. This is done by enforcing the lease but also working closely with Services staff to offer reasonable accommodations so that tenants can remain stably housed and have the opportunity to become fully self-sufficient and lead productive lives.

Owner: Redlands Supportive Housing, L.P.

A Community of Friends formed a limited partnership, Redlands Supportive Housing, L.P., for the purpose of developing and owning Liberty Lane. Supportive Housing LLC is Redlands Supportive Housing, L.P.'s Managing General Partner and A Community of Friends is the Sole Member of Supportive Housing LLC.

Redlands Supportive Housing, L.P. is the Owner of Liberty Lane. A Community of Friends holds 99.99% interest in the L.P. as the initial limited partner and is the sole member of Supportive Housing LLC, the Managing General Partner of Redlands Supportive Housing, L.P.

Lead Service Provider: United States Veterans Initiative (U.S.VETS)

Founded in 1992, U.S.VETS is the largest Veteran specific non-profit housing and service provider in the country whose mission is the successful transition of military veterans and their families through the provision of housing, counseling, career development, and comprehensive support. The organization has been providing housing and wraparound support services, including case management, employment assistance, job placement, counseling to vulnerable Veterans for over 20 years. A nationally-recognized leader in program development and innovative service delivery to address the needs of homeless and at-risk Veterans, U.S.VETS is committed to developing evidence-based programs that work. Programs employed for services are a combination of replicable and well-established best practices grounded in sound research substantiated by field experience. Services are coordinated with a wide variety of service agencies and community partners and strives to empower each Veteran to take responsibility for his or her success, elevate each Veteran's sense of psychological well-being and self-esteem, and guide each Veteran on the path toward independence.

U.S.VETS operates sober transitional housing, supportive permanent housing, rapid rehousing, homeless prevention, and employment reintegration assistance programs to help homeless and at-risk Veterans and their families achieve self-sufficiency. U.S.VETS has 21 residential sites and nine (9) service centers in 14 cities across six states (CA, AZ, TX, HI, MO, and NV), the District of Columbia and the territory of Guam.

ACOF, as the Proposer and Developer and sole member manager of the managing general partner of Redlands Supportive Housing, L.P., and Redlands Supportive Housing, L.P., as the property owner, confirm and certify the following:

1. Redlands Supportive Housing, L.P. and ACOF are willing to commit Liberty Lane for consideration for a period of 30 days from submittal.
2. If selected, Redlands Supportive Housing, L.P. and ACOF intend to operate the proposed project in compliance with the Housing First approach for all VASH subsidized units. As an owner and operator of 43 supportive housing developments in Southern California, ACOF is committed to and has significance experience in operating properties in compliance with the Housing First approach. Since ACOF will also be the asset manager and property management agent for Liberty Lane, this commitment will be shared by the asset management and property management staff for Liberty Lane.
3. Redlands Supportive Housing, L.P. and ACOF have received all addendums posted to the HACSB website.
4. If selected, ACOF and Redlands Supportive Housing, L.P. will develop and operate the property, where applicable, in accordance with PBV program requirements found at 24 CFR part 983, Implementation of the HUD-VASH Program (Operating Requirements) published in the Federal Register on March 23, 2012, the requirements found in section 3 of Notice PIH 2011-50 (Project-basing of HUD-VASH Vouchers, Notice PIH 2011-54 (Guidance on the PBV Program) or any successor notices, and HACSB's Housing Services Administrative Plan.
5. If selected, ACOF and Redlands Supportive Housing, L.P. will comply with the nondiscrimination provisions of Federal civil rights laws, including but not limited to the Fair Housing Act, Section 504 of the Rehabilitation Act, Title VI of the Civil Rights Act, and Titles II or III of the Americans with Disabilities Act, as applicable.
6. No officer, agent, or employee of the HACSB has a pecuniary interest in this Proposal; that the Proposal is made in good faith without fraud, collusion, or connection of any kind with any other proposer; and that the proposer is competing solely in its own behalf without connection with, or obligation to any undisclosed person or company.

In partnership with HACSB, ACOF is committed to delivering an efficient, robust, and aesthetically pleasing project that will benefit its tenants, homeless veterans in San Bernardino County, and low-income families in the City of Redlands. Liberty Lane will support the County to achieve its Housing Element goal to provide housing to families and individuals in San Bernardino, while also creating a community that supports veterans that are experiencing homelessness and enabling them to thrive.

Thank you for your consideration of our application. If you have any questions regarding the contents of this letter or the supporting documentation, please contact Mee Heh Risdon, Director of Housing, at mrison@acof.org or (213) 480-0809 x236.

Sincerely,



Dora Leong Gallo
President and Chief Executive Officer

July 7, 2021

Mee Heh Risdon
A Community of Friends
3701 Wilshire Blvd, Suite 700
Los Angeles, CA 90010

RE: Liberty Lane, Redlands, CA

Dear Ms. Risdon,

The Housing Authority of the County of San Bernardino (HACSB) is pleased to inform you that the above referenced project has received a reservation for Project Based Veterans Affairs Supportive Housing (VASH) Vouchers pursuant to HACSB's Housing Services Program Administrative Plan, Chapter 20, Project-Based Assistance Program. HACSB is reserving anticipated funding for fifty-five (55) VASH vouchers for a twenty (20) year contract term consisting of the following: 46 1-bedroom units and 9 2-bedroom units for homeless veterans that are referred to HACSB from the Veterans Affairs Loma Linda Healthcare System.

Final commitment of the Project Based Vouchers is subject to the following items:

- Receipt of a Veterans Housing and Homeless Prevention Program (VHHP) Round 6 funding allocation from the California Department of Housing and Community Development.
- Project's receipt of all necessary capital funding for the construction of the project, including, but not limited to a tax credit allocation.
- Subsidy layering requirements as defined by the U.S. Department of Housing and Urban Development (HUD).
- National Environmental Policy Act Clearance.
- Approval of an Agreement to Enter into Housing Assistance Payments (AHAP) Contract by HACSB's Board of Commissioners.

This reservation is also contingent on continued funding from HUD. In the event of insufficient budget authority, HACSB reserves the right to rescind the allocation up until the execution of an AHAP contract. This letter of commitment is valid for one year after the project's notification of a successful VHHP funding allocation from HCD's VHHP Round 6 Competitive NOFA. If you have any questions, please feel free to contact me at (909) 332-6306 or via e-mail at gjoslin@hacsb.com.

Thank you,

Gustav Joslin
Deputy Executive Director
Housing Authority of the County of San Bernardino

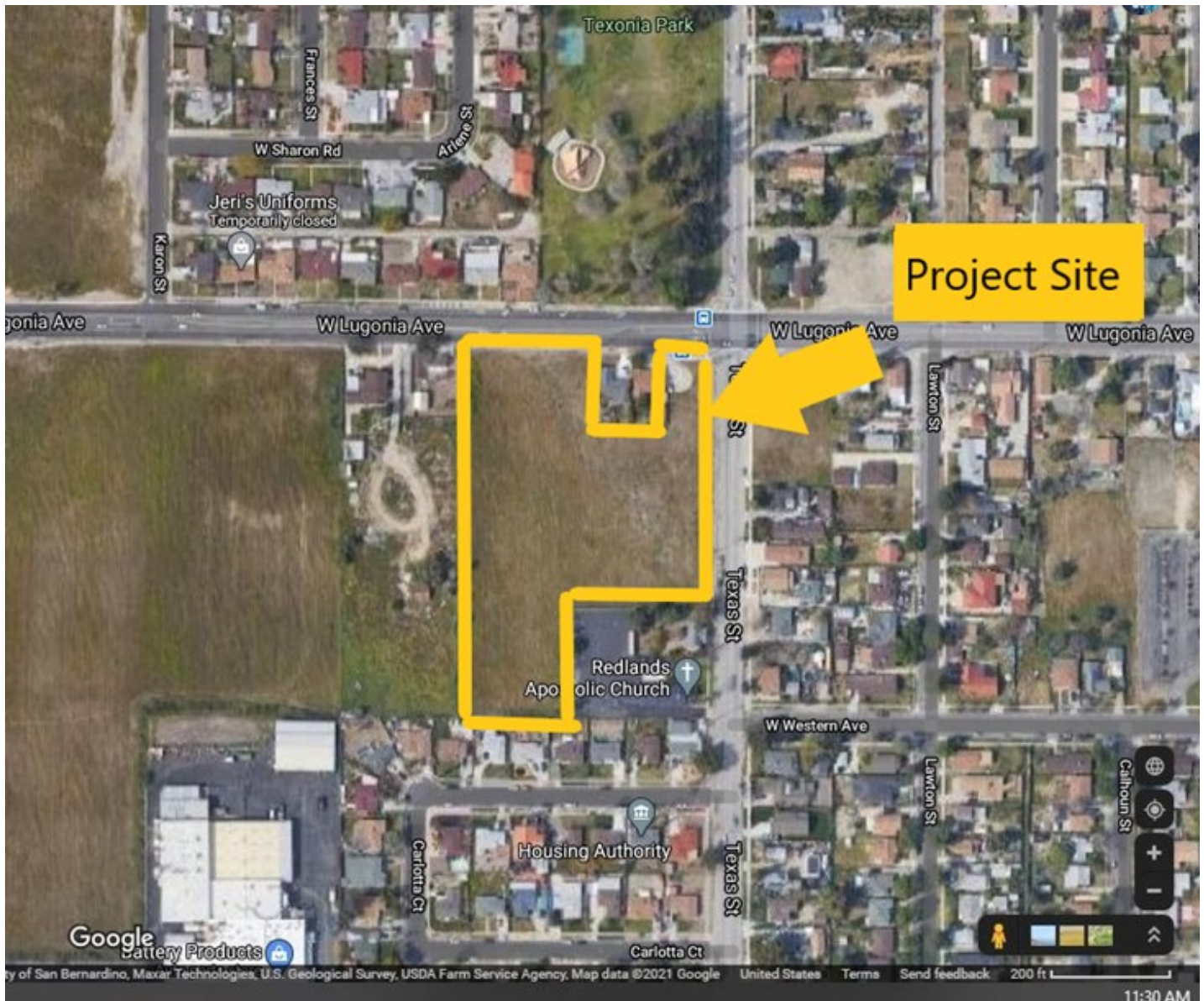
Cc: Maria Razo, Executive Director, HACSB
Gary Hallen, Director, San Bernardino County Community Development & Housing

EXHIBIT B: DESCRIPTION OF WORK

Property Description

Project Information:

Liberty Lane will be a new construction, 100% affordable housing development located at the Southwest Corner of W. Lugonia Ave. and Texas Street, Redlands, CA 92374 in census tract 40140-06-071-0080.02. The project will provide 80 new units of affordable housing to veterans who are homeless and/or homeless with a mental disability and low income families. The project-based VASH (PB VASH) vouchers will support the 62 permanent supportive housing (PSH) units for homeless veterans. The remaining 17 units will be affordable for low-income families at 60% AMI or below with a preference given to veterans. The development also includes one unrestricted managers' unit. The proposer, A Community of Friends (ACOF), is requesting 55 PB VASH vouchers for 55 of the supportive housing units at Liberty Lane.



¹ Property does not have street address.

Property Description

Justification for Exceeding Cap:

ACOF recognizes that this request is for more than 25% of the total number of units in the project and above the 30 per new construction project cap; however, the project is eligible to exceed the 25% project cap based on regulations contained in 24 CFR 983.56 and the additional vouchers will enable the project to serve more homeless veterans at a time when San Bernardino County is experiencing a homeless crisis. All 55 PB VASH assisted units meet HUD's definition for Excepted Units because all families in these units will receive qualifying supportive services from the VA, on-site services staff, and services partners. In addition, Redlands Supportive Housing, L.P., the project owner, will set-aside these units for qualifying families in accordance with HUD 24 CFR 983.56. However, if HACSB only has a limited supply of PB VASH available and is unable to commit all 55 requested VASH, ACOF will accept a commitment for 30 PB VASH vouchers.

Buildings, Units, and Targeting:

The proposed project consists of four buildings including three Type A buildings and one Type B building. Each building contains 20 residential units. The table below provides information on the number of units in each building, the unit types, unit sizes, the AMI levels and the number of units by bedroom size in each building:

Building	Unit Type	Unit size (square feet)	Income restrictions	Rent Restrictions	Total # of Units	# of PB VASH Units	Target Population
A1	1 bedroom	536.5 sf (average)	30%, 40%, 50% & 60% AMI	\$424 - \$848	16	11	Homeless veterans & general affordable with veteran preference
A1	2 bedrooms	720 sf	30%, 50% & 60% AMI	\$508 - \$1,017	4	2	Homeless veterans & general affordable with veteran preference
A2	1 bedroom	536.5 sf (average)	30%, 40%, 50% & 60% AMI	\$424 - \$848	16	12	Homeless veterans & general affordable with veteran preference
A2	2 bedrooms	720 sf	30%, 50% & 60% AMI	\$508 - \$1,017	4	2	Homeless veterans & general affordable with veteran preference
A3	1 bedroom	536.5 sf (average)	30%, 40%, 50% & 60% AMI	\$424 - \$848	16	12	Homeless veterans & general affordable with veteran preference
A3	2 bedrooms	720 sf	30%, 50% & 60% AMI	\$508 - \$1,017	4	2	Homeless veterans & general affordable with veteran preference
B	1 bedroom	503 sf	30%, 40%, 50% & 60% AMI	\$424 - \$848	12	11	Homeless veterans & general affordable with veteran preference
B	2 bedrooms	740.5sf (average)	30%, 50% & 60% AMI	\$508 - \$1,017	7	3	Homeless veterans & general affordable with veteran preference
B	3 bedrooms	990 sf	Not applicable managers unit	Not applicable managers unit	1	Not applicable managers unit	Not applicable managers unit

*Please see the rent and unit matrix provided in Section 3 of the application for a more detailed breakdown of the AMI targeting by unit type.

Property Description

Bedroom Size	Total Number of Units	Number of PB VASH Units
1 bedroom	60	46
2 bedrooms	19	9
3 bedrooms	1	0
80 total units		55 total VASH units

The project includes nine PB VASH vouchers for 2 bedroom units to meet requirements of the Veterans Housing and Homelessness Prevention Program and Low-Income Housing Tax Credit regulations as well as local need. One unit will target 30% AMI per VHHP & TCAC guidelines which require 10% of each unit type to be at or below 30% AMI. Eight 2 bedroom units be target 50% AMI. A Community of Friends has confirmed with the LOMA LINDA VA that there is need for at least nine 2 bedroom VASH units.

Availability of Office and Meeting Space:

Liberty Lane is designed with its suburban context and the special needs of its tenants in mind. The community building will be the focal point of the proposed development, designed so tenants can easily interact with one another, seamlessly integrate with the property's outdoor amenities, as well as participate in and receive supportive services on site. There will be two offices designated for onsite VA staff in the community building. The community building will also have a conference room and lounge area where VA staff can hold group meetings with VASH participants.



Sheet Index:

Architectural:

A0.0	Title Sheet	A3.1	Building A 2nd Floor Plan
A1.0	Conceptual Site Plan	A3.2	Building A Roof Plan
A2.0	Building A Elevations	A3.3	Building B 1st Floor Plan
A2.1	Building A Elevations	A3.4	Building B 2nd Floor Plan
A3.0	Building A 1st Floor Plan	A3.5	Building B Roof Plan

A3.6	Community Building Floor Plan
A3.7	Community Building Roof Plan
A5.0	Unit Plans
A5.1	Unit Plans
A6.0	Perspectives

A6.1	Perspectives
A6.2	Perspectives
A6.3	Perspectives
A6.4	Perspectives
A6.5	Perspectives

Civil:

C1.0	Preliminary Grading Plan
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Landscape:

L1.0	Schematic Landscape Plan
L2.0	Schematic Irrigation Plan

LIBERTY LANE APARTMENTS



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TITLE SHEET

REDLANDS, CA

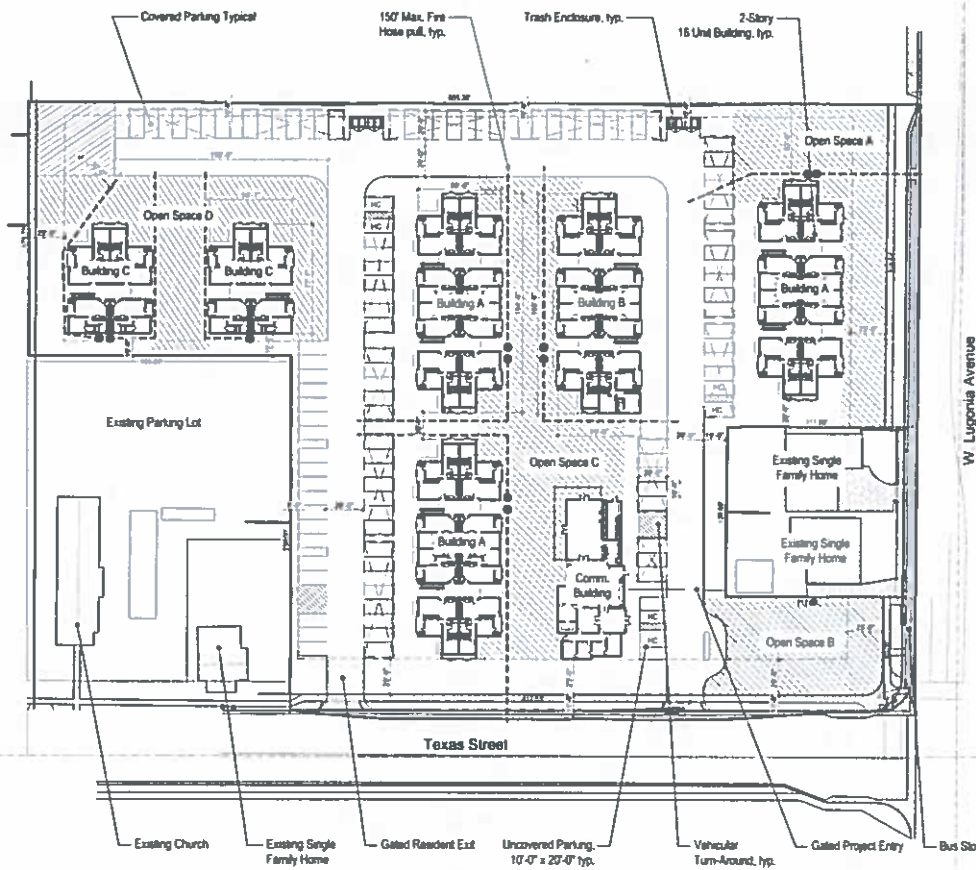
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A0.0



Vicinity Map NTS

Site Summary	
Assessor's Parcel No.	0169-021-19
Zoning	R-2
Gross Site Area	4.72 AC
Gross Site Area less Street Dedication	4.47 AC
Lot Coverage	43,660 Total SF / 4.47 AC 22%
Dwelling Units	80 DU
Density	17.9 DU/AC

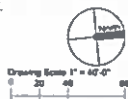
Plan Summary	Bd	SF	# of Units	% Total	Net S.F.	Avg. Net S.F.
p1A	1	600	40	50%		
p2A	2	823	39	49%		
p3A (Manager's Unit)	3	1,147	1	1%		
Total			80	100%	57,604	720.1

Amenities	# of Bldgs	Total Net S.F.
Community Building	1	24,710

Parking Summary			
Covered Parking Required	No. Units	Spaces Required	Spaces/Unit
1 bed	40	40	1.0
2 bed	39	59	1.5
3 bed	1	2	2.0
		101	1.3
Uncovered Parking Required	No. Units	Spaces Required	Spaces/Unit
	80	40	0.5
Total Parking Spaces		141	1.8
Parking Provided		Spaces Provided	Spaces/Unit
Covered Parking Spaces		0	
Uncovered Parking Spaces		100	
Total parking spaces (8 HC Spaces)		100	1.35

Open Space Summary		
Open Space Required	Total DU Gross S.F.	Gross S.F. Required
p1A	28,580	9,520
p2A	37,362	12,454
p3A	1,284	428
Total	67,208	22,402
Open Space provided	Gross S.F. Provided	
Open Space A	12,229	
Open Space B	7,959	
Open Space C	19,420	
Open Space D	18,995	
Total	58,603	

- **Request for Affordability Incentives:
1. Density - Increase density from 15 DU/AC to 17.9 DU/AC (additional 2.9 DU/AC)
 2. Parking - Reduce parking requirement to 100 spaces (No covered parking spaces)
 3. Private Open Space - Reduce required sq. footage for the following decks:
 - Ground Floor Units Min. 150 s.f. to Min. 100 s.f.
 - Second Floor Units Min. 150 s.f. to Min. 50 s.f.



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CONCEPTUAL SITE PLAN

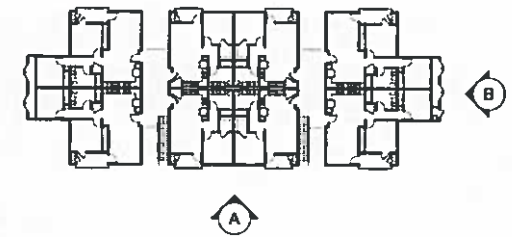
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1/12/21

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A. South Elevation



Key Map - n.t.s.



B. East Elevation

Elevation Keynotes:

1. Stucco
2. Colored Accent Panel
3. Fiber Cement Trim
4. Vinyl Window
5. Decorative Metal Railing
6. Fabric Shading Device
7. Concrete Roof Tile
8. Exposed Rafter Tail
9. Solar Thermal Panel
10. Photovoltaic Panel
11. Storefront System

LIBERTY LANE APARTMENTS



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BUILDING A - ELEVATIONS

REDLANDS, CA

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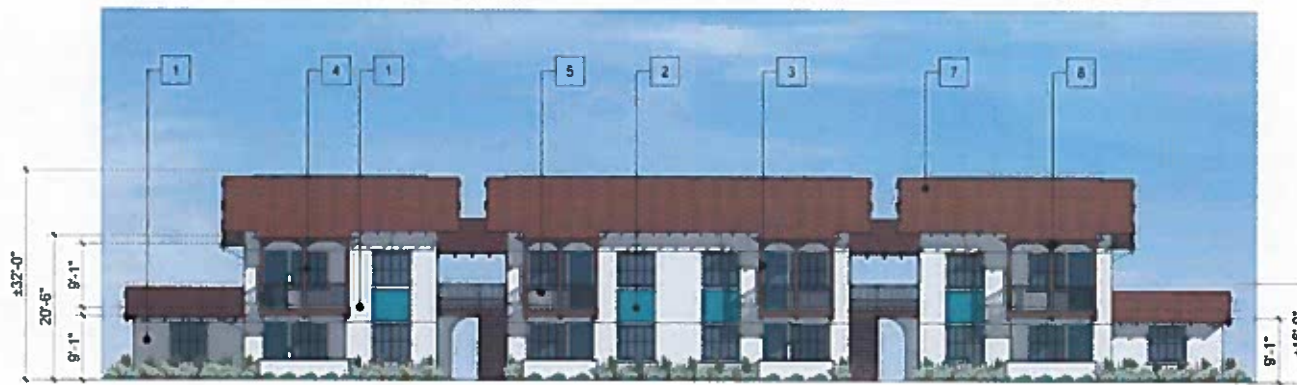
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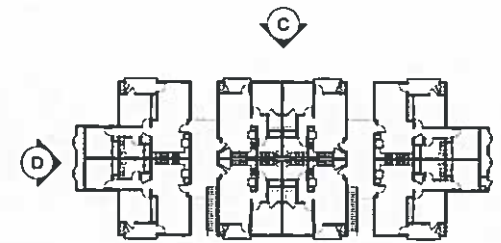


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C. North Elevation



Key Map - n.t.s.



D. West Elevation

Elevation Keynotes:

1. Stucco
2. Colored Accent Panel
3. Fiber Cement Trim
4. Vinyl Window
5. Decorative Metal Railing
6. Fabric Shading Device
7. Concrete Roof Tile
8. Exposed Rafter Tail
9. Solar Thermal Panel
10. Photovoltaic Panel
11. Storefront System

LIBERTY LANE APARTMENTS



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BUILDING A - ELEVATIONS

REDLANDS, CA

DATE: 12/2011/09/11

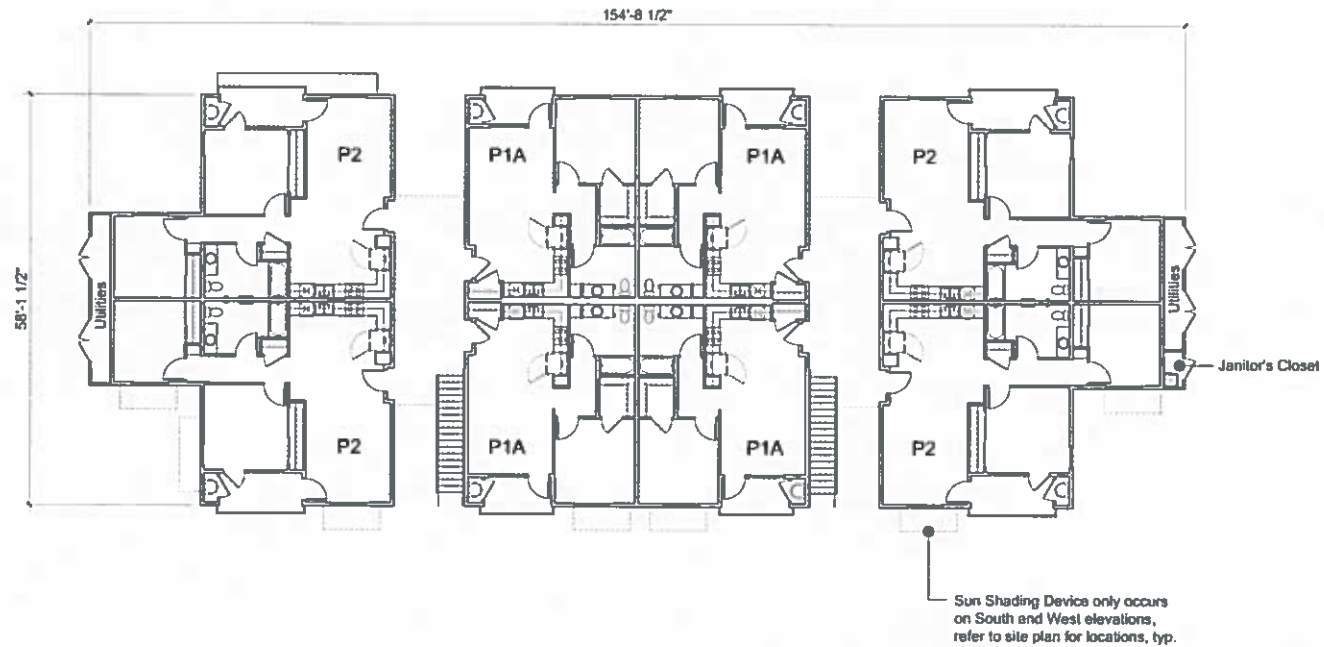
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BUILDING A - 1ST FLOOR PLAN

REDLANDS, CA

DATE: 07/2015-08/15

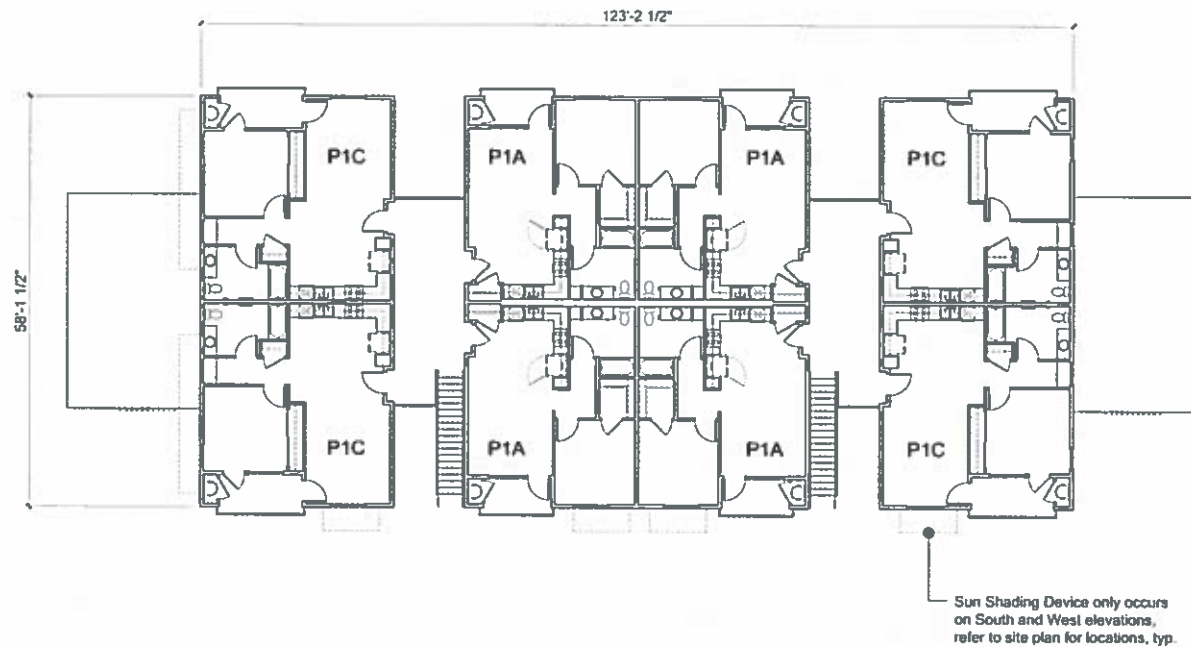
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BUILDING A - 2ND FLOOR PLAN

REDLANDS, CA

DATE: 07/2010

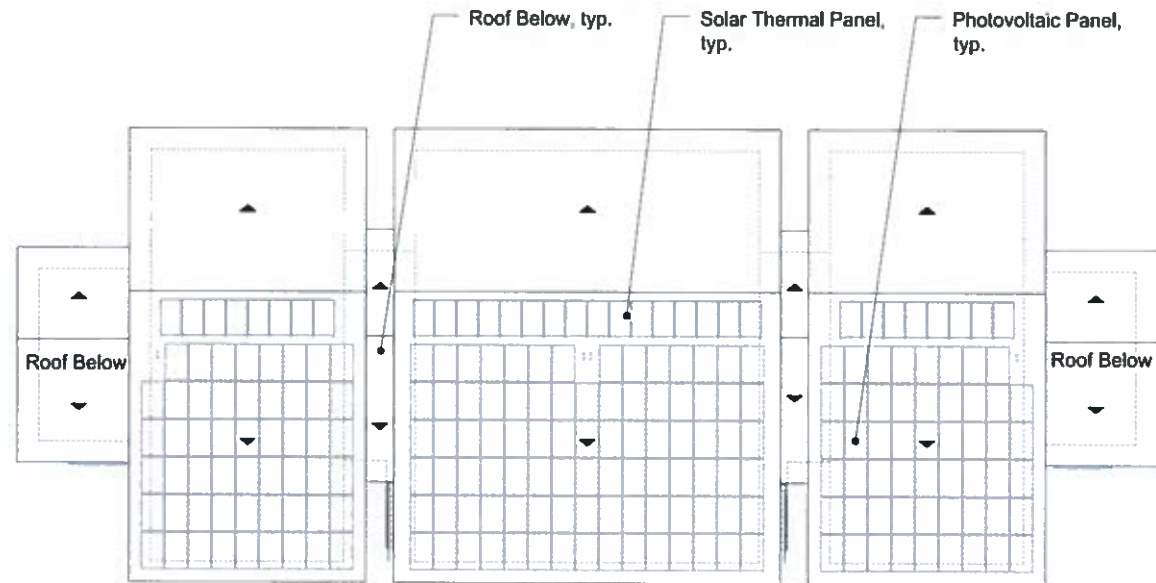
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BUILDING A - ROOF PLAN

REDLANDS, CA

PROJECT # 2011-0019

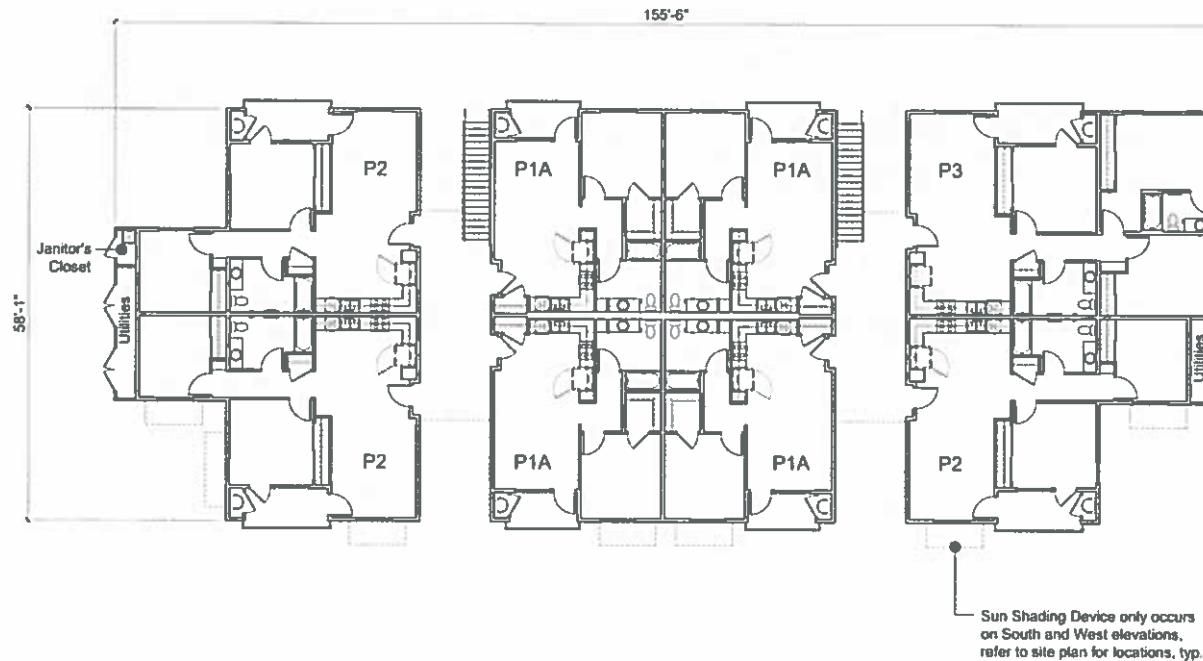
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LIBERTY LANE APARTMENTS



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BUILDING B - 1ST FLOOR PLAN

REDLANDS, CA

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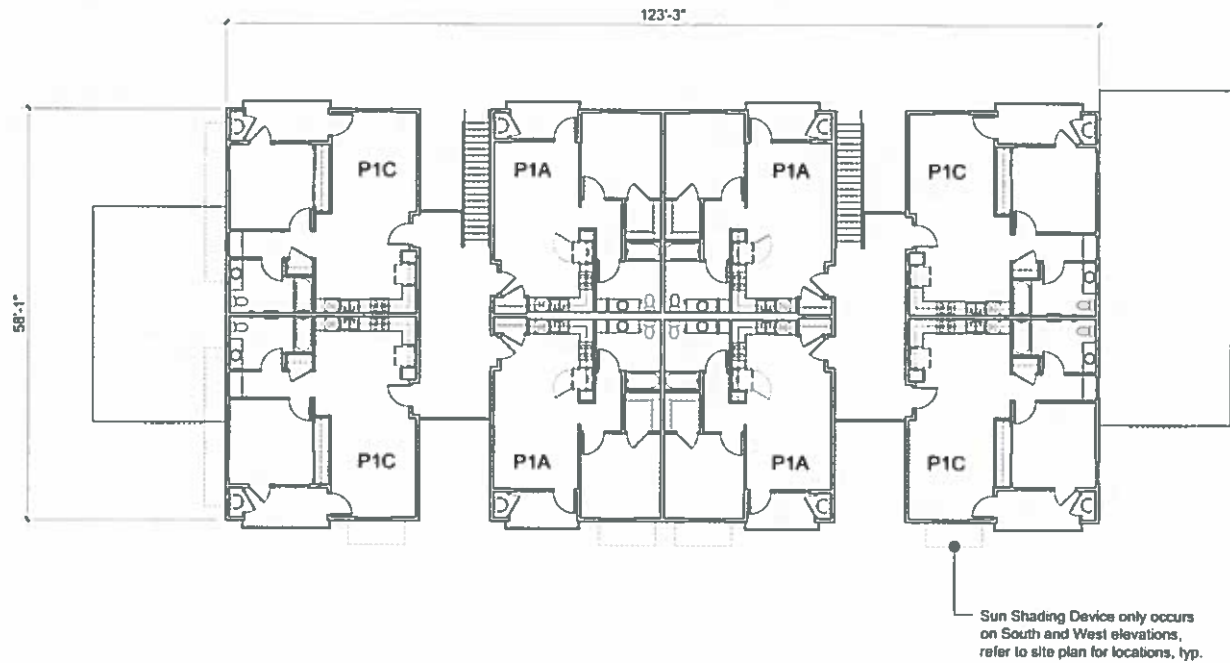
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LIBERTY LANE APARTMENTS



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BUILDING B - 2ND FLOOR PLAN

REDLANDS, CA

DATE: 08/20/2014

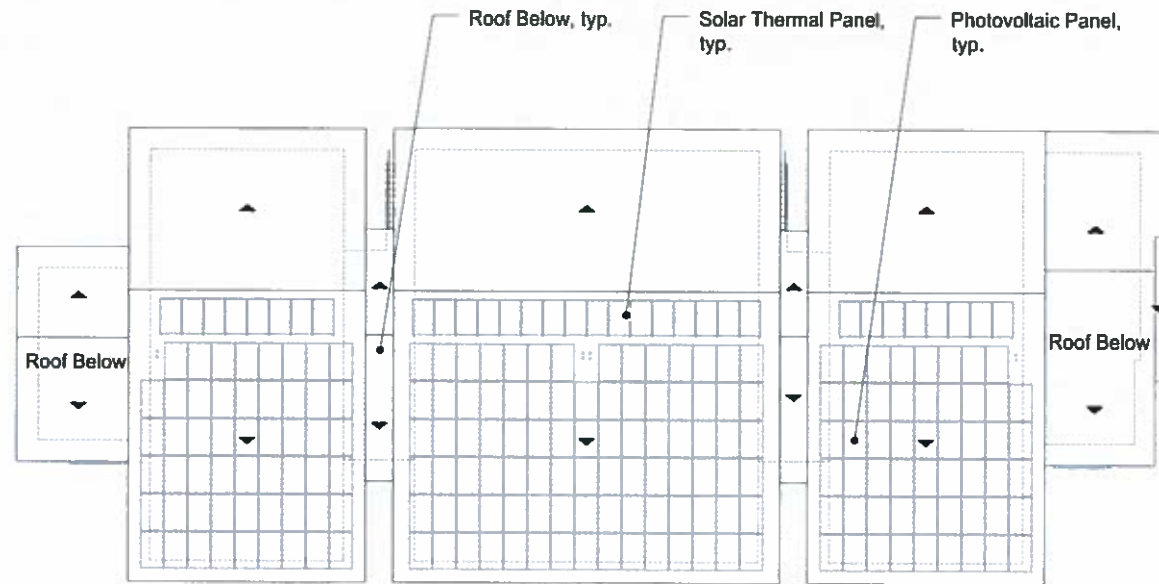
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LIBERTY LANE APARTMENTS



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BUILDING B - ROOF PLAN

REDLANDS, CA

DATE: 10/10/10

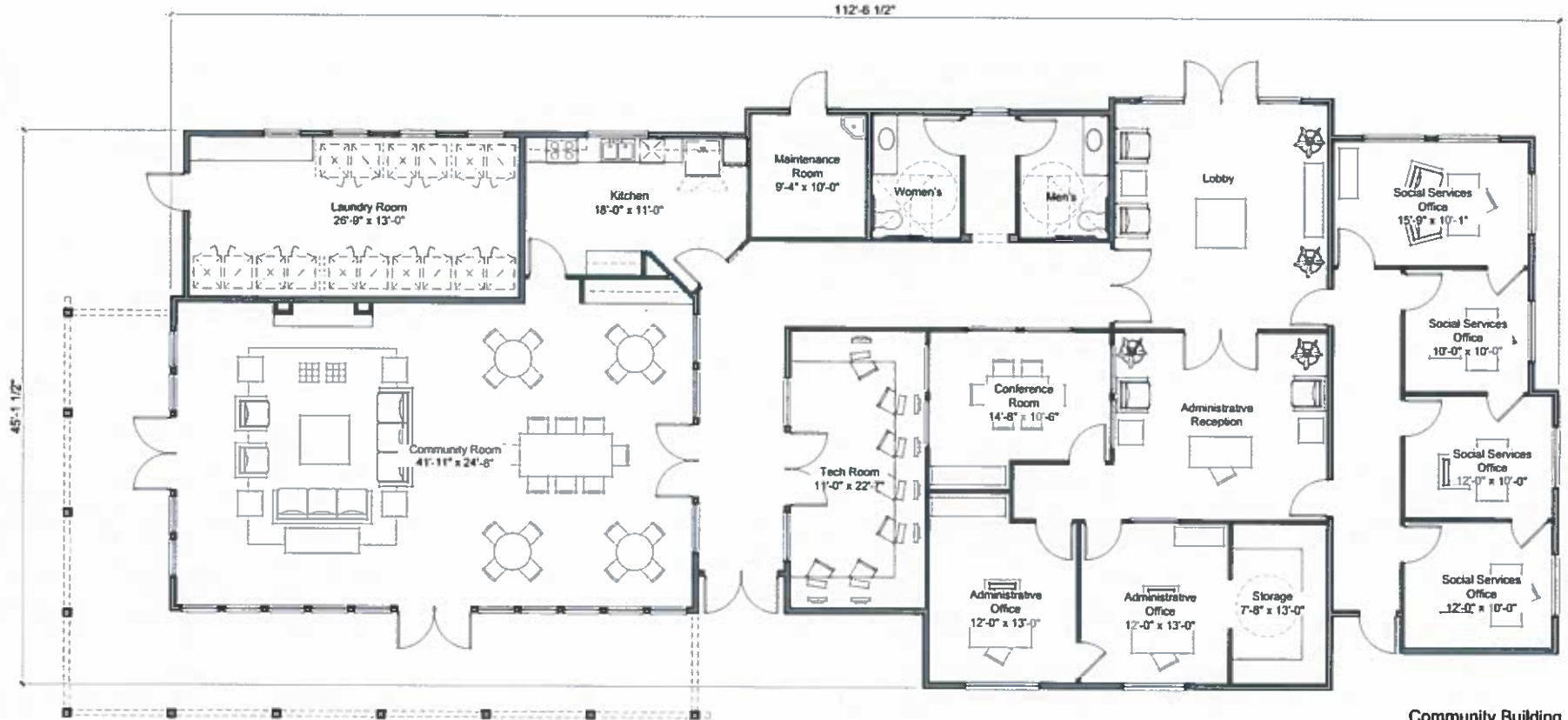
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Community Building
4525 NSF

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LIBERTY LANE APARTMENTS



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COMMUNITY BUILDING - FLOOR PLAN

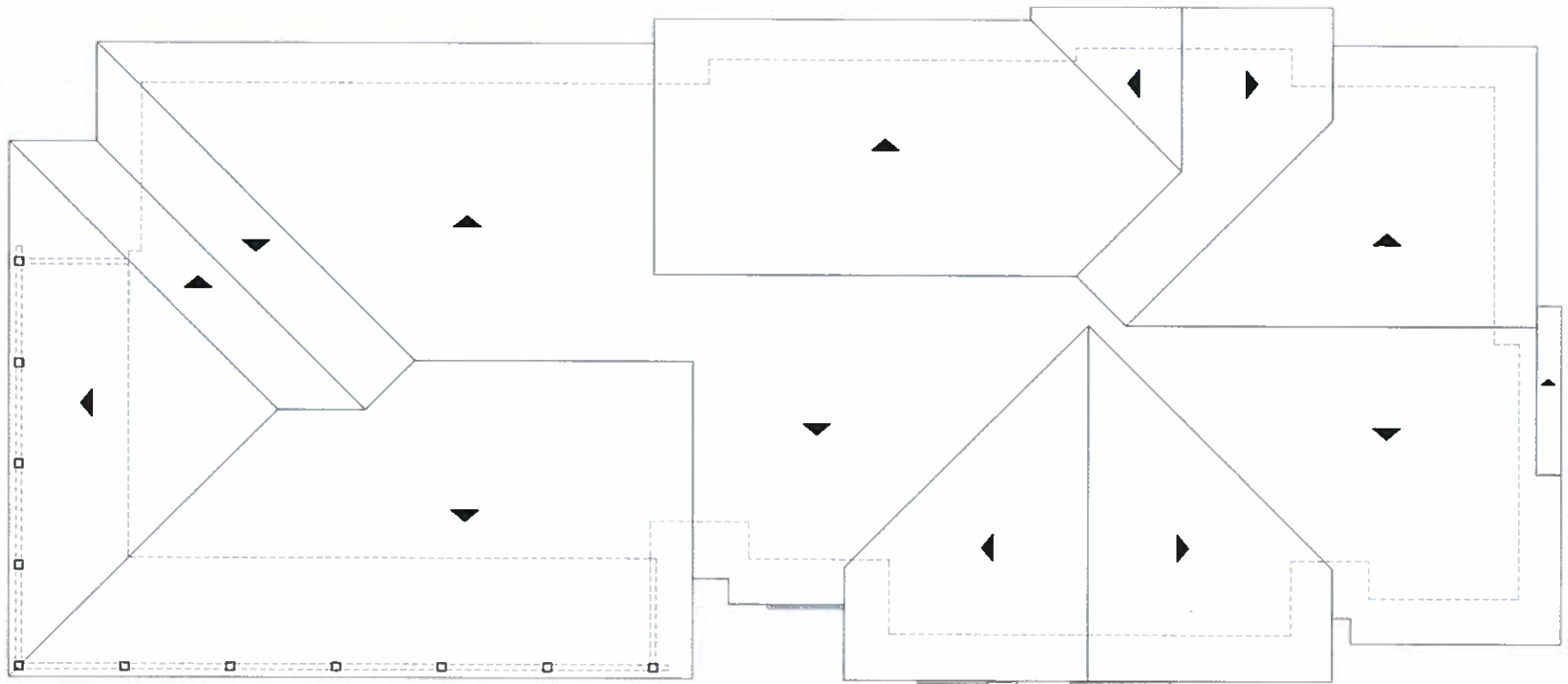
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LIBERTY LANE APARTMENTS



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COMMUNITY BUILDING - ROOF PLAN

REDLANDS, CA

DATE: 01/20/2011

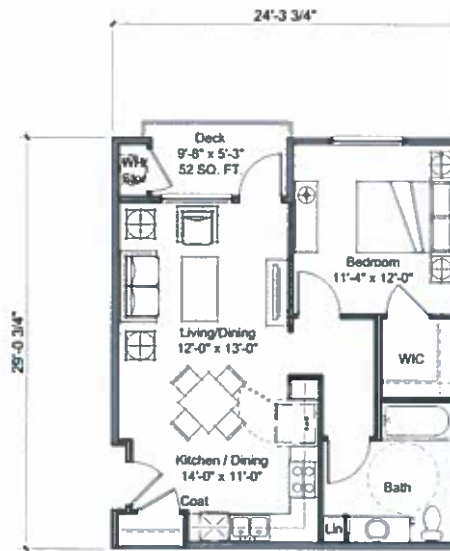
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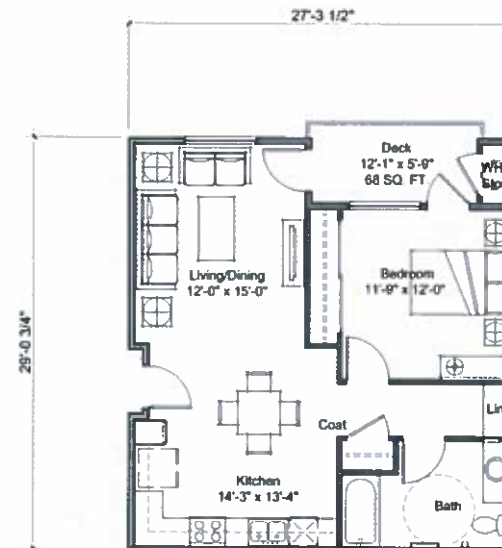


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Plan 1A
1 Bed / 1 Bath
609 NSF
714 GSF



Plan 1C
1 Bed / 1 Bath
677 NSF
803 GSF

Stacks above
Unit P2A, typ.

LIBERTY LANE APARTMENTS



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CONCEPTUAL UNIT PLANS

REDLANDS, CA

DATE: 07-2013-0000

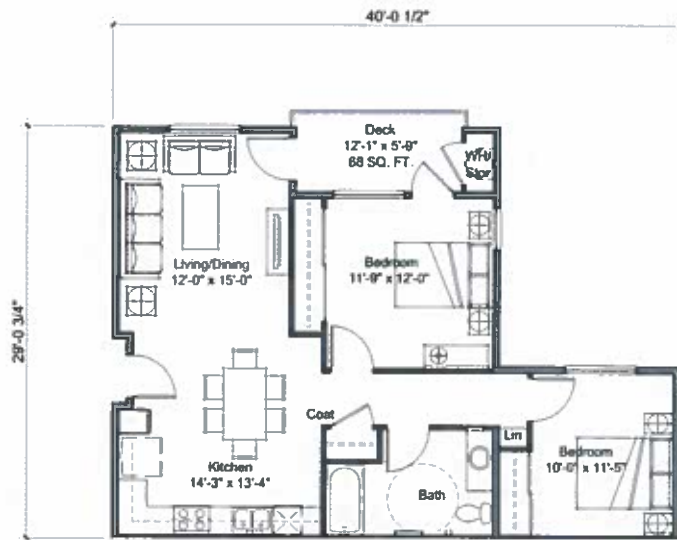
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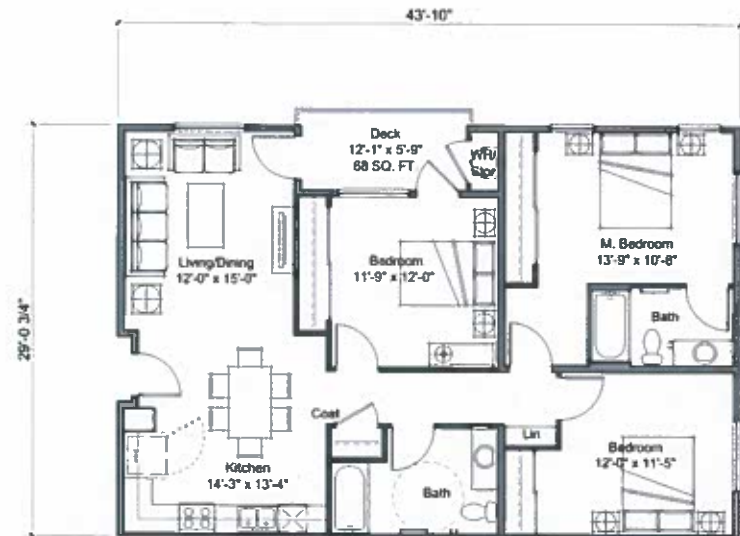
A5.0

KTGY Group, Inc.
Architecture+Planning
17922 Fitch
Irvine, CA 92614
949.851.2133
ktgy.com





Plan 2
2 Bed / 1 Bath
823 NSF
958 GSF



Plan 3
3 Bed / 2 Bath
1147 NSF
1284 GSF

LIBERTY LANE APARTMENTS



A Community of Friends
3701 Wilshire Blvd., Suite 700
Los Angeles, CA 90010
213.480.0809

CONCEPTUAL UNIT PLANS

REDLANDS, CA

DATE: 07/20/11 08/31/2011

KTGY Group, Inc.
Architecture+Planning
17922 Fitch
Irvine, CA 92614
949.851.2133
ktgy.com



Drawing Scale: 1/4" = 1'-0"

A5.1



Aerial View - South

LIBERTY LANE APARTMENTS



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Los Angeles, CA 90010
213.480.0809

PERSPECTIVES

REDLANDS, CA

PHOTO BY 2013-2014 08/31/2015

KTGY Group, Inc.
Architecture+Planning
17922 Fitch
Irvine, CA 92614
949.851.2133
ktgy.com



A6.0



Aerial View - Southeast Corner

LIBERTY LANE APARTMENTS



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3701 Wilshire Blvd., Suite 700
Los Angeles, CA 90010
213.480.0809

PERSPECTIVES

REDLANDS, CA
REVISED 10/2011

08/11/2011

KTGY Group, Inc.
Architecture+Planning
17922 Filch
Irvine, CA 92614
949.851.2133
ktgy.com



A6.1



Aerial View - North Corner

LIBERTY LANE APARTMENTS



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Los Angeles, CA 90010
213.480.0809

PERSPECTIVES

REDLANDS, CA

PHOTO BY 2014-09-19

08/11/2013

KTGY Group, Inc.
Architecture+Planning
17922 Filch
Irvine, CA 92614
949.851.2133
ktgy.com



A6.2



Building Perspective

LIBERTY LANE APARTMENTS



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3701 Wilshire Blvd., Suite 700
Los Angeles, CA 90010
213.480.0809

PERSPECTIVES

REDLANDS, CA

07/27/17 08:11:09

08/14/2015

KTGY Group, Inc.
Architecture+Planning
17922 Fitch
Irvine, CA 92614
949.851.2133
ktgy.com



A6.3

Fabric Sun-Shade Device (West Facing)
 *Overhang extends South 45 deg. from window sill
 *Overhang extends West to intercept 45 deg. altitude angle measured from window sill

3' x 6' Solar Thermal Panels.
 (2) panels/unit, typ.

Expanded Balcony/ Sun-Shade Device (South Facing)
 *Overhang extends East 70 deg. from window sill for late morning sun
 *Overhang extends South to intercept 57 deg. altitude angle measured from window sill

Decorative Balcony Railing,
 typ.

Photovoltaic Panels, typ.
 ± 3136 Total SF



Architectural Details

LIBERTY LANE APARTMENTS



A Community of Friends
 3701 Wilshire Blvd., Suite 700
 Los Angeles, CA 90010
 213.480.0809

PERSPECTIVES

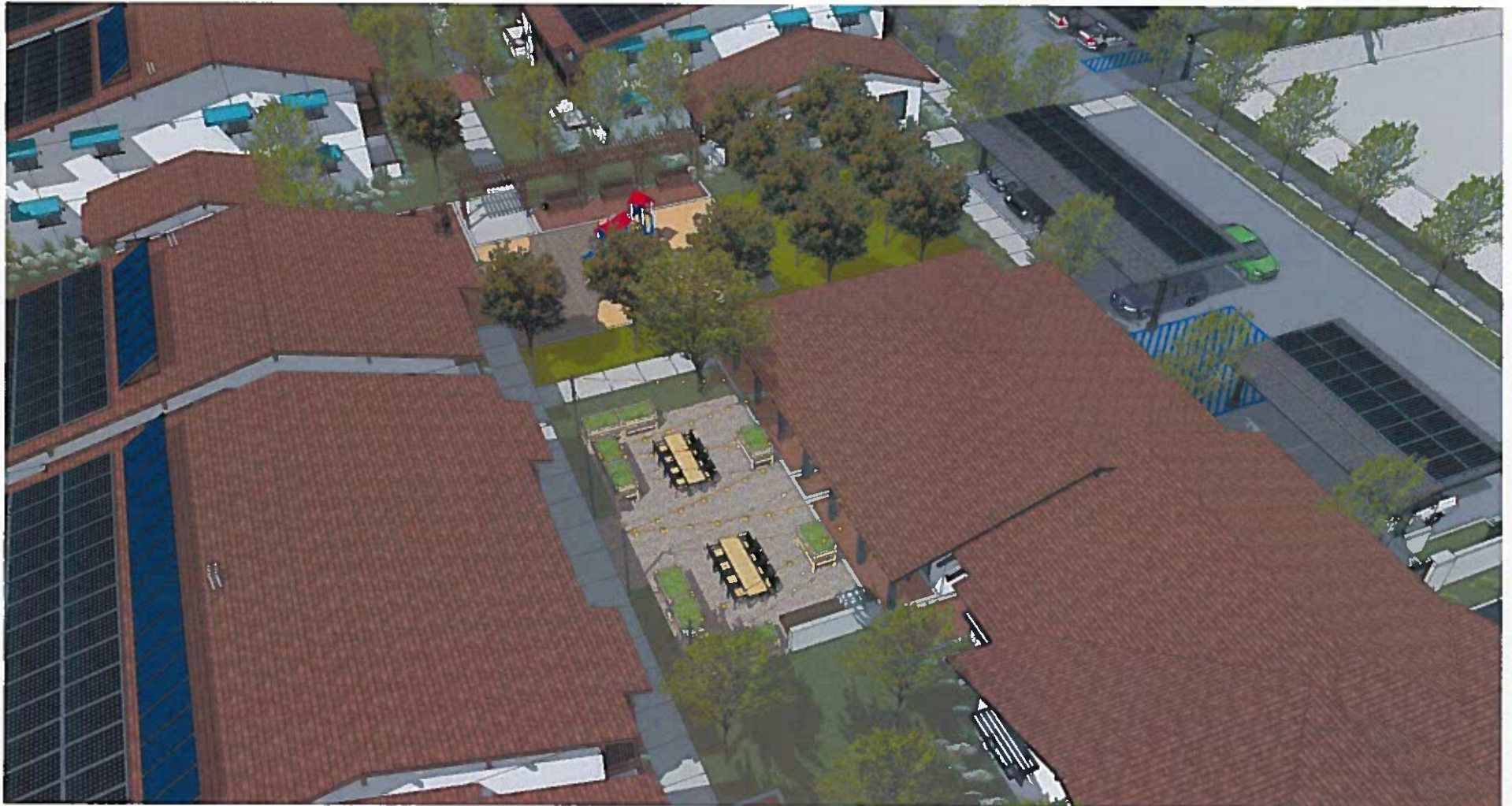
REDLANDS, CA
 90701-1000

06/14/2015

KTGY Group, Inc.
Architecture+Planning
 17922 Fitch
 Irvine, CA 92614
 949.851.2133
 ktgy.com



A6.4



Community Area

LIBERTY LANE APARTMENTS



A Community of Friends
3701 Wilshire Blvd., Suite 700
Los Angeles, CA 90010
213.480.0809

PERSPECTIVES

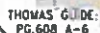
REDLANDS, CA
STUDY OF 2015-2017

06/11/2015

KTGY Group, Inc.
Architecture+Planning
17922 Fitch
Irvine, CA 92614
949.851.2133
ktgy.com



A6.5



VICINITY MAP
NOT TO SCALE

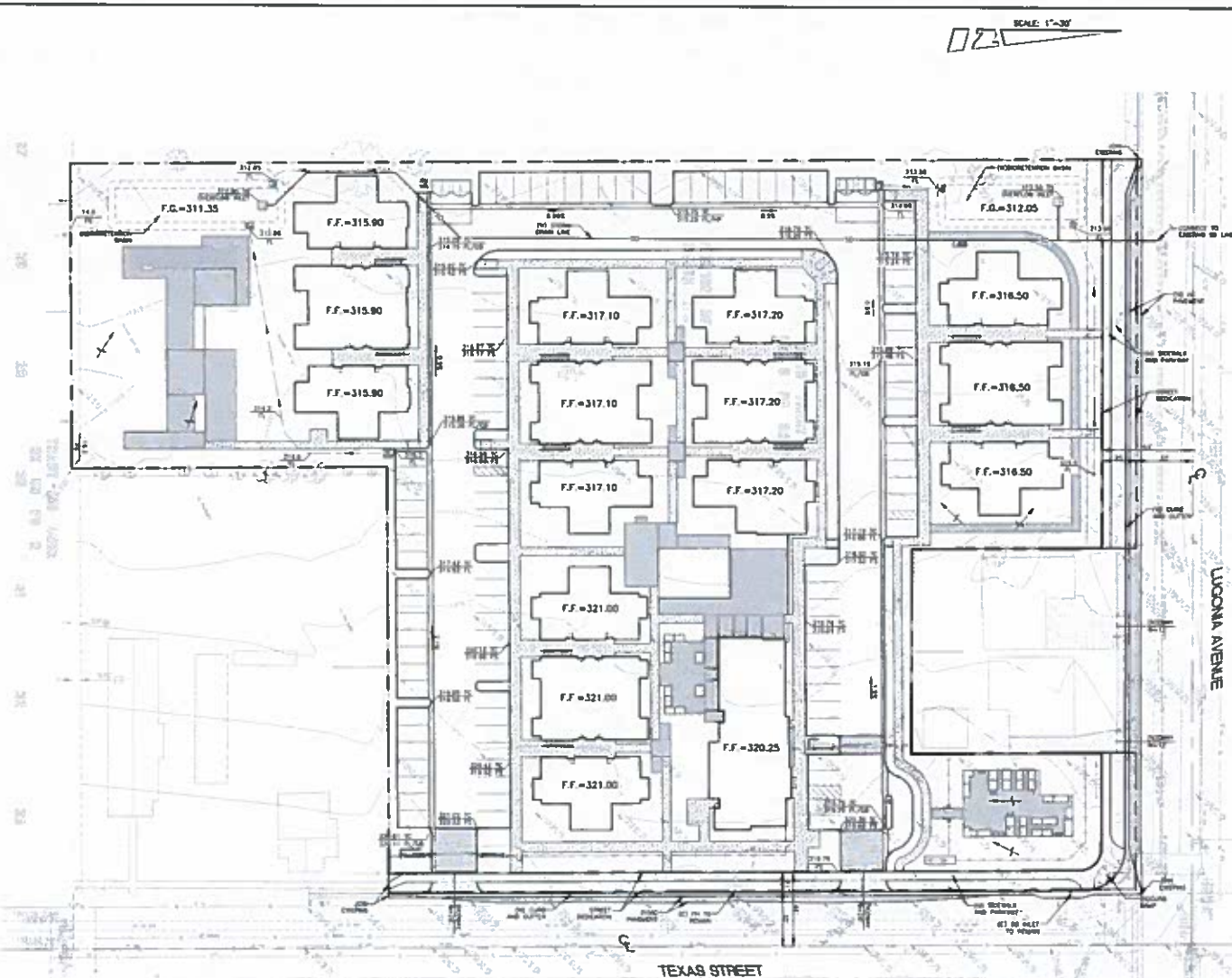
VERITY NOTE:

NO CERTIFICATION IS MADE AS TO THE LOCATIONS OF UNDERGROUND UTILITIES SUCH AS, BUT NOT LIMITED TO, ELECTRIC, TELEPHONE, CABLE TV, GAS, WATER, SANITARY AND STORM SEWER. THE EXISTENCE AND LOCATION OF ANY UNDERGROUND UTILITIES, PIPES, AND/OR STRUCTURES SHOWN ON THESE PLANS WERE OBTAINED BY A SEARCH OF AVAILABLE RECORDS AND CONSTRUCTION PLANS, AND ARE APPROXIMATE LOCATIONS ONLY.

UNDERGROUND UTILITY LEGEND:

	GAS
	BATH
	SANITARY SEWER
	STORM DRAIN
	TELEPHONE
	GAS/OIL
	ELECTRICAL
CABLE TV	

LEGEND:

[illegible]

PRELIMINARY GRADING PLAN

LIBERTY LANE APARTMENTS
W CORNER OF LUGONIA AVE. AND TEXAS STREET
REDLANDS, CA

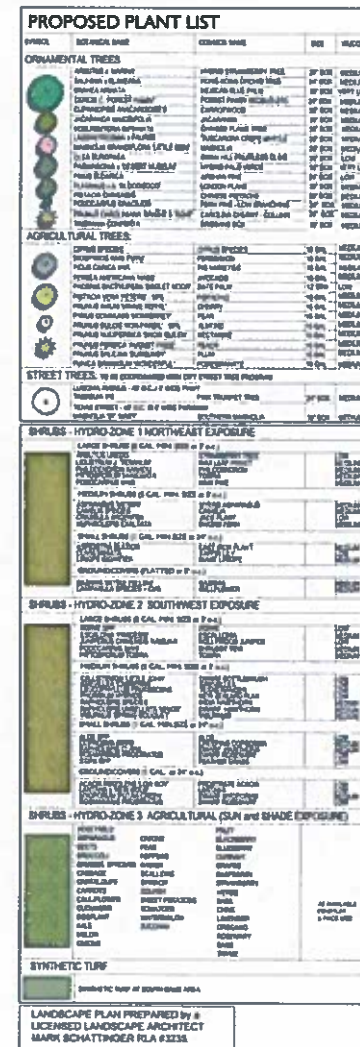
UNCLASSIFIED

DCI ENGINEERING, INC.
1000 S. Westfield Ave., Suite 100
Chandler, AZ 85224
Tel: 480/948-1100
Fax: 480/948-1101
www.dci-engineering.com

PREPARED FOR

PRELIMINARY GRADING PLAN
LIBERTY LANE APARTMENTS
W CORNER OF LUGONIA AVE. AND TEXAS STREET
REDLANDS, CA

SCALE: 1" = 30'	DATE: 03-23-
PROJECT: AD	DRAWN BY: CRC
DRAWING NUMBER: 1 1	



LI.0

SCHEMATIC LANDSCAPE PLAN

假設關係



MJS Design Group
Cannery Lofts
507 30th Street
Newport Beach, CA 92663
(949) 875-8864



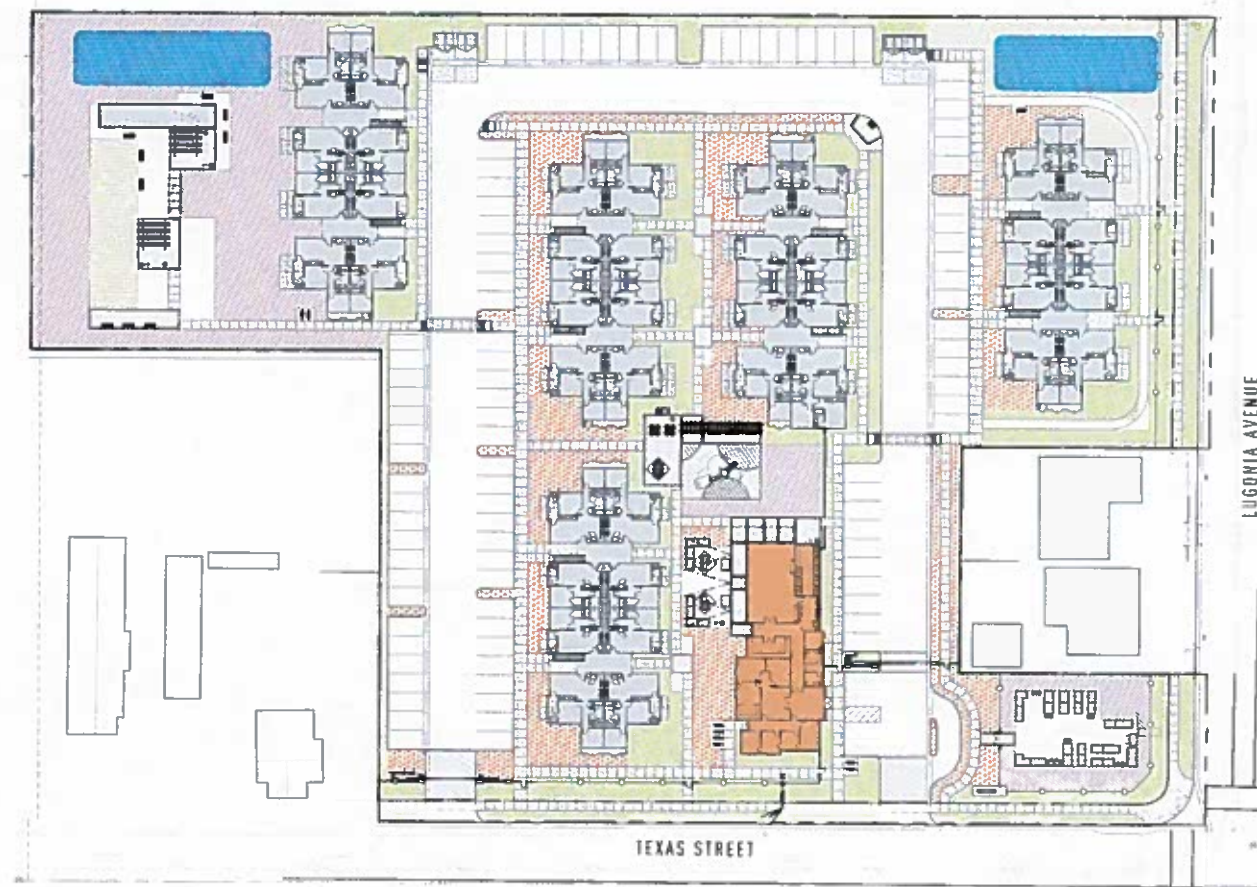


EXHIBIT C: DESCRIPTION OF HOUSING

SECTION I

PROJECT DESCRIPTION

INTRODUCTION

This section of the market study presents descriptions of the subject project and the market area. The depth of demand for the subject units is evaluated in Section II of the report, and Section III presents descriptions of the competitive apartment properties. Supporting documentation and background materials are provided in Section IV.

The subject property is located at the southwest corner of West Lugonia Avenue and Texas Street in the City of Redlands, San Bernardino County, California. The subject property's location on a regional basis is shown in Exhibit I-1 (the exhibits for each report section follow the text of the section).

PROJECT DESCRIPTION

The subject project consists of the new construction of 80 apartment units, including 79 affordable units and one (1) manager's unit. The affordable units will be offered at rent levels that will be subsidized by the State of California via various financing mechanisms, including Low Income Housing Tax Credits. The incomes of the tenants will be restricted to between 20 and 60 percent of the Area Median Income (AMI) for San Bernardino County. The unit types will consist of 1BR and 2BR plans.

The name of the project is *Liberty Lane Apartments*, and the sponsor of the project is A Community of Friends. The target populations for the subject project will be as follows:

- 1BR: 30% AMI - 20 VHHP/VASH with 2 Chronic Homelessness and 3 Disability Homelessness
 20% AMI - 6 VHHP w/ 3 Chronic Homelessness and 3 Disability Homelessness (non-VA)
 40% AMI - 6 VHHP/VASH
 50% AMI - 20 VHHP/VASH with 5 Disability Homelessness
 60% AMI - 8 General Low Income
- 2BR: 30% AMI - 1 VHHP/VASH
 20% AMI - 1 VHHP with 1 Chronic Homelessness (non-VA)
 50% AMI - 8 VHHP/VASH with 2 Disability Homelessness
 60% AMI - 9 General Low Income

The subject units are contained within four walk-up residential buildings that are 2-stories in height. The buildings have an appealing Spanish/Ranch style architectural design that is appropriate for the project's location and setting. A total of 108 parking spaces will be

provided, including 85 covered spaces. The project will have secured access, gated parking, and security cameras.

The subject project includes a community building with a large community room, computer center, and offices for supportive services. The community room also contains a kitchen and a television/lounge area. Outdoor amenities will include a picnic/barbeque area, community garden, and landscaped open space.

The subject property will provide a clean, comfortable living environment. The floorplans are efficiently designed, and the unit features will include central air conditioning, refrigerator, dishwasher, disposal, and patio or balcony. Residents will pay for basic electricity, as well as electricity for cooking, space heating, and air conditioning. The landlord will pay for water heating, water, sewer, and trash collection.

A Case Manager and Social Service Coordinator will provide onsite supportive/social services to the residents. These services will be tailored to specifically to the needs of the tenants, including veterans.

Construction of the subject apartment complex is slated to begin in December of 2022, with completion scheduled for August 2024. Based on that schedule, pre-leasing activity is estimated to begin in May 2024.

Architectural renderings of the subject project, including a site plan, floorplans, and building elevations, are included in Section IV of this report. The name of the architect is KTG Y Group, Inc. and the date of the architectural drawings is February 18, 2022. Overall, the subject project is well-designed for the target population, and no changes to the subject property as currently planned are warranted.

The plan types, mix, and proposed rent structure associated with the property are summarized in the table on the following page.

PRODUCT PROGRAM AND RENT SCHEDULE LIBERTY LANE APARTMENTS CITY OF REDLANDS, CALIFORNIA						
Plan Type	Unit Mix	Income Restriction	Other Target	Monthly Net Rent	Utility Allow.*	Rent Per Sq. Ft.
1 Bd / 1 Ba 525 Sq. Ft. (min)	6	20% AMI/VHHP^	3CH/3DH	\$191	\$105	\$0.36
	20	30% AMI/VHHP/VASH	2CH/3DH	\$339	\$105	\$0.65
	6	40% AMI/VHHP/VASH		\$487	\$105	\$0.93
	20	50% AMI/VHHP/VASH	5DH	\$635	\$105	\$1.21
	8	60% AMI		\$783	\$105	\$1.49
2 Bd / 1 Ba 764 Sq. Ft. (min)	1	20% AMI/VHHP^	1CH	\$207	\$148	\$0.27
	1	30% AMI/VHHP/VASH		\$385	\$148	\$0.50
	8	50% AMI/VHHP/VASH	2DH	\$740	\$148	\$0.97
	9	60% AMI		\$918	\$148	\$1.20
TOTAL**	79	7 @ 20% AMI 21 @ 30% AMI 6 @ 40% AMI 28 @ 50% AMI 17 @ 60% AMI	CH—Chronic Homelessns DH—Dsability Homelessns			
Unit Mix: 60 @ 1/1 19 @ 2/1 62 VHHP with 55 VASH; 17 General Affordable						
COMMON AMENITIES			UNIT FEATURES			
Community Room w/kitchen and lounge Computer Room Social Services/Meeting Office Picnic and BBQ area Laundry Facilities Covered Parking (Carports) Gated Access / Gated Parking Security Cameras			Stove / Oven Refrigerator Dishwasher Garbage Disposal Central Heating and Air Conditioning Blinds Carpeting/Vinyl Flooring Patio/Balcony Furnishings (Special Needs Units)			

* Housing Authority of San Bernardino County.

** Total excludes one manager's unit (3BR).

^ These units are expected to pay net rent utilizing SSI (\$1,040 per month) and other benefits.

July 7, 2021

Mee Heh Risdon
A Community of Friends
3701 Wilshire Blvd, Suite 700
Los Angeles, CA 90010

RE: Liberty Lane, Redlands, CA

Dear Ms. Risdon,

The Housing Authority of the County of San Bernardino (HACSB) is pleased to inform you that the above referenced project has received a reservation for Project Based Veterans Affairs Supportive Housing (VASH) Vouchers pursuant to HACSB's Housing Services Program Administrative Plan, Chapter 20, Project-Based Assistance Program. HACSB is reserving anticipated funding for fifty-five (55) VASH vouchers for a twenty (20) year contract term consisting of the following: 46 1-bedroom units and 9 2-bedroom units for homeless veterans that are referred to HACSB from the Veterans Affairs Loma Linda Healthcare System.

Final commitment of the Project Based Vouchers is subject to the following items:

- Receipt of a Veterans Housing and Homeless Prevention Program (VHHP) Round 6 funding allocation from the California Department of Housing and Community Development.
- Project's receipt of all necessary capital funding for the construction of the project, including, but not limited to a tax credit allocation.
- Subsidy layering requirements as defined by the U.S. Department of Housing and Urban Development (HUD).
- National Environmental Policy Act Clearance.
- Approval of an Agreement to Enter into Housing Assistance Payments (AHAP) Contract by HACSB's Board of Commissioners.

This reservation is also contingent on continued funding from HUD. In the event of insufficient budget authority, HACSB reserves the right to rescind the allocation up until the execution of an AHAP contract. This letter of commitment is valid for one year after the project's notification of a successful VHHP funding allocation from HCD's VHHP Round 6 Competitive NOFA. If you have any questions, please feel free to contact me at (909) 332-6306 or via e-mail at gjoslin@hacsb.com.

Thank you,

Gustav Joslin
Deputy Executive Director
Housing Authority of the County of San Bernardino

Cc: Maria Razo, Executive Director, HACSB
Gary Hallen, Director, San Bernardino County Community Development & Housing

December 16, 2022

MEMORANDUM FOR: Miguel A. Fontanez Sanchez, Director, Housing Voucher Financial Management Division, PEVB

FROM: Gustav Joslin, Deputy Executive Director, HACSB

SUBJECT: Project-Based Assistance Subsidy Layering Review
Liberty Lane Apartments, Redlands, CA

Narrative for Determination/Basis of the PBV Contract Rents

The Housing Authority of the County of San Bernardino (HACSB), pursuant to its local program policies for administration of the Project-Based Voucher program, conducted a “Reasonable Rent” analysis, to confirm and approve the proposed rents for each bedroom size at the Liberty Lane Apartments project. HACSB found that the Market Study prepared for the developer by Market Insights Consulting, LLC is consistent with HACSB’s own findings for the Redlands Market area which is considered Submarket 7 for the HUD Housing Choice Voucher program. HACSB analyzes market rents County-wide on an annual basis, and has established 9 submarkets under which the voucher program is administered.

A review of the proposed Liberty Lane Apartments project has determined that the project warrants the placement of gross rents for PBV units approximating the HACSB published maximum “payment standard” for submarket 7. Because it is new construction, with a variety of amenities including community facilities and supportive services, gross rent is determined to be reasonable at \$1,320 for one bedroom, and \$1,517 for two bedroom, which, when adjusted for utility allowance will equate to net contract rents at \$1,215 and \$1,369 respectively. The proposed net contract rents for both one bedroom and two bedroom units are well below the maximum payment standard published by HACSB for Submarket 7 in San Bernardino County (see attached list of Payment Standards), as well as the “Adjusted Rents” for comparable properties as identified in the Market Study’s rent Comparability Matrix .

Attached also is the rent comparability matrix for one and two bedroom units as provided in the HUD 92273 format. Note that rents under the proposal are below the average of the market comparable units per the market study.



Housing Authority of the
County of San Bernardino
Building Opportunities Together

Moving to Work (MTW) Payment Standards Effective December 1, 2022

MTW Payment Standards apply to the following HACSB programs: Term-Limited Lease Assistance program, Streamlined Lease Assistance program, No Child Left Unsheltered program, Family Unification Program, Mainstream programs and Veteran Affairs Supportive Housing (VASH leased on or after January 1, 2021)

	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	6 Bedroom
Submarket 1 - Desert	\$827	\$974	\$1,170	\$1,733	\$2,090	\$2,404	\$2,717
May include the following cities: Baker, Daggett, Ridgecrest, Trona, Yermo, Amboy, Cima, Earp, Edwards, Essex, Fort Irwin, Hinkley, Ludlow, Mountain Pass, Newberry Springs, Nipton, Parker Dam, Vidal							
Submarket 2 - Victor Valley / Barstow	\$1,040	\$1,389	\$1,769	\$2,338	\$2,750	\$3,067	\$3,575
May include the following cities: Adelanto, Apple Valley, Barstow, Helendale, Hesperia, Lucerne Valley, Oro Grande, Phelan, Pinon Hills, Victorville							
Submarket 3 - Morongo Valley / 29 Palms	\$1,095	\$1,100	\$1,760	\$2,145	\$2,690	\$3,093	\$3,496
May include the following cities: Joshua Tree, Landers, Morongo Valley, Pioneer Town, 29 Palms, Yucca Valley							
Submarket 4 - Mountains	\$1,290	\$1,746	\$2,228	\$3,025	\$3,300	\$3,701	\$4,290
May include the following cities: Angelus Oak, Big Bear City, Big Bear Lake, Blue Jay, Cedar Glen, Crest Park, Crestline, Fawnskin, Forest Falls, Green Valley Lake, Lake Arrowhead, Lytle Creek, Mt. Baldy, Rimforest, Running Springs, Skyforest, Sugarloaf, Twin Peaks, Wrightwood							
Submarket 5 - San Bernardino North	\$1,329	\$1,586	\$1,873	\$2,559	\$3,218	\$3,517	\$4,183
May include the following cities: Cedarpines Park, Highland (North), Patton, San Bernardino (North)							
Submarket 6 - San Bernardino South	\$1,173	\$1,544	\$1,849	\$2,076	\$3,025	\$4,122	\$4,741
May include the following cities: Highland (West), San Bernardino (South)							
Submarket 7 - East Valley	\$1,623	\$2,094	\$2,357	\$2,796	\$3,625	\$3,905	\$4,712
May include the following cities: Bryn Mawr, Colton (East), Grand Terrace, Highland (East), Loma Linda, Mentone, Redlands, Yucaipa							
Submarket 8 - West Valley	\$1,925	\$2,477	\$3,028	\$3,410	\$3,960	\$4,345	\$5,148
May include the following cities: Chino, Chino Hills, Fontana (North), Guasti, Montclair, Ontario, Rancho Cucamonga, Upland							
Submarket 9 - Central Valley	\$1,576	\$1,799	\$2,018	\$3,080	\$3,627	\$4,183	\$4,715
May include the following cities: Bloomington, Colton (West), Fontana (South), Muscoy, Rialto							

MTW payment standards are based on the analysis of independent third-party data. The submarkets are based on census tracts; city names are a guide and may not be used to accurately determine sub market. **Some cities may fall within multiple submarkets.** The amounts detailed above are the maximum contract rent that may be approved by bedroom size. Your particular unit's final approved contract rent may be lower.

Board Adopted: 11/8/22
Effective: 12/1/22

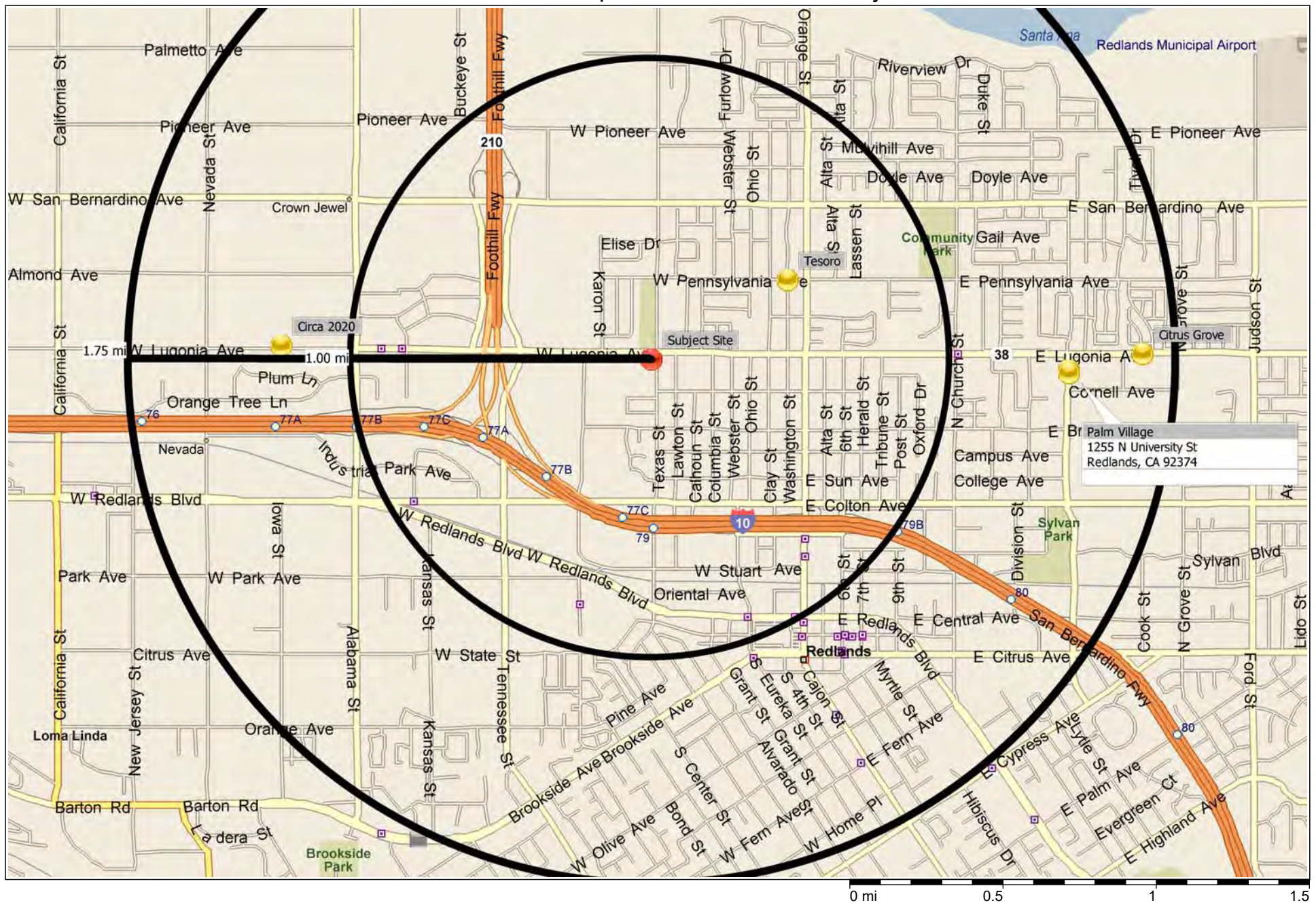
EXHIBIT III-1
SUMMARY OF COMPARABLE MARKET-RATE APARTMENT PROJECTS
REDLANDS MARKET AREA
MARCH 2022

#	Project Name / Location	Distance From Site	# Units/ Floors	Bdrm / Bath	Percent Vacant	Monthly Base Rent*	Size (Sq. Ft.)	Rent Per Sq. Ft.	Year Built	Amenities / Comments
1	Tesoro Apartments 106 W. Pennsylvania Ave. Redlands, CA 92374	0.6 miles	188 2-story walk-up	1/1 2/2 2/2	1.1%	\$1,675 \$1,950 \$2,004	683 837 882	\$2.45 \$2.33 \$2.27	1988	Pool, spa, fitness center, playground, laundry facilities.
2	Circa 2020 27000 W. Lugonia Ave. Redlands, CA 92374	1.2 miles	301 2-3 story walk-up/ elevator	1/1 2/2 3/2	0.7%	\$2,010 \$2,425 \$3,175	724 1,041 1,412	\$2.78 \$2.33 \$2.25	2015	Landscaped courtyards, pool, park area, playground, BBQ areas, gym, health center, in-unit W/D.
3	Palm Village 1255 North University St. Redlands, CA 92374	1.4 miles	50 2-story walk-up	1/1 2/1.5	0.0%	\$1,745 \$1,965	700 935	\$2.49 \$2.10	1985	Pool, BBQ area, laundry facilities.
4	Citrus Grove 1240 E. Lugonia Ave. Redlands, CA 92374	1.6 miles	198 2-story walk-up	1/1 2/2	3.0%	\$1,735 \$2,099	667 859	\$2.60 \$2.44	1983	Pool, tennis court, sand volleyball ct, tot-lot, fitness center, courtyard/picnic/ BBQ area, laundry facilities.
TOTAL / WTD AVG.			737		1.4%					

* Base rent = lowest rent for each plan type.

Source: Market Insights

Exhibit III-2 -- Comparable Market-Rate Projects



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Rent Comparability Matrix

Exhibit III-3 1BR Market-Rate Matrix Date of Market Study: 3/8/2022 Prepared By: Market Insights Consulting, LLC 949-709-1938 <i>Analysis Using Highest Rents for Subject</i>	Liberty Lane Apartments	Tesoro Apartments		Circa 2020		Palm Village			
	SWC W. Lugonia and Texas St.	106 W. Pennsylvania Ave		27000 W. Lugonia Ave.		1255 North University St.			
	Redlands	Redlands		Redlands		Redlands			
	Phone	909-798-1660		909-435-0466		909-792-7630			
	Use Subject's Highest Rent							Totals & Weighted Averages	Differential
	Characteristic	Char	Adj	Char	Adj	Char	Adj		
("M" arket, "L" ow Income)	L	M		M		M			
Distance in Miles from Subject		0.60		1.20		1.40		273	
Number of Units		108		149		16			
Vacancy Rate		1%		1%		0%			
Waiting List ("Y"es or "N"o)		N		N		N			
Turnover Rate		32%		n/a		60%			
Unit Size in SF	525	683		724		700		706.3736	
Aggregate Size in SF		73764		107876		11200		192,840	
Base Rent	\$783	\$1,675		\$2,010		\$1,745		\$1,862	-57.95%
Aggregate Rent		\$180,900		\$299,490		\$27,920		\$508,310	
Value Ratio (\$/SF)	\$1.49	\$2.45		\$2.78		\$2.49		\$2.64	-43.42%
# of stories	2	2		2-3		2			
Elevator ("Y"es or "N"o)	N	N		Y		N			
# of Bedrooms	1	1		1		1			
# of Bathrooms	1	1		1		1			
Unit Size Adjustment	525	-158	-\$63	-199	-\$80	-175	-\$70		
Rent Concessions									
Age (built or last renovated)	2024	1988	\$54	2015		1985	\$39		
Utilities Paid by Tenant						2019			
Electricity	X	X		X		X			
Heat ("G"as or "E"lectric)	E	G		G		E			
Hot Water (G or E)		G	\$9	G	\$9				
Cooking (G or E)	E	G		G		E			
TV ("C"able or "S"atellite)	C	C		C		C			
Water				X	\$47				
Sewer				X	\$36				
Trash				X	\$26				
Unit Amenities									
Central Heat/Cool	X	X		X		X			
Blinds	X	X		X		X			
Carpet	hard surface	X		X		X			
Ceiling Fan		X	-\$3			X	-\$3		
Skylight									
Storage Closet									
Coat Closet	X		\$5	X		X			
Walk-In Closet	some 2BRs	X	-\$5	2BR only		1BR only	-\$5		
Fireplace									
Patio/Balcony	X	X		X		X			
Appliances									
Refrigerator	X		\$25	X		X			
Stove/Oven	X	X		X		X			
Dishwasher	X	X		X		X			
Garbage Disposal	X	X		X		X			
Microwave				X	-\$5				
Washer/Dryer				X	-\$50				
Washer/Dryer Hook-ups		X	-\$30						
Parking/Transportation									
Surface Parking									
Carport	X	X		X		X			
Underground Parking									
Detached Garage									
Attached Garage									
Tuck-under Garage									
Parking Garage									

Rent Comparability Matrix

Exhibit III-3 1BR Market-Rate Matrix Date of Market Study: 3/8/2022 Prepared By: Market Insights Consulting, LLC 949-709-1938 <i>Analysis Using Highest Rents for Subject</i>	Liberty Lane Apartments	Tesoro Apartments		Circa 2020		Palm Village			
	SWC W. Lugonia and Texas St.	106 W. Pennsylvania Ave		27000 W. Lugonia Ave.		1255 North University St.			
	Redlands	Redlands		Redlands		Redlands			
	Phone	909-798-1660		909-435-0466		909-792-7630			
	Use Subject's Highest Rent							Totals & Weighted Averages	
	Characteristic	Char	Adj	Char	Adj	Char	Adj		Differential
Project Amenities									
Clubhouse/Community Room	X		\$10	X			\$10		
Swimming Pool		X	-\$10	X	-\$10	X	-\$10		
Spa/Jacuzzi		X	-\$10	X	-\$10				
Exercise Room		X	-\$10	X	-\$10				
Picnic Area	X		\$10	X		X			
Tot Lot/Playground		X	-\$5	X	-\$5				
Tennis Court									
Basketball Court				X	-\$2				
Volleyball Court									
On Site Manager	X	X		X		X			
Laundry Room	X	X				X			
Computer Room	X		\$2		\$2		\$2		
Business Center				X	-\$2				
Car Wash Area		X	-\$2						
Security									
Gated	X	X		X			\$10		
Courtesy Patrol		X	-\$10	X	-\$10				
Surveillance Camera	X		\$3	X			\$3		
Adjusted Rent	\$783	\$1,645		\$1,946		\$1,721		\$1,814	-56.83%
Aggregate Adjusted Rent		\$177,638		\$290,014		\$27,536		\$495,188	
Adjusted Value Ratio (\$/SF)	\$1.49	\$2.41		\$2.69		\$2.46		\$2.57	-41.92%
*Adjusted Rent/Base Rent		98%		97%		99%			
*Comps that exceed 10% (110%) above the adjusted rent/base rent <u>must</u> be thoroughly justified and explained.									

Rent Comparability Matrix

Exhibit III-4 2BR Market-Rate Matrix Date of Market Study: 3/8/2022 Prepared By: Market Insights Consulting, LLC 949-709-1938 <i>Analysis Using Highest Rents for Subject</i>	Liberty Lane Apartments	Tesoro Apartments		Circa 2020		Palm Village			
	SWC W. Lugonia and Texas St.	106 W. Pennsylvania Ave		27000 W. Lugonia Ave.		1255 North University St.			
	Redlands	Redlands		Redlands		Redlands			
	Phone	909-798-1660		909-435-0466		909-792-7630			
	Use Subject's Highest Rent							Totals & Weighted Averages	Differential
	Characteristic	Char	Adj	Char	Adj	Char	Adj		
(“M”arket, “L”ow Income)	L	M		M		M			
Distance in Miles from Subject		0.60		1.20		1.40			
Number of Units		40		139		34		213	
Vacancy Rate		1%		1%		0%			
Waiting List (“Y”es or “N”o)		N		N		N			
Turnover Rate		32%		n/a		60%			
Unit Size in SF	764	837		1041		935		985.77	
Aggregate Size in SF		33480		144699		31790		209,969	
Base Rent	\$918	\$1,950		\$2,425		\$1,965		\$2,262	-59.42%
Aggregate Rent		\$78,000		\$337,075		\$66,810		\$481,885	
Value Ratio (\$/SF)	\$1.20	\$2.33		\$2.33		\$2.10		\$2.30	-47.64%
# of stories	2	2		2-3		2			
Elevator (“Y”es or “N”o)	N	N		Y		N			
# of Bedrooms	2	2		2		2			
# of Bathrooms	1	2	-\$40	2	-\$40	1.5	-\$20		
Unit Size Adjustment	764	-73	-\$29	-277	-\$111	-171	-\$68		
Rent Concessions									
Age (built or last renovated)	2024	1988	\$54	2015		1985	\$39		
Utilities Paid by Tenant						2019			
Electricity	X	X		X		X			
Heat (“G”as or “E”lectric)	E	G		G		E			
Hot Water (G or E)		G	\$14	G	\$14				
Cooking (G or E)	E	G		G		E			
TV (“C”able or “S”atellite)	C	C		C		C			
Water				X	\$61				
Sewer				X	\$36				
Trash				X	\$26				
Unit Amenities									
Central Heat/Cool	X	X		X		X			
Blinds	X	X		X		X			
Carpet	hard surface	X		X		X			
Ceiling Fan		X	-\$3			X	-\$3		
Skylight									
Storage Closet									
Coat Closet	X		\$5	X		X			
Walk-In Closet	some 2BRs	X		2BR only		1BR only	\$5		
Fireplace									
Patio/Balcony	X	X		X		X			
Appliances									
Refrigerator	X		\$25	X		X			
Stove/Oven	X	X		X		X			
Dishwasher	X	X		X		X			
Garbage Disposal	X	X		X		X			
Microwave				X	-\$5				
Washer/Dryer				X	-\$50				
Washer/Dryer Hook-ups		X	-\$30						
Parking/Transportation									
Surface Parking									
Carport	X	X		X		X			
Underground Parking									
Detached Garage									
Attached Garage									
Tuck-under Garage									
Parking Garage									

Rent Comparability Matrix

Exhibit III-4 2BR Market-Rate Matrix Date of Market Study: 3/8/2022 Prepared By: Market Insights Consulting, LLC 949-709-1938 <i>Analysis Using Highest Rents for Subject</i>	Liberty Lane Apartments	Tesoro Apartments		Circa 2020		Palm Village			
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	Redlands	Redlands		Redlands		Redlands			
	Phone	909-798-1660		909-435-0466		909-792-7630			
	Use Subject's Highest Rent							Totals & Weighted Averages	
	Characteristic	Char	Adj	Char	Adj	Char	Adj		Differential
Project Amenities									
Clubhouse/Community Room Swimming Pool Spa/Jacuzzi Exercise Room Picnic Area Tot Lot/Playground Tennis Court Basketball Court Volleyball Court On Site Manager Laundry Room Computer Room Business Center Car Wash Area	X		\$10	X			\$10		
		X	-\$10	X	-\$10	X	-\$10		
		X	-\$10	X	-\$10				
		X	-\$10	X	-\$10				
	X		\$10	X		X			
		X	-\$5	X	-\$5				
				X	-\$2				
	X	X		X		X			
	X	X				X			
	X		\$2		\$2		\$2		
				X	-\$2				
		X	-\$2						
Security									
Gated Courtesy Patrol Surveillance Camera	X	X		X			\$10		
		X	-\$10	X	-\$10				
	X		\$3	X			\$3		
Adjusted Rent	\$918	\$1,924		\$2,309		\$1,933		\$2,177	-57.83%
Aggregate Adjusted Rent		\$76,952		\$320,979		\$65,708		\$463,639	
Adjusted Value Ratio (\$/SF)	\$1.20	\$2.30		\$2.22		\$2.07		\$2.21	-45.58%
*Adjusted Rent/Base Rent		99%		95%		98%			
*Comps that exceed 10% (110%) above the adjusted rent/base rent <u>must</u> be thoroughly justified and explained.									

Housing Authority of the County of San Bernardino

Please note: The project budget indicates the expected

Utility Allowance utilized to determine contract rents.

Housing Choice Voucher Program

Allowances for
Tenant-Furnished Utilities
and Other Services

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

Locality San Bernardino County	Age mixed	Unit Type Apartment	Date (mm/dd/yyyy) 10/1/2020
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Utility or Service		Monthly Dollar Allowances						
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Heating	a. Natural Gas	19	22	24	26	29	31	33
	b. Bottle Gas	47	53	58	63	69	75	79
	c. Electric	21	26	34	41	48	54	61
Cooking	a. Natural Gas	3	4	5	7	8	10	11
	b. Bottle Gas	7	9	13	17	20	24	26
	c. Electric	9	10	15	21	28	34	39
Other Electric		32	38	53	68	84	101	115
Air Conditioning		17	21	32	45	54	64	85
Water Heating	a. Natural Gas	7	8	11	16	20	24	26
	b. Bottle Gas	16	19	28	38	48	58	62
	c. Electric	20	23	33	43	53	63	72
Water		44	46	60	81	102	123	140
Sewer		36	36	36	36	36	36	36
Trash Collection		25	25	25	25	25	25	25
Range/Microwave		5	5	5	5	5	5	5
Refrigerator		4	4	4	4	4	4	4
Other - specify		0	0	0	0	0	0	0

Total Allowances = \$95 = \$134

Actual Family Allowances to be used by the family to compute allowance. Complete below for the actual unit rented.		Utility or Service	Monthly Cost
Name of Family		Heating	
		Cooking	
		Other Electric	
Address of Use		Air Conditioning	
		Water Heating	
		Water	
		Sewer	
		Trash Collection	
		Range/Microwave	
		Refrigerator	
Number of Bedrooms		Other	
		Total	\$

Spreadsheet based on form HUD-52667 (7/19).

Previous editions are obsolete

ref. Handbook 7420.8

Any individual, company, corporation, government agency or organization using these utility allowances shall indemnify, defend, and hold harmless the Housing Authority of the County of San Bernardino, its officers, officials, employees, and volunteers from and against any and all liability, claims, damage, cost, expenses, awards, fines, judgments, and attorney fees (including, without limitation, costs, attorney fees, expert witness fees, and other expenses of litigation) of every nature arising out of or in connection with the use of these utility allowances under any circumstances.

EXHIBIT D: HAP CONTRACT

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

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

NEW CONSTRUCTION OR REHABILITATION

PART 1 OF HAP CONTRACT

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

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

1. CONTRACT INFORMATION

a. Parties

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

_____ (PHA) and
_____ (owner).

b. Contents of contract

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

c. Contract exhibits

The HAP contract includes the following exhibits:

EXHIBIT A: TOTAL NUMBER OF UNITS IN PROJECT COVERED BY

THIS HAP CONTRACT; INITIAL RENT TO OWNER; AND DESCRIPTION OF THE CONTRACT UNITS. (See 24 CFR 983.203 for required items.) If this is a multi-stage project, this exhibit must include a description of the units in each completed phase.

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

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

EXHIBIT D: FEATURES PROVIDED TO COMPLY WITH PROGRAM ACCESSIBILITY FEATURES OF SECTION 504 OF THE REHABILITATION ACT OF 1973

ADDITIONAL EXHIBITS

d. Single-Stage and Multi-Stage Contracts (place a check mark in front of the applicable project description).

___ **Single-Stage Project**

This is a single-stage project. For all contract units, the effective date of the HAP contract is: _____ .

___ **Multi-Stage Project**

This is a multi-stage project. The units in each completed stage are designated in Exhibit A.

The PHA enters the effective date for each stage after completion and PHA acceptance of all units in that stage. The PHA enters the effective date for each stage in the "Execution of HAP contract for contract units completed and accepted in stages" (starting on page 10).

The annual anniversary date of the HAP contract for all contract units in this multi-stage project is the anniversary of the effective date of the HAP

contract for the contract units included in the first stage. The expiration date of the HAP contract for all of the contract units completed in stages must be concurrent with the end of the HAP contract term for the units included in the first stage (see 24 CFR 983.206(c)).

e. Term of the HAP contract

1. Beginning of term

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

2. Length of initial term

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

3. Extension of term

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

4. Requirement for sufficient appropriated funding

- a. The length of the initial term and any extension term shall be subject to availability, as determined by HUD, or by the PHA in accordance with HUD requirements, of sufficient appropriated funding (budget authority), as provided in appropriations acts and in the PHA's annual contributions contract (ACC) with HUD, to make full payment of housing assistance payments due to the owner for any contract year in accordance with the HAP contract.

- b. The availability of sufficient funding must be determined by HUD or by the PHA in accordance with HUD requirements. If it is determined that there may not be sufficient funding to continue housing assistance payments for all contract units and for the full term of the HAP contract, the PHA has the right to terminate the HAP contract by notice to the owner for all or any of the contract units. Such action by the PHA shall be implemented in accordance with HUD requirements.

f. Occupancy and payment

1. Payment for occupied unit

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

2. Vacancy payment

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

- a. If an assisted family moves out of a contract unit, the PHA may provide vacancy payments to the owner for a PHA-determined vacancy period extending from the beginning of the first calendar month after the move-out month for a period not exceeding two full months following the move-out month.
- b. The vacancy payment to the owner for each month of the maximum two-month period will be determined by the PHA, and cannot exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the owner (including amounts available from the tenant’s security deposit). Any vacancy payment may cover only the period the unit remains vacant.

- c. The PHA may make vacancy payments to the owner only if:
 - 1. The owner gives the PHA prompt, written notice certifying that the family has vacated the unit and the date when the family moved out (to the best of the owner's knowledge and belief);
 - 2. The owner certifies that the vacancy is not the fault of the owner and that the unit was vacant during the period for which payment is claimed;
 - 3. The owner certifies that it has taken every reasonable action to minimize the likelihood and length of vacancy; and
 - 4. The owner provides any additional information required and requested by the PHA to verify that the owner is entitled to the vacancy payment.
- d. The PHA must take every reasonable action to minimize the likelihood and length of vacancy.
- e. The owner may refer families to the PHA and recommend selection of such families from the PHA waiting list for occupancy of vacant units.
- f. The owner must submit a request for vacancy payments in the form and manner required by the PHA and must provide any information or substantiation required by the PHA to determine the amount of any vacancy payments.

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

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

g. Income-mixing requirement

- 1. Except as provided in paragraphs f.2 through f.5 below, the PHA will not

make housing assistance payments under the HAP contract for more than the greater of 25 units or 25 percent of the total number of dwelling units (assisted or unassisted) in any project. The term “project” means a single building, multiple contiguous buildings, or multiple buildings on contiguous parcels of land assisted under this HAP contract.

2. The limitation in paragraph f.1 does not apply to single-family buildings.
3. In referring eligible families to the owner for admission to the number of contract units in any project exceeding the 25 unit or 25 percent limitation under paragraph f.1, the PHA shall give preference to elderly families or to families eligible for supportive services, for the number of contract units designated for occupancy by such families. The owner shall rent the designated number of contract units to such families referred by the PHA from the PHA waiting list.
4. Up to the greater of 25 units or 40 percent of units (instead of the greater of 25 units or 25 percent of units) in a project may be project-based if the project is located in a census tract with a poverty rate of 20 percent or less.
5. Units that were previously subject to certain federal rent restrictions or receiving another type of long-term housing subsidy provided by HUD do not count toward the income-mixing requirement if, in the five years prior to issuance of the Request for Proposal or notice of owner selection (for projects selected based on a prior competition or without competition), the unit received one of the forms of HUD assistance or was under a federal rent restriction as described in f.6 and f.7, below.
6. The following specifies the number of contract units (if any) that received one of the following forms of HUD assistance (enter the number of contract units in front of the applicable form of assistance):
 - ___ Public Housing or Operating Funds;
 - ___ Project-Based Rental Assistance (including Mod Rehab and Mod Rehab Single-Room Occupancy);
 - ___ Housing for the Elderly (Section 202 or the Housing Act of 1959);
 - ___ Housing for Persons with Disabilities (Section 811 of the Cranston-Gonzalez Affordable Housing Act);

- ☐ Rent Supplement Program;
- ☐ Rental Assistance Program;
- ☐ Flexible Subsidy Program.

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

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

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

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

8. The following specifies the number of contract units (if any) designated for occupancy by elderly families or by families eligible for supportive services:

- a. Place a check mark here ☐ if any contract units are designated for occupancy by elderly families; The following number of contract units shall be rented to elderly families:

_____.

- b. Place a check mark here ☐ if any contract units are designated for occupancy by families eligible for supportive services. The

following number of contract units shall be rented to families
eligible for supportive services:

_____.

9. The PHA and owner must comply with all HUD requirements regarding income mixing.

EXECUTION OF HAP CONTRACT FOR SINGLE-STAGE PROJECT

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

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

SECTION 8 PROJECT-BASED VOUCHER PROGRAM

**HOUSING ASSISTANCE PAYMENTS CONTRACT
NEW CONSTRUCTION OR REHABILITATION**

PART 2 OF HAP CONTRACT

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

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2. DEFINITIONS

Agreement. Agreement to enter into HAP Contract between the owner and the PHA. The HAP contract was entered into following new construction or rehabilitation of the contract units by the owner pursuant to an Agreement.

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

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

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

**Project-Based Voucher Program
HAP Contract for New Construction/Rehab**

Previous editions are obsolete

**HUD 52530A Page - 1 of Part 2
(07/2019)**

(e) Holding more than 50 percent of all general partner interests in a partnership;
or

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

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

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

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

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

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

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

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

Newly constructed housing. Housing units that do not exist on the proposal selection date and are developed after the date of selection pursuant to an Agreement between the PHA and owner for use under the project-based voucher program.

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

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

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

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

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

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

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

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

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

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

Rehabilitated housing. Housing units that exist on the proposal selection date but do not substantially comply with the HQS on that date and are developed pursuant to an Agreement between the PHA and owner for use under the project-based voucher program.

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

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

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

3. **PURPOSE**

- a. This is a HAP contract between the PHA and the owner.
 - b. The purpose of the HAP contract is to provide housing assistance payments for eligible families who lease contract units that comply with
-

the HUD HQS from the owner.

- c. The PHA must make housing assistance payments to the owner in accordance with the HAP contract for contract units leased and occupied by eligible families during the HAP contract term. HUD provides funds to the PHA to make housing assistance payments to owners for eligible families.

4. RENT TO OWNER; HOUSING ASSISTANCE PAYMENTS

a. Amount of initial rent to owner

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

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

b. HUD rent requirements

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

c. PHA payment to owner

1. Each month the PHA must make a housing assistance payment to the owner for a unit under lease to and occupied by an eligible family in accordance with the HAP contract.
 2. The monthly housing assistance payment to the owner for a contract unit is equal to the amount by which the rent to owner exceeds the tenant rent.
 3. Payment of the tenant rent is the responsibility of the family. The PHA is not responsible for paying any part of the tenant rent, or for paying any other claim by the owner against a family. The PHA is responsible only for making housing assistance payments to the
-

owner on behalf of a family in accordance with the HAP contract.

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

d. Termination of assistance for family

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

5. ADJUSTMENT OF RENT TO OWNER

a. PHA determination of adjusted rent

1. At each annual anniversary during the term of the HAP contract, the PHA shall adjust the amount of rent to owner, upon request to the PHA by the owner, in accordance with law and HUD requirements. In addition, the PHA shall adjust the rent to owner when there is a ten percent decrease in the published, applicable Fair Market Rent in accordance with 24 CFR 983.302. However, if the PHA has elected within the HAP contract not to reduce rents below the initial rent to owner, the rent to owner shall not be reduced below the initial rent to owner except in those cases

described in 24 CFR 983.302(c)(2).

2. The adjustment of rent to owner shall always be determined in accordance with all HUD requirements. The amount of the rent to owner may be adjusted up or down, in the amount defined by the PHA in accordance with HUD requirements.

b. Reasonable rent

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

c. No special adjustments

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

d. Owner compliance with HAP contract

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

e. Notice of rent adjustment

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

6. OWNER RESPONSIBILITY

The owner is responsible for:

- a. Performing all management and rental functions for the contract units.
- b. Maintaining the units in accordance with HQS.
- c. Complying with equal opportunity requirements.
- d. Enforcing tenant obligations under the lease.

- e. Paying for utilities and housing services (unless paid by the family under the lease).
- f. Collecting from the tenant:
 - 1. Any security deposit;
 - 2. The tenant rent; and
 - 3. Any charge for unit damage by the family.

7. OWNER CERTIFICATION

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

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

any other public or private source) for rental of the contract unit.

- i. The family does not own, or have any interest in the contract unit. If the owner is a cooperative, the family may be a member of the cooperative.

8. CONDITION OF UNITS

a. Owner maintenance and operation

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

b. PHA inspections

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

c. Violation of the housing quality standards

1. If the PHA determines a contract unit is not in accordance with the HQS, the PHA may exercise any of its remedies under the HAP contract for all or any contract units. Such remedies include termination, suspension or reduction of housing assistance payments, and termination of the HAP contract.
2. The PHA may exercise any such contractual remedy respecting a contract unit even if the family continues to occupy the unit.
3. The PHA shall not make any housing assistance for a dwelling unit that fails to meet the HQS, unless the owner corrects the defect within the period specified by the PHA and the PHA verifies the correction. If a defect is life threatening, the owner must correct the defect within no more than 24 hours. For other defects, the owner must correct the defect within no more than 30 calendar days (or any PHA-approved extension).

d. Maintenance and replacement—owner's standard practice

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

9. LEASING CONTRACT UNITS

a. Selection of tenants

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

selection of such families from the PHA waiting list for occupancy of vacant units.

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

b. Vacancies

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

10. TENANCY

a. Lease

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

b. Termination of tenancy

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

c. Family payment

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

payment.

5. The PHA is responsible only for making the housing assistance payments to the owner on behalf of the family in accordance with the HAP contract. The PHA is not responsible for paying the tenant rent, or any other claim by the owner.

d. Other owner charges

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

e. Security deposit

1. The owner may collect a security deposit from the family.
2. The owner must comply with HUD and PHA requirements, which may change from time to time, regarding security deposits from a tenant.
3. The PHA may prohibit security deposits in excess of private market practice, or in excess of amounts charged by the owner to unassisted families.
4. When the family moves out of the contract unit, the owner, subject to State and local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid tenant rent, damages to the unit or other amounts which the family owes under the lease. The owner

must give the family a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used as reimbursement to the owner, the owner must promptly refund the full amount of the balance to the family.

5. If the security deposit is not sufficient to cover amounts the family owes under the lease, the owner may seek to collect the balance from the family. However, the PHA has no liability or responsibility for payment of any amount owed by the family to the owner.

11. FAMILY RIGHT TO MOVE

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

12. OVERCROWDED, UNDER-OCCUPIED, AND ACCESSIBLE UNITS

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

13. PROHIBITION OF DISCRIMINATION

- a. The owner may not refuse to lease contract units to, or otherwise discriminate against any person or family in leasing of a contract unit, because of race, color, religion, sex, national origin, disability, age or familial status.

- b. The owner must comply with the following requirements: The Fair Housing Act (42 U.S.C. 3601–19) and implementing regulations at 24 CFR part 100 *et seq.*; Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1959–1963 Comp., p. 652 and 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing Programs) and implementing regulations at 24 CFR part 107; title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4) (Nondiscrimination in Federally Assisted Programs) and implementing regulations at 24 CFR part 1; the Age Discrimination Act of 1975 (42 U.S.C. 6101–6107) and implementing regulations at 24 CFR part 146; section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at part 8 of this title; title II of the Americans with Disabilities Act, 42 U.S.C. 12101 *et seq.*; 24 CFR part 8; section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135; Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086, and 12107 (3 CFR, 1964–1965 Comp., p. 339; 3 CFR, 1966–1970 Comp., p. 684; 3 CFR, 1966–1970 Comp., p. 803; 3 CFR, 1978 Comp., p. 230; and 3 CFR, 1978 Comp., p. 264, respectively) (Equal Employment Opportunity Programs) and implementing regulations at 41 CFR chapter 60; Executive Order 11625, as amended by Executive Order 12007 (3 CFR, 1971–1975 Comp., p. 616 and 3 CFR, 1977 Comp., p. 139) (Minority Business Enterprises); Executive Order 12432 (3 CFR, 1983 Comp., p. 198) (Minority Business Enterprise Development); and Executive Order 12138, as amended by Executive Order 12608 (3 CFR, 1977 Comp., p. 393 and 3 CFR, 1987 Comp., p. 245) (Women’s Business Enterprise).
- c. The owner must comply with HUD’s Equal Access to HUD-assisted or -insured housing rule (24 CFR 5.105(a)(2)).
- d. The owner must comply with the Violence Against Women Act, as amended, and HUD’s implementing regulation at 24 CFR part 5, Subpart L, and program regulations.
- e. The PHA and the owner must cooperate with HUD in the conducting of compliance reviews and complaint investigations pursuant to all applicable civil rights statutes, Executive Orders, and all related rules and regulations.

14. PHA DEFAULT AND HUD REMEDIES

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

the PHA's rights and obligations under the HAP contract, and may perform the obligations and enforce the rights of the PHA under the HAP contract.

15. OWNER DEFAULT AND PHA REMEDIES

a. Owner default

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

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

b. PHA remedies

1. If the PHA determines that a breach has occurred, the PHA may exercise any of its rights or remedies under the HAP contract.

2. The PHA must notify the owner in writing of such determination. The notice by the PHA to the owner may require the owner to take corrective action (as verified by the PHA) by a time prescribed in the notice.
3. The PHA's rights and remedies under the HAP contract include recovery of overpayments, termination or reduction of housing assistance payments, and termination of the HAP contract.

c. PHA remedy is not waived

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

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

a. Required information

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

b. PHA and HUD access to premises

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

17. PHA AND OWNER RELATION TO THIRD PARTIES

a. Injury because of owner action or failure to act

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

b. Legal relationship

The owner is not the agent of the PHA. The HAP contract does not create or affect any relationship between the PHA and any lender to the owner or any suppliers, employees, contractors or subcontractors used by the owner in connection with the implementation of the HAP contract.

c. Exclusion of third-party claims

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

d. Exclusion of owner claims against HUD

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

18. PHA-OWNED UNITS

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

19. CONFLICT OF INTEREST

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

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

b. Disclosure

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

disclosures.

c. Interest of member of or delegate to Congress

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

20. EXCLUSION FROM FEDERAL PROGRAMS

a. Federal requirements

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

b. Disclosure

The owner certifies that:

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

21. TRANSFER OF THE CONTRACT OR PROPERTY

a. When consent is required

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

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

b. Transferee assumption of HAP contract

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

c. Effect of consent to transfer

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

d. When transfer is prohibited

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

22. SUBSIDY LAYERING

a. Owner disclosure

The owner must disclose to the PHA, in accordance with HUD requirements, information regarding any related assistance from the Federal Government, a State, or a unit of general local government, or any agency or instrumentality thereof, that is made available or is expected to be made available with respect to the contract units. Such related assistance includes, but is not limited to, any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance.

b. Limit of payments

Housing assistance payments under the HAP contract must be no more than is necessary, as determined in accordance with HUD requirements, to provide affordable housing after taking account of such related assistance. The PHA will adjust in accordance with HUD requirements the amount of the housing assistance payments to the owner to compensate in whole or in part for such related assistance.

23. OWNER LOBBYING CERTIFICATIONS

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

1. No Federally appropriated funds have been paid or will be paid, by or on behalf of the owner, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of the HAP contract, or the extension, continuation, renewal, amendment, or modification of the HAP contract.
2. If any funds other than Federally appropriated funds have been paid or will be paid to any person for influencing or attempting to

influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the HAP contract, the owner must complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

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

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

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

25. NOTICES AND OWNER CERTIFICATIONS

- a. Where the owner is required to give any notice to the PHA pursuant to the HAP contract or any other provision of law, such notice must be in writing and must be given in the form and manner required by the PHA.
- b. Any certification or warranty by the owner pursuant to the HAP contract shall be deemed a material representation of fact upon which reliance was placed when this transaction was made or entered into.

26. NOTICE OF TERMINATION OR EXPIRATION WITHOUT EXTENSION

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

27. FAMILY'S RIGHT TO REMAIN

Upon termination or expiration of the contract without extension, each family assisted under the contract may elect to use its assistance to remain in the project

if the family's unit complies with the inspection requirements under section 8(o)(8) (42 U.S.C. 1437f(o)(8) of the U.S. Housing Act of 1937 ("the 1937 Act")), the rent for the unit is reasonable as required by section 8(o)(10)(A) of the 1937 Act, and the family pays its required share of the rent and the amount, if any, by which the unit rent (including the amount allowed for tenant-paid utilities) exceeds the applicable payment standard.

28. ENTIRE AGREEMENT; INTERPRETATION

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

EXHIBIT A

- (a) The total number of contract units by number of bedrooms;
- 55 units total
 - 46 – 1 bedroom, 9 – 2 bedroom
- (b) Information needed to identify the site and the building or buildings where the contract units are located. The information must include the project's name, street address, city or county, state and zip code, block and lot number (if known), and any other information necessary to clearly identify the site and the building;
- Name of Property: Liberty Lane Apartments
 - Address: W. Lugonia & Texas Streets, Redlands, CA 92374
 - Assessor's Parcel No. 0169-021-19-0-000
- (c) Information needed to identify the specific contract units in each building. The information must include the number of contract units in the building, the location of each contract unit, the area of each contract unit, and the number of bedrooms and bathrooms in each contract unit;
- The property will consist of four 2-story residential building containing a mix of 1 and 2 bedroom flats for a total of 80 units (w/ one 3-bedroom Manager's unit). Contract units will float within the building.
 - The 55 contract units are broken down as follows:

Bedrooms	Baths	No. Units	Size (Sq.ft.)	Rent (Gross)	Utility Allowance	Rent (Net)
1	1	46	537	\$1,320	\$105	\$1,215
2	1	9	720	\$1,517	\$148	\$1,369

EXHIBIT B

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

- **All units will have central heating/cooling, ceiling fans and blinds, refrigerator, range/oven, dishwasher, garbage disposal, and microwave oven.**
- **All residents will have access to a Community Building with meeting spaces (including 2 offices for VA staff use), computer room, laundry facilities and exterior recreational amenities including BBQ and picnic areas, raised garden planter boxes in a community garden setting and walking trails around the complex with outdoor fitness equipment and sport courts.**
- **The site will be gated and all residents will receive an assigned parking spot**
- **A resident services coordinator (U.S. Vets) will coordinate services for all residents as well as provide case management. VA Loma Linda Healthcare System Medical Center will provide case management and access to outpatient health services through the VA to 55 residents with PB VASH Vouchers.**

EXHIBIT C

Utilities available to the contract units, including a specification of utility services to be paid by the owner (without charges in addition to rent) and utility services to be paid by the tenant:

UTILITIES

UTILITY	OWNER PAID	TENANT PAID
Electricity		✓
Heat (Gas or Electric)		E
Hot Water (Gas or Electric)	E	
Cooking (Gas or Electric)		E
Cable or Satellite		C
Water	✓	
Sewer	✓	
Garbage	✓	
Internet		✓
Source: Market Insights Consulting, LLC. Market Study		

EXHIBIT D

The Liberty Lane Apartments development will provide all features necessary to 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;

A minimum of 5% of the dwelling units will meet UFAS or a standard that is equivalent or stricter for persons with mobility disabilities. An additional 2% of the dwelling units, will be accessible for persons with hearing or visual disabilities.

ADDITIONAL EXHIBITS

Voucher Administration and Project Monitoring.

(a) Throughout the Term, the Owner shall comply with all applicable operational, record keeping and monitoring requirements set forth in (24 C.F.R. Part 983) the Project-Based Voucher Regulations.

(b) Representatives of HACSB shall be entitled to enter the Property upon at least twenty-four (24) hours' notice at reasonable times to monitor compliance with this Agreement, to inspect the records of the Development with respect to the Project-Based Voucher Units, and to conduct an independent audit of such records. The Owner agrees to cooperate with HACSB in making the Property available for such inspection. If for any reason HACSB is unable to obtain the Owner's consent to such an inspection, the Owner understands and agrees that HACSB may obtain, at the Owner's expense, an administrative inspection warrant or other appropriate legal order to obtain access to and search the Property. The Owner agrees to maintain records in a business-like manner and to make such records available to HACSB upon twenty-four (24) hours' notice at reasonable times. Unless HACSB otherwise approves, such records shall be maintained for the most recent five years until five years after the HAP Contract Term.

(c) Throughout the Term, the Owner grants HACSB inspection rights as set forth in Section 8 of Part 2 of the HAP Agreement, and Owner shall make best efforts to allow HACSB to comply with all applicable physical condition requirements set forth in (24 C.F.R. Part 983.208) of the Project-Based Voucher Regulations.

(d) HACSB will enforce a physical inspection charge on all Project-Based Voucher assisted developments for each re-inspection required for a unit to pass if it failed the initial HQS inspection. The inspection charge will be the actual costs incurred by HACSB to secure a qualified third party, independent of the Owner, to conduct the physical inspections in accordance with the requirements set forth in this Agreement, and any related staffing costs incurred by HACSB in association therewith.

(e) The Owner shall pay such charges within seven (7) days of receipt of an invoice from HACSB.

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

March 14, 2023

FROM

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

SUBJECT

Regular Meeting Minutes for Meeting Held on February 14, 2023

RECOMMENDATION(S)

Approve the meeting minutes for the regular meeting of the Board of Commissioners of the Housing Authority of the County of San Bernardino held on February 14, 2023.

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

STRATEGIC PLAN ALIGNMENT

Aspirational Statement #2: To be known as a trusted provider of safe, dignified, and desirable homes and environments that enrich and add value to the community.

Aspirational Statement #3: To pursue continued financial stability, monitoring, and accountability as stewards of limited funding.

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 February 14, 2023 and attached are the meeting minutes for review and recommended approval by the Board.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on, March 2, 2023.

**MINUTES OF AN REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF
THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO
February 14, 2023**

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 833 5983 0766 Password 665616) at 3:00 p.m. on February 14, 2023.

Details 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
Vie-Chair Cooper
Commissioner MacDuff
Commissioner Miller
Commissioner Avila

Commissioner Tarango was recorded as absent.

Also in attendance were Maria Razo, Executive Director; Gus Joslin, Deputy Executive Director; Jesse Diaz, Director of Finance; Jennifer Dawson, Director of Human Resources; Angie Lardapide, Procurement and Contracts Supervisor; Renee Kangas, Sr. Management Analyst; Perlle Liu, Asset Management Analyst; Lucy Leslie, Sr. Regional Communities Manager; Kristin Maithonis, Assistant Director of Housing Services; Patricia Simpson, Management Analyst; and Claudia Hurtado, Executive Assistant.

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

2) Additions or Deletions to the Agenda

Chair Johnson called for additions or deletions to the February 14, 2023 agenda. There were none.

3) General Public Comment

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

4) Executive Director's Report

The Executive Director's Report was requested.

Executive Director Razo gave the Executive Director's Report.

Discussion amongst the Board of Commissioners took place regarding the Executive Director's Report.

5) Board Building Presentation for February 14, 2023

Discussion calendar item number 5, to receive the board presentation for February 14, 2023, highlights from the Housing Authority of the County of San Bernardino's FY 2022 Moving to Work Annual Reports, was requested.

Renee Kangas, Senior Management Analyst, provided the Board with an overview of the highlights from the Housing Authority of the County of San Bernardino's FY 2022 Moving to Work Annual Report.

Discussion amongst the Board of Commissioners took place regarding discussion calendar item number 5.

6) Procurement Policy Revisions

Discussion calendar item number 6, to adopt Resolution No. 173 approving revisions to the Housing Authority of the County of San Bernardino's Statement of Procurement Policy to include an agency-wide Credit Card Policy for employees, was requested.

Executive Director Razo explained the item and requested adding the following language to the policy: Page 7 - To require the staff members to report to the credit card company if and when the card is lost or stolen, and on Page 9 - The credit card reconciliation report is to be completed by the staff member by the 5th day of every month or the following business day if the 5th falls on a weekend or holiday.

Commissioner MacDuff moved to approve discussion calendar item number 6, as recommended by staff and with the proposed amended language, and Commissioner Miller seconded the motion. Upon roll call, the Ayes and Nays were as follows:

Discussion amongst the Board of Commissioners took place regarding discussion calendar item number 6.

Ayes

Chair Johnson
Vice-Chair Cooper
Commissioner MacDuff
Commissioner Miller
Commissioner Avila

Nays

7) Contract Amendment with Goldfarb Lipman for Legal Services

Discussion calendar item number 7 to 1) Approve Amendment No. 1 to Contract No. PC1191, effective February 15, 2023, with Goldfarb Lipman, for Real Estate and Redevelopment Legal Services, increasing the current contract amount by \$195,000 for the remaining approximate 2-year term. The total contract amount will not exceed \$270,000 through December 9, 2024, 2) authorize and direct the Executive Director to execute and deliver the contract amendment to

Goldfarb Lipman, 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 Cooper moved to approve discussion calendar item number 7, as recommended by staff, 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
Commissioner Avila

Nays

8-10) Consent Calendar

Approval of the consent calendar including agenda item numbers 8-10 was requested.

Commissioner Miller moved to approve consent calendar agenda item numbers 8-10, to:

8) Approve the meeting minutes for the Board of Commissioners of the Housing Authority of the County of San Bernardino Annual Meeting held on January 10, 2023.

9) Approve and file Agency-wide Financial Statements through October 2022.

10) Approve vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month of November 2022.

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

Ayes

Chair Johnson
Vice-Chair Cooper
Commissioner MacDuff
Commissioner Miller
Commissioner Avila

Nays

Chair Johnson provided an opportunity for individual board member comments. Commissioner MacDuff stated that she attended the Valencia Grove Phase II groundbreaking event and looks forward to seeing the project move ahead. Commissioner Avila stated that he looks forward to being a part of the Board. Commissioner Cooper welcomed new Commissioner Avila to the Board. Commissioner Miller also welcomed Commissioner Avila to the Board.

There being no other business, Commissioner Miller moved for the regular meeting of Tuesday, February 14, 2023, to be adjourned, which motion was duly seconded by Commissioner MacDuff. There being no objection to the call for adjournment, the meeting was adjourned by unanimous consent at 4:09 p.m.

Minutes of a Regular Meeting of the Board of Commissioners of the Housing Authority of the
County of San Bernardino for February 14, 2023

Page 4

Tim Johnson, Chair

Beau Cooper, Vice Chair

Cassie MacDuff

Sylvia Miller

Bobby Tarango

David Avila

Attest:

Secretary

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

March 14, 2023

FROM

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

SUBJECT

Agency-wide Financial Statements through November 2022

RECOMMENDATION(S)

Approve and file Agency-wide Financial Statements through November 2022.
(Presenter: Maria Razo, Executive Director, 332-6305)

STRATEGIC PLAN ALIGNMENT

Aspirational Statement #3: To pursue continued financial stability, monitoring, and accountability as stewards of limited funding.

FINANCIAL IMPACT

The Housing Authority of the County of San Bernardino's (HACSB) year-to-date agency-wide net loss through November 2022 for Federal Fiscal Year (FFY) 2022-23 is \$(3,072,988). The net loss is currently higher than the budgeted net loss of \$(41,409), with a variance of \$3,031,580.

The \$3,031,580 variance between the budgeted net income and the actual net income is due to:

- \$4.3 million less in funding received for our Housing Choice Voucher program. Our budget reflects funding for a 100% lease rate and when actual expenses are lower than the expected lease rate, HUD provides us with less funding. The difference between the authorized funding amount and actual funding received is deposited into a restricted HUD Held Reserve (HHR) account which can be used for future eligible expenses, with HUD's approval. There are currently over 600 households searching with a voucher, which once leased will positively impact the lease rate and HCV program related revenue and expenses.
- Offsetting the decrease in revenue on the financial statements, is a decrease in tenant services expenses in the amount of \$1.4 million. This was due to a significant portion of the Emergency Housing Vouchers (EHV) and Emergency Solutions Grant (ESG) grants not being reflected on the financials. HACSB is working with our 3rd party vendor and the County of San Bernardino on reconciling the activity for these grants and reducing the delays in billing and invoicing. We estimate that the understatement in expenses is about \$1.3 million. Related to the incomplete activity, we also estimate that the revenue is understated by \$1.3 million.
- Depreciation expenses and other non-operating items are not budgeted and amount to \$577 thousand through November 2022.

The information provided is based on unaudited information. During the audit process, revenue and expenses are typically adjusted and we expect a material amount of expenses related to the pension and Other Post Employment Benefit (OPEB) plans to be

recognized during this process which will decrease the operating net income. The audited financial report will be provided to the Board once the audit process has been completed. The audit process will be completed in late June 2023 for the prior fiscal year which is when the audited financial statements are submitted to HUD.

Financial Summary	FY 2023 YTD
Revenues	\$26,058,226
Expenses	\$(28,553,581)
Operating Net Income/(Loss)	\$2,495,355
Operating Transfers/Non-Operating Items	\$(577,633)
Net Income/(Loss)	\$(3,072,988)

BACKGROUND INFORMATION

HACSB administers multiple housing programs and is the largest provider of affordable housing in the County of San Bernardino. The FFY 2022-23 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.

Despite ongoing 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 February 28, 2023.

HACSB Budget Comparison

Period = Oct 2022-Nov 2022

	YTD Actual	YTD Budget	Variance	% Var	Annual
INCOME					
TENANT INCOME					
Total Rental Income	4,786,611	4,708,047	78,564	1.67	28,326,881
Total Other Tenant Income	110,309	89,087	21,222	23.82	533,968
NET TENANT INCOME	4,896,920	4,797,133	99,786	2.08	28,860,849
GRANT INCOME					
TOTAL GRANT INCOME	20,200,464	24,524,731	-4,324,268	-17.63	146,936,780
OTHER INCOME					
TOTAL OTHER INCOME	960,843	946,304	14,539	1.54	6,664,147
TOTAL INCOME	26,058,226	30,268,169	-4,209,942	-13.91	182,461,776
EXPENSES					
GRANT EXPENSES					
TOTAL GRANT EXPENSES	1,711,418	1,369,037	-342,382	-25.01	8,214,219
ADMINISTRATIVE					
Total Administrative Salaries	2,092,582	2,167,463	74,881	3.45	16,054,336
Total Legal Expense	45,042	97,662	52,620	53.88	585,444
Total Other Admin Expenses	976,111	1,268,574	292,463	23.05	7,631,528
Total Miscellaneous Admin Expenses	481,827	789,437	307,610	38.97	2,732,339
TOTAL ADMINISTRATIVE EXPENSES	3,595,563	4,323,136	727,574	16.83	27,003,647
TENANT SERVICES					
TOTAL TENANT SERVICES EXPENSES	729,184	2,158,823	1,429,639	66.22	12,927,890
UTILITIES					
TOTAL UTILITY EXPENSES	540,585	685,772	145,187	21.17	4,071,006
MAINTENANCE AND OPERATIONS					
Total General Maint Expense	547,224	444,502	-102,723	-23.11	3,088,481
Total Materials	136,560	149,557	12,997	8.69	897,267
Total Contract Costs	472,743	607,314	134,571	22.16	3,656,124
TOTAL MAINTENANCE EXPENSES	1,156,528	1,201,373	44,846	3.73	7,641,871
GENERAL EXPENSES					
TOTAL GENERAL EXPENSES	249,229	241,381	-7,848	-3.25	1,456,368
EXTRAORDINARY MAINTENANCE EXPENSES					
TOTAL EXTRAORDINARY MAINTENANCE EXPENSES	464,356	760,911	296,555	38.97	4,169,817
HOUSING ASSISTANCE PAYMENTS					
TOTAL HOUSING ASSISTANCE PAYMENTS	19,869,070	19,335,691	-533,378	-2.76	116,014,147
FINANCING EXPENSE					
TOTAL FINANCING EXPENSES	237,648	233,452	-4,196	-1.80	1,400,713
TOTAL OPERATING EXPENSES	28,553,581	30,309,577	1,755,996	5.79	182,899,678
OPERATING NET INCOME	-2,495,355	-41,409	-2,453,946	-5,926.18	-437,902
NET OPERATING TRANSFER IN/OUT	0	0	0	N/A	0
NON-OPERATING ITEMS					
TOTAL NON-OPERATING ITEMS	577,633	0	-577,633	N/A	0
NET INCOME	-3,072,988	-41,409	-3,031,580	-7,321.14	-437,902

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

March 14, 2023

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 December 2022

RECOMMENDATION(S)

Approve vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month of December 2022.

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

STRATEGIC PLAN ALIGNMENT

Aspirational Statement #3: To pursue continued financial stability, monitoring, and accountability as stewards of limited funding.

FINANCIAL IMPACT

The accounts receivable loss for the month ending December 31, 2022, is \$36,790.63. The Housing Authority of the County of San Bernardino (HACSB) projects and anticipates collection losses in its annual budget.

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. As part of HACSB's standard property management business practices, Board of Commissioners approval is requested to write off these accounts as accounts receivable losses to the Authority Owned Portfolio. Losses during this time period are primarily for voluntary move-outs and evictions. The total write-off for the month of December 2022 is \$36,790.63, as delineated in the following table. Attached is a worksheet that itemizes the individual accounts.

Vacated Tenant Accounts for the Authority Owned Portfolio to be Written Off as Collection Loss
for the Month of December 2022

March 14, 2023

SUMMARY FOR HACSB- Authority Owned Properties		
PROPERTY	NO. VACATED	TOTAL
402 - Summit Place	1	3,712.00
403 - Summit Walk	1	1,664.00
407 - Sunset Pointe	0	-
408 - Sunrise Vista	3	10,198.19
409 - Andalusia	1	6,567.00
423 - Mesa Gardens	1	10,465.75
467 - Hillcrest	1	(12.00)
Concessions Write Off		-
TOTAL RENT WRITE OFF	8	32,594.94
Miscellaneous Charges		145.00
Maintenance Charges		9,455.69
Legal Charges		1,100.00
Security Deposits Applied		(6,505.00)
NET TOTAL WRITE OFF		36,790.63

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on February 28, 2023.

Housing Authority County of San Bernardino

COLLECTION WRITE-OFFS - Authority Owned Portfolio

Month End:

12/31/22

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
402 - Summit Place													
1	G	G		S	1,325.00	3,712.00		50.00	1,966.00		5,728.00	800.00	4,928.00
							-				-		-
TOTALS:						3,712.00	-	50.00	1,966.00	-	5,728.00	800.00	4,928.00

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	Skip									11/22/22

403 - Summit Walk													
1	H	C		V	1,664.00	1,664.00	-	50.00	578.00		2,292.00	1,335.00	957.00
							-				-		-
TOTALS:						1,664.00	-	50.00	578.00	-	2,292.00	1,335.00	957.00

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
1	30 Day Notice	09/01/22								11/30/22

407 - Sunset Pointe													
1	M	A							(249.00)		(249.00)		(249.00)
							-	-	(249.00)	-	(249.00)	-	(249.00)
TOTALS:						-	-	-	(249.00)	-	(249.00)	-	(249.00)

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	Collection on bad debt									

*Reasons: E=Evictions 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:

12/31/22

Item #	Last Name	First Name	ID No.	REASON	MONTHLY RENT	UNPAID RENT (*)	CONC. REVERSAL	UNPAID MISC (*)	MAINT. FEES	LEGAL FEES	TOTAL OWED	LESS DEPOSIT	NET DUE
408 - Sunrise Vista													
1	G	E							(248.30)		(248.30)		(248.30)
2	A	A		V	825.00	825.00			2,454.00		3,279.00	500.00	2,779.00
3	J	D		V	820.00	4,923.19		45.00	1,631.85		6,600.04	500.00	6,100.04
4	B	T		E	895.00	4,450.00			1,490.00	1,100.00	7,040.00	895.00	6,145.00
							-			-	-		-
TOTALS:						10,198.19	-	45.00	5,327.55	1,100.00	16,670.74	1,895.00	14,775.74

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
1	Collection on bad debt									
2	30 Day Notice	10/31/2022								11/30/2022
3	30 Day Notice	8/26/2022								12/16/2022
4	Eviction	7/1/2022	Posted	7/1/2022	8/2/2022	N		N/A	turned in keys to avoid court	12/15/2022

409 - Andalusia													
1	O	R					-		(3,743.17)		(3,743.17)		(3,743.17)
2	H	A					-		(369.69)		(369.69)		(369.69)
3	C	S		E	1,375.00	6,567.00	-		1,573.00		8,140.00	1,250.00	6,890.00
							-				-		-
TOTALS:						6,567.00	-	-	(2,539.86)	-	4,027.14	1,250.00	2,777.14

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
1	Collection on bad debt									
2	Collection on bad debt									
3	Eviction				09/27/22				turned in keys to avoid court	12/20/2022

*Reasons: E=Evictions 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: 12/31/22

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
423 - Mesa Gardens													
1	C	T		S	1,129.00	10,465.75			3,908.00		14,373.75	800.00	13,573.75
											-		-
TOTALS:						10,465.75	-	-	3,908.00	-	14,373.75	800.00	13,573.75

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
1	Skip									11/29/22

467 - Hillcrest													
1	H	L		V	747.00	(12.00)			465.00		453.00	425.00	28.00
											-		-
TOTALS:						(12.00)	-	-	465.00	-	453.00	425.00	28.00

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
1	30 Day Notice	11/02/22								11/30/22

ALL PROPERTY TOTALS:						32,594.94	-	145.00	9,455.69	1,100.00	43,295.63	6,505.00	36,790.63
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Submitted by: _____ Date: _____ Reviewed by: _____ Date: _____

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