

**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
NOVEMBER 12, 2024 AT 3:00 P.M.

IMPORTANT NOTICE ABOUT PUBLIC COMMENTS AND MEETING PARTICIPATION

HOW TO PARTICIPATE

The public is invited to participate in the Board of Commissioners meeting using any of the following methods:

1. IN PERSON:

Members of the public can provide in-person comments in the Board of Commissioners meeting room at the above address. Members of the public are encouraged, but not required, to fill out a speaker card. The Board of Commissioners meeting room will have seating available for members of the public to attend in person up to full seating capacity.

2. REMOTE:

a. Zoom:

<https://us06web.zoom.us/j/87430748297?pwd=6ZFuqTZTcP25EM7MwP2xFKQpgnPv4Y.1>

Meeting ID: 874 3074 8297

Passcode: 167085

b. Zoom Phone Number. Dial Toll Free: +1 669 900 6833 US (San Jose)

Meeting ID: 874 3074 8297

Passcode: 167085

Find your local number: <https://us06web.zoom.us/j/87430748297>

During the meeting, each period for public comment will be announced, and participants may use the "Raise Hand" feature on Zoom to request to speak. If calling in via Zoom use *9 to raise and lower your hand. The meeting host will call on you, by name, and promote you to panelist in the webinar so you can be seen via your camera. Please enable your microphone when it is your turn to speak. In order to ensure the orderly administration of the meeting using this method, providing your name is encouraged, but is not required. (If you need instructions on how to use this feature, please contact the Board Secretary by 1:00 p.m. of the meeting date at (909) 332-6302 or churtado@hacsb.com).

AGENDA

PUBLIC SESSION

- 1) Call to Order and Roll Call – **Announcements/Consideration and Approval of Requests by Commissioners to Participate Remotely Pursuant to AB 2449, including announcement by Commissioner David Avila of his remote participation for just cause.**

- 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 November 12, 2024.
(Page 1)
- 5) Board Building – Overview of Arrowhead Grove Phase IV Design.
(Page 2)
- 6) Discussion on the 2025 Board of Commissioners Retreat.
(Page 3)
- 7) Approve Amendment No. 4 to Employment Agreement between the Housing Authority of the County of San Bernardino and Executive Director Maria Razo.
(Pages 4-8)
- 8) 1 – Approve Amendment No. 4 to contract No. PC1180, effective December 9, 2024 with Aleshire & Wynder LLP for General Legal Counsel Services increasing the current contract by \$171,000 for a total amount not to exceed \$822,000 through December 8, 2025 and extending the contract term by one year.

2 – Authorize and direct the Executive Director to execute and deliver the contract amendment to Aleshire & Wynder LLP and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.
(Pages 9-15)
- 9) Adopt Resolution No. 204 approving the Housing Authority of the County of San Bernardino's Fiscal Year 2024-2025 Annual Moving to Work Plan, Amendment No. 1.
(Pages 16-21)
- 10) 1 – Approve Amendment No. 1 to contract No. PC1340, effective February 1, 2025, with Loma Linda University for Research and Evaluation Services to combine and exercise the remaining four option years and increase the contract by \$478,000 for a total contract amount not to exceed \$553,000 through January 31, 2029.

2 – Authorize and direct the Executive Director to execute and deliver any related documents, and upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.
(Pages 22-27)

- 11) 1 – Approve contract amendment No. 4 with Knowledge, Education for Your Success, Inc. for the provision of California Work Opportunity and Responsibility to Kids Housing Support Program Housing Navigator Services increasing the amount by \$9,892,192 for a total contract amount not to exceed \$46,194,219 through June 30, 2025.

2 – Authorize and direct the Executive Director to execute and deliver the contract to Knowledge and Education for Your Success, Inc. and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.
(Pages 28-33)

CONSENT CALENDAR

APPROVAL OF CONSENT ITEMS: # 12-14

- 12) 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 October 8, 2024.
(Pages 34-41)
- 13) Approve and file Agency-wide Financial Statements through July 2024.
(Pages 42-45)
- 14) Approve vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month of August 2024.
(Pages 46-51)
- 15) Individual Board member comments.
- 16) Adjourn

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

If you challenge any decision regarding any of the above agenda items in court, you may be limited to raising only those issues you or someone else raised during the public testimony period regarding that agenda item or in written correspondence delivered to the Board of Commissioners at, or prior to, the public 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**

November 12, 2024

FROM

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

SUBJECT

Executive Director's Report for November 12, 2024

RECOMMENDATION(S)

Receive the Executive Director's Report for November 12, 2024.
(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 U.S. Department of Housing and Urban Development.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on October 31, 2024.

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

November 12, 2024

FROM

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

SUBJECT

Board Building Presentation for November 12, 2024

RECOMMENDATION(S)

Receive the board building presentation for November 12, 2024, an overview of the Arrowhead Grove Phase IV Design.

(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 our 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 financial impact associated with this item.

BACKGROUND INFORMATION

Per the U.S. Department of Housing and Urban Development's (HUD) Commissioner Lead the Way Training and Moving to Work designation responsibilities, board building is required to provide the Board of Commissioners with information regarding ongoing initiatives of HACSB's strategic plan, Moving to Work (MTW) activities, overall agency updates, as well as other initiatives federally regulated by HUD.

This month's board building presentation will include an overview of the design features for Phase IV of Arrowhead Grove in partnership with our developer partner, National Community Renaissance (National CORE).

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on October 31, 2024.

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

November 12, 2024

FROM

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

SUBJECT

Discussion on the 2025 Board of Commissioners Retreat

RECOMMENDATION(S)

Identify a date and time for the 2025 Board of Commissioners Retreat.
(Presenter: Maria Razo, Executive Director, 332-6305)

STRATEGIC PLAN ALIGNMENT

Aspirational Statement #1: To ensure that our agency's culture empowers and values our team through effective communication, learning opportunities, work-life balance, professional development, and a shared passion for the mission.

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 we serve, maximizing our resources by mobilizing the talents of our community partners.

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

As shared at the October 8, 2024, Board of Commissioners meeting, we would like to discuss proposed dates and times for our 2025 Board of Commissioners retreat, as well as possible agenda items. A proposed agenda item to include would be to prepare for the legislative visits in March 2025.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on November 6, 2024.

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

November 12, 2024

FROM

Fred Galante, General Counsel, Housing Authority of the County of San Bernardino

SUBJECT

Amendment No. 4 to Employment Agreement between the Housing Authority of the County of San Bernardino and Executive Director Maria Razo.

RECOMMENDATION(S)

Approve Amendment No. 4 to Employment Agreement between the Housing Authority of the County of San Bernardino and Executive Director Maria Razo.
(Presenter: Fred Galante, (949) 250-5410)

STRATEGIC PLAN ALIGNMENT

Aspirational Statement #1: To ensure that our agency's culture empowers and values our team through effective communication, learning opportunities, work/life balance, professional development, and a shared passion for the mission.

FINANCIAL IMPACT

The proposed Amendment No. 4 to the Executive Director's Employment Agreement implements a \$22,900.80 annual increase to the Executive Director's compensation effective November 12, 2024.

BACKGROUND INFORMATION

On September 27, 2020, the Housing Authority of the County of San Bernardino ("HACSB") approved an Employment Agreement with Ms. Razo to serve as Executive Director to the HACSB. On October 8, 2024, the Board of Commissioners of HACSB conducted a performance evaluation of Ms. Razo and shared that she is doing an excellent job in all respects.

At the October 8, 2024, Board of Commissioner's (Board) meeting, the Board directed that an amendment to the Employment Agreement be presented at the November meeting for consideration with applicable increases to the Executive Director's compensation and designate goals and objectives to be accomplished by Ms. Razo for the upcoming fiscal year. The goals and objectives are to be updated by the Board of Commissioners at least annually and was reviewed as part of the discussion at the October 8, 2024 Board meeting.

The attached proposed Amendment No. 4 to the Employment Agreement with the Executive Director implements the Board of Commissioner's direction and reflects the same market rate adjustment increase that was provided to employees of HACSB and a 7.2% merit increase to her compensation. The market rate adjustment increase is consistent with Section 4(a) of the Employment Agreement, which grants the Executive Director the same benefits as provided to employees of the HACSB and in accordance with the HACSB Employee Compensation Philosophy and Administrative Guidelines.

Amendment No. 4 to Executive Director Employment Agreement
November 12, 2024

It would be appropriate for the Board to consider and, if acceptable, approve the proposed Amendment No. 4.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has prepared by General Legal Counsel, Fred Galante, on November 6, 2024.

AMENDMENT NO. 4 TO EMPLOYMENT AGREEMENT

BETWEEN

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

And

MARIA RAZO

This Amendment No. 4 to Employment Agreement (“Amendment No. 4”), dated November 12, 2024 (“Effective Date”), is entered into by and between the Housing Authority of the County of San Bernardino, a California public body, (“HACSB”) and Maria Razo (“Employee”).

RECITALS

WHEREAS, HACSB and Employee entered into that certain Employment Agreement, dated September 27, 2020 for Employee to serve as Executive Director to the HACSB (“Agreement”);

WHEREAS, on June 14, 2022, the HACSB and Employee entered into Amendment No. 1 to the Agreement to extend the term by an additional three years and designate goals and objectives to be accomplished by Employee for the upcoming fiscal year;

WHEREAS, on November 8, 2022, the Board of Commissioners of HACSB conducted a performance evaluation of Employee and found Employee’s performance satisfactory in all respects and approved the goals and objectives to be accomplished by Employee for the upcoming fiscal year;

WHEREAS, on December 13, 2022, the HACSB and Employee entered into Amendment No. 2 to the Agreement approving the increase in Compensation payable to Employee, retroactive to September 30, 2022, to reflect the same merit increase provided to employees of the HACSB, consistent with Section 4(a) of the Agreement, which granted Employee the same benefits as provided to employees of HACSB and in accordance with HACSB Employee Compensation Philosophy and Administrative Guidelines;

WHEREAS, on October 10, 2023, HACSB and Employee entered into Amendment No. 3 to the Agreement approving an increase in the Compensation payable to Employee, retroactive to September 29, 2023, to reflect the same market rate adjustment increase and merit increase provided to employees of the HACSB, consistent with Section 4(a) of the Agreement, which grants Employee the same benefits as provided to employees of the HACSB and in accordance with the HACSB Employee Compensation Philosophy and Administrative Guidelines; and

WHEREAS, HACSB and Employee now wish to enter into this Amendment No. 4 to the Agreement to approve an increase in the Compensation payable to Employee, effective

November 12, 2024, to reflect a 7.2% merit increase to the Compensation payable to Employee, plus the same 2.8% market rate adjustment increase provided to employees of the HACSB, consistent with Section 4(a) of the Agreement, which grants Employee the same benefits as provided to executive employees of the HACSB and in accordance with the HACSB Employee Compensation Philosophy and Administrative Guidelines.

OPERATIVE PROVISIONS

NOW, THEREFORE, the foregoing Recitals being true and correct, and in consideration of the mutual covenants and obligations contained in this Amendment No. 4 by the parties and other consideration, the sufficiency of which is hereby expressly acknowledged, the Parties hereto agree as follows:

1. Salary. Section 4 of the Agreement, entitled "Salary," at subsection (a), is hereby amended retroactive to September 27, 2024, to reflect a two and eight tenths percent (2.8%) market rate increase, plus a seven and two tenths percent (7.2%) merit increase, ultimately increasing Employee's salary to \$247,520. Except as so amended, the other provisions of Section 4 shall remain unmodified and in full force and effect. The amended language of Subsection 4(a) shall read as follows:

"(a) HACSB agrees to pay Employee in accordance with the salary provided in personnel policies/manual in the amount of \$247,520 per annum for her services, payable in installments at the same time as other employees of HACSB are paid and subject to customary withholding. Employee's salary may be increased in accordance with HACSB personnel/policies manual."

2. Goals and Objectives. In performing her duties per the terms of the Agreement, Employee shall endeavor to achieve the Goals and Accomplishments approved by the Board at its October 8, 2024 meeting, as such Goals and Accomplishments are revised and updated by the Board of Commissioners of HACSB from time-to-time. Said Goals and Accomplishments, as may be updated, shall be used by the Board of Commissioners to evaluate Employee in future years of the Term of the Agreement.

3. Full Force and Effect. Continuing Effect of Agreement. Except as amended by this Amendment No. 4, all provisions of the Agreement, as amended, shall remain unchanged and in full force and effect. From and after the date of this Amendment No. 4, whenever the term "Agreement" appears in the Agreement, it shall mean the Agreement, as amended by Amendment Nos. 1, 2, and 3 and this Amendment No. 4.

4. Adequate Consideration. The parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Amendment No. 4.

IN WITNESS WHEREOF, HACSB has caused this Amendment No. 4 to be signed and executed on its behalf by the Chairperson of the Board of Commissioners. It has also been executed by Employee.

HOUSING AUTHORITY OF THE
COUNTY OF SAN BERNARDINO

EMPLOYEE

Beau Cooper, Chairman, Board of
Commissioners

Maria Razo

APPROVED AS TO LEGAL FORM:

Fred Galante, General Counsel

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

November 12, 2024

FROM

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

SUBJECT

Contract Amendment with Aleshire & Wynder LLP for General Legal Counsel Services

RECOMMENDATION(S)

1. Approve Amendment No. 4 to contract No. PC1180, effective December 9, 2024 with Aleshire & Wynder LLP for General Legal Counsel Services increasing the current contract by \$171,000 for a total amount not to exceed \$822,000 through December 8, 2025 and extending the contract term by one year.
2. Authorize and direct the Executive Director to execute and deliver the contract amendment to Aleshire & Wynder LLP and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.

(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 amendment will increase the current contract amount by \$171,000 for a total contract amount not to exceed \$822,000, which is included within the Housing Authority of the County of San Bernardino's (HACSB) approved administrative and operations budget and will be included for the subsequent fiscal year included in this contract.

BACKGROUND INFORMATION

As a public entity, HACSB requires general legal counsel services that specialize in public agencies and municipalities. The required level of legal expertise includes, but is not limited to, the following areas: public housing authority law; Ralph M. Brown Act; Public Records Act; Political Reform Act; conflicts of interest laws; general public entity and municipal law; California Government Code; public employment labor laws, policies and litigation; preparation, review and adoption of legal opinions, contracts, memoranda of understanding, resolutions and policies; legislative and administrative (regulatory) law, both California and federal, including proposed and enacted legislation; emergency legal services as needed; real estate development and attendance at the Board of Commissioners meetings.

Over the years, HACSB has retained other legal firms for a variety of specialized services; however, as the initial year progressed, it became apparent that utilizing Aleshire & Wynder LLP's expertise in specialized areas was more cost effective and efficient than relying on other specialized firm(s) given their overall comprehensive knowledge of our agency. Aleshire and Wynder has proven to have various departments with subject matter expertise to meet the need

of these specialized legal services. As such, the use of specialized legal services by Aleshire & Wynder LLP grew from general legal services to include the specialty legal services listed above. Additional funds are needed for the additional 12-month term included as an option year in the agreement, which continues to include funds for various other specialty legal services.

PROCUREMENT

The Procurement and Contracts Department previously completed a “Request for Proposal” (RFP) for General Legal Counsel Services (RFP PC1180) on July 8, 2020 which resulted in the receipt of six proposals. Outreach efforts included email invitations via PlanetBids, our eBidding website to five vendors and posting on the agency’s website. The proposals were evaluated per the requirements of the RFP along with interviews with the top three highest scoring firms. Aleshire and Wynder LLP was deemed the most responsive, reasonably priced, and determined qualified to provide legal services to HACSB.

On December 8, 2020, the Board of Commissioners approved and authorized the Executive Director to execute a contract in the amount of \$130,000 for a two-year base period through December 8, 2022, with three single-year options to extend the contract until no later than December 8, 2025.

On October 12, 2021, the Board of Commissioners approved and authorized the Executive Director to execute an amendment to increase the contract by \$271,000 to include funds for additional specialty legal services for a total amount not to exceed \$401,000 through December 8, 2022.

On November 8, 2022, the Board of Commissioners approved and authorized the Executive Director to execute an amendment to increase the contract by \$160,000 for a total amount not to exceed \$561,000 through December 8, 2023.

On December 8, 2023, HACSB sent Contractor a letter confirming the automatic extension of the term for the second option year of the Agreement, subject to approval by Board of Commissioners at its January 2024 meeting of an additional appropriation to cover the funding for such option year.

On January 9, 2024, the Board of Commissioners approved and authorized the Executive Director to execute an amendment to increase the contract by \$90,000 for a total amount not to exceed \$651,000 through December 8, 2024.

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on November 6, 2024.



**AMENDMENT #4 TO CONTRACT FOR GENERAL LEGAL SERVICES
(PC1180)**

BETWEEN

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

And

ALESHIRE & WYNDER, LLP

This Amendment No. 4 (“Fourth Amendment”), dated December 9, 2024 (“Effective Date”), to Agreement for General Legal Services (PC1180), is entered into by and between the Housing Authority of the County of San Bernardino, a California public body, (“Authority”) and Aleshire & Wynder LLP, a California Limited Liability Partnership (“Attorneys”).

RECITALS

WHEREAS, the Authority and Attorneys entered into a Legal Services Agreement for General Counsel, dated December 9, 2020 relating to General Legal Services (“Agreement”) with a total price of \$130,000;

WHEREAS, the Authority and Attorneys entered into Amendment No. 1 to the Agreement to increase the contract by \$271,000 for a total price of \$401,000 through December 8, 2022;

WHEREAS, the Authority and Attorneys entered into Amendment No. 2 to the Agreement to increase the contract by \$160,000 for a total price of \$561,000 through December 8, 2023;

WHEREAS, on December 8, 2023 the Authority sent Contractor a letter confirming the automatic extension of the term for the second option year of the Agreement, subject to approval by the Authority Board at its December 2023 meeting of an additional appropriation to cover the funding for such option year.

WHEREAS, on January 9, 2024 the Authority entered into Amendment No. 3 to the Agreement to increase the contract by \$90,000 for a total price of \$651,000 through December 8, 2024.

WHEREAS, the Authority and Attorneys now wish to enter into this Amendment No. 4 to the Agreement to increase the contract by \$171,000 for a total price of \$822,000 through December 8, 2025.

OPERATIVE PROVISIONS

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

Section 1. In accordance with Article 6 of the Agreement, the Parties hereby confirm the exercise of the last option year of the Term until December 8, 2025.

Section 2. Article 7 of the Agreement, entitled "Price" is hereby amended to increase the compensation payable to Attorneys for the provision of the Work the total not- to-exceed sum as shown in the Total Agreement Cost set Fourth on Exhibit "A-1. Except as so amended, the other provisions of Article 4 shall remain unmodified and in full force and effect.

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

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

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

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

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

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Housing Authority of the County of San Bernardino and Aleshire & Wynder LLP hereby execute this Fourth Amendment.

ALESHIRE & WYNDER LLP

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

By: _____

By: _____

Name: Fred Galante

Name: Maria Razo

Title: Equity Partner

Title: Executive Director

Date: _____

Date: _____

Exhibit A-1

Schedule Dates:

Effective Date: December 9, 2024

Completion Date: December 8, 2025

Total Agreement Cost: Not to exceed \$822,000.00

Original Agreement Amount Not to Exceed	\$130,000.00
Net Change Orders Previously Approved	\$0.00
Net Change Order – Previously Approved - Amendment #1	\$271,000.00
Net Change Order – Previously Approved - Amendment #2	\$160,000.00
Net Change Order – Previously Approved - Amendment #3	\$90,000.00
Net Change Order – Amendment #4	\$171,000.00
Agreement Value as Amended Not to Exceed	\$822,000.00

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

November 12, 2024

FROM

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

SUBJECT

Fiscal Year 2024-2025 Annual Moving to Work Plan, Amendment No. 1

RECOMMENDATION(S)

Adopt Resolution No. 204 approving the Housing Authority of the County of San Bernardino's Fiscal Year 2024-2025 Annual Moving to Work Plan, Amendment No. 1.
(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 #4: To utilize research and technology to drive innovative programming and operational processes which allow us to be more responsive and result in the advancement of the families we serve.

FINANCIAL IMPACT

Approval of the proposed resolution will not have a significant direct financial impact on the Housing Authority of the County of San Bernardino (HACSB). Sufficient appropriation to perform this action has been included in the HACSB Fiscal Year 2024-2025 annual budget and will be included in subsequent fiscal year budgets.

BACKGROUND INFORMATION

On March 14, 2008, HACSB was designated by the United States Department of Housing and Urban Development (HUD) as a Moving to Work (MTW) agency. The objectives of the MTW designation are to achieve greater cost effectiveness, provide incentives to families working toward self-sufficiency, and increase housing choices for low-income families. To accomplish these objectives, the MTW designation allows Public Housing Authorities (PHA) to develop and implement programs to design and test innovative local housing and self-sufficiency initiatives by waiving certain statutes and HUD regulations. In accordance with the MTW Agreement which outlines the requirements and authorizations of the MTW designation, each year HACSB is required to prepare and submit an Annual MTW Plan that describes previously approved, proposed and/or revised MTW activities for the coming year, as well as other related information.

The proposed 2024-2025 Annual MTW Plan Amendment No. 1 (Plan) includes information regarding 30 previously approved MTW activities. Activities are defined as HUD-approved initiatives developed and adopted by HACSB via its MTW designation that a traditional Housing Authority cannot implement.

HACSB MTW activities are listed below:

No.	Activity Name	Plan Year	Status
1	Single Fund Budget	2009	Ongoing
2	Strategic Investment Policies	2009	Closed Out
3	Alternate Assessment Program	2009	On Hold
4	Biennial and Triennial Re-Certifications	2009	Ongoing
5	Simplified Income Determination (formerly Local Verification Policies)	2009	Ongoing
6	Elimination of Assets	2009	Closed Out
7	Controlled Program Moves	2009	Closed Out
8	Local Policies for Portability	2009	Ongoing
9	Elimination of Earned Income Disallowance	2009	Closed Out
10	Minimum Rent	2009	Ongoing
11	Local Project Based Voucher Program	2009	Ongoing
12	Local Payment Standards	2009	Ongoing
13	Local Inspection Policies	2010	Ongoing
14	Local Asset Management Program	2010	Ongoing
15	Pilot Work Requirement	2010	Closed Out
16	Operating Subsidy for Vista del Sol	2010	Closed Out
17	Local Income Inclusions	2011	Closed Out
18	Property Management Innovation	2011	Ongoing
19	Pilot Local FSS Program	2011	Closed Out
20	Term-Limited Lease Assistance Program	2011	Ongoing
21	Utility Allowance Reform	2012	Closed Out
22	Streamlined Lease Assistance Program	2013	Ongoing
23	No Child Left Unsheltered	2014	Ongoing
24	Transition for Over Income Public Housing/Housing Choice Voucher Families	2014	Ongoing
25	Project-Based Voucher Flexibility for Horizons Yucaipa Senior Housing	2016	Ongoing
26	Local Disaster Short-Term Rental Assistance Program	2017	Ongoing
27	Local Project-Based Voucher Subsidy for Developments Using Tax Credit Rents	2019	Ongoing
28	Leasing Success Strategies	2022	Ongoing
29	Moving On Strategy	2023	Ongoing
30	Valencia Grove Phase II, Affordable Rent Strategy	2024	Ongoing

Over the past several years HACSB has experienced significant increases to Housing Assistance Payment (HAP) costs for families in the Housing Choice Voucher program. The increases are primarily driven by substantial and rapid increases in market rents. Market rent increases are illustrated by changes in our Local Payment Standards (LPS), which are updated annually based upon an analysis of current market rent data. Over the last five years, our LPS experienced an average increase of 11%. Notably, during the post-pandemic years of 2021 and 2022, the average LPS increase surged to 24%. Per-unit cost (PUC) has risen particularly rapidly in fiscal years ending (FYE) 2023 and 2024, from a FYE 2022 average PUC of \$873 to an average PUC

of \$1,249 in FYE 2024. In this timespan, PUC has risen over 43% while per-unit funding has risen just over 24%. HACSB has taken proactive measures to reduce HAP expenses to better align with funding, including stopping selections from our wait list in mid-2023 and ending optional uses of HAP to promote leasing success such as incentives for landlords and housing navigation services for HCV customers. Despite these measures, HAP expenses continue to outpace funding. HACSB is currently drawing upon funding reserves to cover monthly HAP expenses that exceed our monthly funding amount. As of September 2024, this overage is more than \$900,000 per month. The overage is projected to continue rising despite a shrinking lease rate resulting from natural program attrition and not admitting new households from our wait list. Based on historical increases and a potential modest increase to funding in coming years, MTW leasing is projected to fall to below 93% utilization by FYE 2025 and approximately 86% by FYE 2026.

HACSB has determined that additional rent reform modifications are necessary to achieve significant decreases in PUC and HAP expenses. We have evaluated potential rent reform options aimed to reduce expenses sufficiently to achieve two objectives: 1) to prevent a funding shortfall which may require HACSB to terminate assistance for assisted customers; and 2) to allow HACSB to increase leasing to achieve compliance with the MTW statutory requirement to serve substantially the same number of families.

HACSB is proposing modifications to two existing activities through this Plan:

Activity #10 – Minimum Rent: HACSB proposes to implement a new minimum rent of \$450 for most MTW households. The proposed increased minimum rent was calculated as 36% of gross monthly income for a household with one member earning California’s current minimum wage (\$16/hour) and working part-time (20 hours/week).

This change will apply to current and new:

- Career-able households; and
- Elderly/disabled households with one or more career-able household members.

This change will not apply to certain vulnerable populations. For these populations, the minimum rent will remain at \$125. Such populations include:

- Elderly/disabled households with no career-able household members; and
- Households participating in HACSB’s MTW Activity #23, No Child Left Unsheltered (NCLU); and
- Households participating in HACSB’s MTW Activity #29, Moving on Strategy; and
- Households participating in HACSB’s permanent supportive housing programs at Desert Haven and Golden Apartments.

HACSB recognizes that increasing the minimum rent will present a financial challenge for currently assisted households paying the current minimum rent of \$125. To provide time for current minimum rent households to adjust to the increased minimum rent, their tenant rent portion will be increased in tiers at regularly scheduled recertifications.

Activity #22 – Streamlined Lease Assistance (SLA): HACSB proposes to change the Total Tenant Portion (TTP) calculation for the Fixed Assistance Program for Elderly/Disabled households to a Tiered Assistance Program for Elderly/Disabled households.

	Fixed Assistance Program for Elderly/Disabled Households admitted prior January 1, 2019	Fixed Assistance Program for Elderly/Disabled Households admitted on or after January 1, 2019
Current Calculation	24% of Income*	30% of Income*
Proposed Calculation	Tiered Rent: 27/30/33/36% of Income *	Tiered Rent: 30/33/36% of Income *

- This proposed modification will apply a tiered TTP structure to all Elderly/Disabled households participating in the Streamlined Lease Assistance program, except for households participating in HACSB’s Activity #29 Moving On Strategy.
- Elderly/Disabled households admitted to the program prior to January 1, 2019, with a current tenant TTP calculation of 24% will move up to the 30% tenant rent portion calculation, or HACSB’s minimum rent, or baseline rent, whichever is greater. HACSB will gradually tier households up to the 30% TTP tier over the course of two years. The first year of implementation will increase to 27% TTP calculation, and in the second year will tier to 30% TTP calculation.
- Elderly/Disabled households admitted to the program on or after January 1, 2019, will remain at the 30% TTP calculation, or HACSB’s minimum rent, or baseline rent, whichever is greater.

HACSB intends to implement the additional tenant rent portion tiers of 33% and 36% to elderly/disabled households only if internal analysis demonstrates that it is necessary to ensure financial viability of the program without terminating assistance or serving fewer families.

A legal notice regarding the Plan was published in seven local newspapers on October 7, October 8, and October 10, 2024. The notice and the proposed plan were also made available on HACSB’s website and at all HACSB offices throughout San Bernardino County beginning October 7, 2024. The required public comment period ran from October 7, 2024, to November 6, 2024, and two public hearings on the matter were held. In-person hearings were held on October 15, 2024, at 10:00 a.m. and October 17, 2024, at 1:00 p.m. No members of the public attended the public hearings, and no public comments were received. On October 29 2024, the proposed plan was presented to HACSB’s Resident Advisory Board where questions were answered, and feedback was received.

A complete copy of the 2024-2025 Annual MTW Plan, Amendment 1 can be found at <https://hacsb.com/moving-to-work/>.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on November 6, 2024.

HOUSING AUTHORITY RESOLUTION NO. 2024-204

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO APPROVING THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO'S FISCAL YEAR 2024-2025 ANNUAL MOVING TO WORK PLAN, AMENDMENT 1

RECITALS

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

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

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

WHEREAS, the HACSB desires to develop a new MTW activity and modify certain previously approved MTW activities; and

WHEREAS, the HACSB has developed its Fiscal Year 2024-2025 Annual MTW Plan, Amendment 1, to include the proposed modifications to those MTW activities and in accordance with HUD requirements.

OPERATIVE PROVISIONS

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

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

Section 2. The Board of Commissioners hereby approves the proposed Fiscal Year 2024-2025 HACSB Annual MTW Plan, Amendment 1, on November 12, 2024.

Section 3. A complete copy of the 2024-2025 Annual MTW Plan, Amendment 1, can be found at <https://hacsb.com/moving-to-work/>.

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

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

AYES:

NOES:

ABSENT:

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

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

Secretary

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

November 12, 2024

FROM

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

SUBJECT

Contract Amendment with Loma Linda University for research and evaluation services.

RECOMMENDATION(S)

1. Approve Amendment No.1 to contract No. PC1340, effective February 1, 2025, with Loma Linda University for Research and Evaluation Services to combine and exercise the remaining four option years and increase the contract by \$478,000 for a total contract amount not to exceed \$553,000 through January 31, 2029.
2. Authorize and direct the Executive Director to execute and deliver any related documents, and upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.

(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 #4: To utilize research and technology to drive innovative programming and operational processes which allow us to be more responsive and result in the advancement of the families we serve.

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

This item is not expected to exceed \$553,000 through January 31, 2029, and is funded by the Housing Authority of the County of San Bernardino's (HACSB) Moving to Work (MTW) budget, whose primary income source is the Housing Choice Voucher program.

BACKGROUND INFORMATION

HACSB is one of 139 nationally designated MTW demonstration sites by the U.S. Department of Housing and Urban Development (HUD). HUD requires MTW agencies to monitor and report on the progress of the various innovative initiatives implemented and the ongoing impact on the families we serve, some of which require the assistance of a third-party researcher. For more than 14 years, HACSB has worked with Loma Linda University (LLU) on several research efforts including HACSB's Term-Limited Lease Assistance (TLA) program longitudinal study for current program participants and a post-housing assistance study for TLA families who exited the program, ongoing evaluation of the No Child Left Unsheltered (NCLU) program, evaluation of HACSB's permanent supportive housing sites Desert Haven and Golden Apartments, and the Emergency Housing Voucher (EHV) program. Through our partnership, LLU's research has helped shape and guide internal policy decisions and program development, and assisted in evaluating how programs and services are structured and delivered.

Over the next four years, LLU will continue to conduct research and evaluate HACSB's existing and new housing programs and activities. The housing programs and activities that LLU will evaluate over the coming four years include permanent supportive housing sites Desert Haven and Golden Apartments, the TLA program, the EHV program, the Moving On program, NCLU, and a potential new rent reform activity. LLU will provide a minimum of two written reports each contract year based on an evaluation cycle as agreed upon with HACSB.

PROCUREMENT

No competitive procurement was conducted in this procurement as this is a sole-source contract with a specialized vendor as a result of the ongoing longitudinal research. LLU has a thorough understanding of HACSB's rental assistance programs, has established relationships with our customers, and has unique knowledge of the evaluations completed to date. These factors are critical to the success of the ongoing evaluation of the programs, and as such this contract was procured as a non-competitive sole-source procurement. This amendment will enable HACSB and LLU to continue their partnership to provide valuable resources to families as well as critical feedback about the program to HACSB staff. The procurement was conducted in accordance with HUD 2 CFR 200.320.

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on November 6, 2024.



**AMENDMENT #1 TO CONTRACT FOR RESEARCH AND EVALUATION SERVICES
(PC1340)**

BETWEEN

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

And

LOMA LINDA UNIVERSITY

This Amendment No. 1 (“First Amendment”), dated February 1, 2025 (“Effective Date”), to Agreement for Research and Evaluation Services (PC1340), is entered into by and between the Housing Authority of the County of San Bernardino, a California public body, (“HACSB”) and Loma Linda University (“Contractor”).

RECITALS

WHEREAS, HACSB and Contractor entered into that certain Consulting, Services, and Non-Routine Maintenance Related Services Agreement (Non-Construction), dated February 1, 2024 relating to Research and Evaluation Services (“Agreement”) with a total price of \$75,000;

WHEREAS, HACSB and Contractor now wish to enter into this first Amendment to the Agreement to exercise the remaining option years and increase the contract by \$478,000 for a total amount not-to-exceed \$553,000 through January 31, 2029.

OPERATIVE PROVISIONS

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

Section 1. Article 3 of the Agreement is hereby amended to combine the option years and exercise the remaining four (4) years through January 31, 2029. Except as so amended, the other provisions of Article 3 shall remain unmodified and in full force and effect.

Section 2. Article 4 of the Agreement, entitled “Price” is hereby amended to increase the compensation payable to Contractor for the provision of the Work for the total not-to-exceed sum as shown in the Total Agreement Cost set forth on Exhibit “A-1. Except

as so amended, the other provisions of Article 4 shall remain unmodified and in full force and effect.

Section 3. Continuing Effect of Agreement. Except as amended by this First Agreement, all provisions of the Agreement, as amended, shall remain unchanged and in full force and effect. From and after the date of this First Amendment, whenever the term “Agreement” appears in the Agreement, it shall mean the Agreement, as amended by this First Amendment.

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

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

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

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

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Housing Authority of the County of San Bernardino and Loma Linda University hereby execute this First Amendment.

LOMA LINDA UNIVERSITY

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

By: _____

By: _____

Name: Dr. Travis Losey

Name: Maria Razo

Title: VP, Research Affairs

Title: Executive Director

Date: _____

Date: _____

Exhibit A-1

Schedule Dates:

Effective Date: February 1, 2025

Completion Date: January 31, 2029

Total Agreement Cost: Not to exceed \$553,000.00

Original Agreement Amount Not to Exceed	\$75,000.00
Net Change Orders Previously Approved	\$0.00
Net Change Order – Amendment #1	\$478,000.00
Agreement Value as Amended Not to Exceed	\$553,000.00

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

November 12, 2024

FROM

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

SUBJECT

Contract Amendment No. 4 with Knowledge, Education for Your Success, Inc. for California Work Opportunity and Responsibility to Kids Housing Support Program Services

RECOMMENDATION(S)

1. Approve contract amendment No. 4 with Knowledge, Education for Your Success, Inc. for the provision of California Work Opportunity and Responsibility to Kids Housing Support Program Housing Navigator Services increasing the amount by \$9,892,192 for a total contract amount not to exceed \$46,194,219 through June 30, 2025.
2. Authorize and direct the Executive Director to execute and deliver the contract to Knowledge and Education for Your Success, Inc. and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.

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

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 #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 our resources by mobilizing the talents of our community partners.

FINANCIAL IMPACT

Approval of this item is not expected to exceed a total contract amount of \$46,194,219 which is funded through the California Work Opportunity and Responsibility to Kids (CalWORKs) Housing Support Program (HSP) funds received by the Housing Authority of the County of San Bernardino (HACSB) pursuant to its CalWORKs HSP contract with the San Bernardino County Transitional Assistance Department (TAD).

BACKGROUND INFORMATION

Under the terms of the recommended contract amendment, HACSB's affiliate non-profit, Knowledge, Education for Your Success, Inc. (KEYS) will continue to provide housing navigation and rental assistance for CalWORKs families who identify themselves as homeless. CalWORKs HSP was established through SB 855 (Chapter 29, Statutes of 2014) to promote housing stability for families in the CalWORKs program. The Rapid Rehousing (RRH) services provided through HSP offer time-limited, individualized rental assistance at a level that enables the family to maintain housing while they seek to increase income; learn to manage a household budget; relocate to less expensive housing; and/or reduce expenses to sustain their housing. Rental assistance will be provided in a manner that is intended to prevent families from experiencing a sudden and unmanageable increase to their housing expenses at the end of program assistance. Additionally, KEYS partners with community and faith-based organizations to leverage and support payment of security deposits, utility assistance, furniture needs, and other housing costs as appropriate to the situation.

Contract Amendment No. 4 with Knowledge, Education for Your Success, Inc. for California Work Opportunity and Responsibility to Kids Housing Support Program Services
November 12, 2024

The purpose of this approval is to provide funding to continue the provision of services by KEYS and extend the contract term. The changes in the proposed amendment will align the amount and term of the contract with the amount and term of the corresponding HSP contract between HACSB and TAD. Additionally, the proposed amendment includes a new Compliance Monitoring Plan that outlines many of the steps HACSB is now taking or will take to verify KEYS' compliance with HSP requirements and to address any performance issues.

PROCUREMENT

The contract award was non-competitive due to TAD writing KEYS and HACSB directly into the contract proposal for the state funding. Also, the San Bernardino County Purchasing Department determined that the non-competitive nature of a contract with HACSB and KEYS is justified based on California Department of Social Services allocation to the County of San Bernardino as a result of TAD's proposal to partner with HACSB in its application for HSP funding.

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on November 6, 2024.



**FOURTH AMENDMENT TO CONSULTING, SERVICES, AND NON-ROUTINE MAINTENANCE
RELATED SERVICES AGREEMENT (NON-CONSTRUCTION)**

BETWEEN

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

And

KNOWLEDGE, EDUCATION FOR YOUR SUCCESS, INC. (KEYS)

This Fourth Amendment to Consulting, Services, and Non-Routine Maintenance Related Services Agreement (Non-Construction) (“Amendment”) is entered into as of November 18, 2024, by and between the Housing Authority of the County of San Bernardino (“Authority”), a public body, corporate and politic and Knowledge, Education For Your Success, Inc., a California public benefit nonprofit corporation (“KEYS”). The Authority and KEYS are referred to herein, collectively, as the “Parties.”

RECITALS

WHEREAS, on June 9, 2020 (Item No. 9), the Board of Commissioners approved that certain non-competitive Consulting, Services, and Non-Routine Maintenance Related Services Agreement (Non-Construction), dated as of July 1, 2020 (the “Agreement”), by and between the Authority and KEYS, for the purpose of KEYS providing Housing Navigator Services in the amount of \$6,480,000, for the period of July 1, 2020 through June 30, 2021.

WHEREAS, on June 8, 2021 (Item No. 7), the Board of Commissioners approved the first amendment to the Agreement, increasing the amount by \$6,480,000, for a total contract amount not to exceed \$12,960,000 and extending the term by one year through June 30, 2022.

WHEREAS, on May 10, 2022 (Item No. 15), the Board of Commissioners approved the second amendment to the Agreement for the purpose of KEYS providing Housing Navigator Services increasing the amount by \$18,162,657, for a total contract amount not to exceed \$31,122,657 and extending the term by one year through June 30, 2024.

WHEREAS, on November 14, 2023 (Item No. 6) the Board of Commissioners approved the third amendment to the Agreement, increasing the total contract amount by \$5,179,380 from \$31,122,657 to \$36,302,037 for a total contract period of July 1, 2020 through June 30, 2024.

WHEREAS, the Parties now desire to further amend the Agreement, increasing the total contract amount by \$9,892,192 from \$36,302,037 to \$46,194,219 and extending the term by one year through June 30, 2025.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, Authority and KEYS hereby agree as follows:

AGREEMENT

1. Fiscal Provisions. Section V of the Agreement, entitled “Fiscal Provisions”, at Subsection A, shall be amended in its entirety to increase the Contract Sum by \$9,892,192 to read as follows:

“A. The maximum amount of reimbursement under this Contract shall not exceed \$46,194,219 for a total contract period of July 1, 2020, through June 30, 2025, of which 100% shall be federally and state funded, and shall be subject to availability of funds to the County and HACSB. The consideration to be paid to Contractor, as provided herein, shall be in full payment for all Contractor’s services and expenses incurred in the performance hereof, including travel and per diem.”

2. Fiscal Provisions. A new Subsection K shall be added to Section V of the Agreement, entitled “Fiscal Provisions”, and read as follows:

“K. Funds available under this Contract may be used to pay costs incurred by HACSB in the administration and monitoring of the grant.”

3. Right to Monitor and Audit. Section VI of the Agreement, entitled “Right to Monitor and Audit”, at Subsection C, shall be amended in its entirety to read as follows:

“Contractor shall cooperate with HACSB and County in the implementation, monitoring, and evaluation of this Contract and comply with any and all reporting requirements established by this Contract, including the Monitoring Plan (Attachment D).”

4. Term. Section VIII of the Agreement, entitled “Term”, at Subsection A, shall be amended in its entirety to read as follows:

“This Contract shall be effective as of July 1, 2020, and expires June 30, 2025, but may be terminated earlier in accordance with provisions of Section IX of the Contract.”

5. Conclusion. Section XI of the Agreement, entitled “Conclusion”, at Subsection A, shall be amended in its entirety to read as follows:

“This Contract, consisting of twenty-two (22) pages and Attachments A, B, C, and D, is the full and complete document

describing service to be rendered by Contractor to HACSB, including all covenants, conditions, and benefits.”

6. **Attachment D.** Attachment D, entitled “Compliance Monitoring Plan” and attached to this Amendment, shall be added to the agreement following Attachment C.

7. **Full Force and Effect.** Except as amended hereby, all other terms and conditions of the Agreement remain in full force and effect.

IN WITNESS WHEREOF, the Housing Authority of the County of San Bernardino and KEYS have signed this Amendment.

KNOWLEDGE, EDUCATION FOR YOUR SUCCESS, INC.

HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

By: _____

By: _____

Name: Shanikqua Freeman

Name: Maria Razo

Title: Executive Director

Title: Executive Director

Date: _____

Date: _____

COMPLIANCE MONITORING PLAN

In accordance with Section VI. Right to Monitor of the Agreement, HACSB will perform monitoring of the performance of Contractor to ensure compliance with grant program requirements and other requirements as outlined in the Agreement. Monitoring shall include, but is not limited to, the following:

Financial Monitoring

- Monthly
 - Review of monthly invoice
- Annually
 - Transaction testing
 - Review and analysis of income statement
 - Review of annual budget
 - Monthly invoice

Program Monitoring

- Monthly
 - Review of monthly report submitted by Contractor to ensure customer eligibility
- Annually
 - Sample testing of case files for compliance with:
 - Required documents
 - Rent guidelines
 - Housing First guidelines
 - HMIS data entry requirements
 - Rental assistance duration limitations
 - Complaint procedures

Administrative Monitoring

- Annually
 - Audit of salaries to ensure in line with salary schedule
 - Review of job descriptions
 - Review of personnel policies and other documentation to ensure compliance with legal requirements, HACSB and County's Equal Employment Opportunity Program, Employment Discrimination, Civil Rights Compliance requirements, and Americans with Disabilities Act (ADA), etc.
 - Review documentation of compliance with requirements for staff, volunteers and/or subcontractors specified in the Agreement
 - Review documentation of compliance with insurance requirements specified in the Agreement
- As Needed
 - Oversight/review of any harassment, discrimination or legal items that have come up.

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

November 12, 2024

FROM

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

SUBJECT

Meeting Minutes for Meeting Held on October 8, 2024

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 October 8, 2024.

(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) Meeting took place on October 8, 2024, 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, November 4, 2024.

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS
OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO
October 8, 2024**

The Board of Commissioners of the Housing Authority of the County of San Bernardino met in a regular meeting at the Administration Office, at 715 East Brier Drive, San Bernardino, California at 3:01 p.m. on October 8, 2024.

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

Also in attendance were Maria Razo, Executive Director; Rishad Mitha, Deputy Executive Director; Jesse Diaz, Director of Business Services; Kristin Maithonis, Director of Housing Services; Angie Lardapide, Procurement and Contracts Supervisor; Renee Kangas, Senior Management Analyst; Nicole Beydler, Director of Policy and Communications; Lucy Leslie, Director of Housing Communities; John Moore, Director of Development; Eduardo Martinez, Property Compliance Coordinator; Shamira Shirley, Management Analyst; Armando Salazar, Management Analyst; and Claudia Hurtado, Executive Assistant.

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

2) Additions or Deletions to the Agenda

Chair Cooper called for additions or deletions to the October 8, 2024, agenda. There were none.

3) General Public Comment

Chair Cooper provided an opportunity for members of the public to address the Board of Commissioners. There were none.

4) Executive Director's Report

The Executive Director's Report was requested.

Executive Director Razo gave the Executive Director's Report. It is important to note that it was shared by the Executive Director that on October 3rd, Commissioner Kim resigned from the HACSB board. Mr. Kim thanked our team and the board and shared that he is no longer able to serve due to personal reasons.

Discussion amongst the Board of Commissioners took place regarding the Executive Director's Report for October 8, 2024.

5) Board Building Presentation for October 8, 2024

Discussion calendar item number 5, to receive the board building presentation for October 8, 2024, an overview of the Housing Authority of the County of San Bernardino's FY 2023-2024 accomplishments and FY 2024-2025 goals, and a preview of the FY 2025 Annual MTW Plan, Amendment No. 1, was requested

Sr. Management Analyst, Renee Kangas, provided the board with the presentation on the preview of the FY 2025 Annual MTW Plan, Amendment No. 1.

Executive Director Razo provided the board with the presentation on the overview of the Housing Authority of the County of San Bernardino's FY 2023-2024 accomplishments and FY 2024-2025 goals.

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

6) Resolution No. 200 – Payment Standards

Discussion calendar item number 6, Adopt Resolution No. 200 approving updates to the Moving to Work Local Payment Standards for the Housing Choice Voucher Program, Payment Standards for the Traditional Regulatory Assistance for Special Purpose Programs, and Payment Standards for the Emergency Housing Voucher Program Effective November 1, 2024, was requested.

Commissioner Johnson recused himself and exited the meeting during the board agenda item number 6.

The Executive Director explained the item.

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

Ayes

Chair-Cooper
Vice-Chair MacDuff
Commissioner Avila
Commissioner Miller

Nays

Recuse

Commissioner Johnson

Commissioner Johnson returned to the meeting.

7) Intergovernmental Agreement with San Bernardino County’s Purchasing Department

Discussion calendar item number 7, to 1) Approve an Intergovernmental Agreement with San Bernardino County’s Purchasing Department for the use of procured goods and services from October 22, 2024, through October 21, 2029, 2) Authorize and direct the Executive Director to execute and deliver the Intergovernmental Agreement to San Bernardino County’s Purchasing Department and approve any non-substantive revisions necessary to complete the transaction, was requested.

Executive Director Razo explained the item.

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

Ayes

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

Nays

8) Contract Amendment with S. Groner Associates for Branding – Marketing Services

Discussion calendar item number 8, to 1) Approve Amendment No. 5 to contract PC1202, effective November 15, 2024, with S. Groner Associates for branding and marketing services as needed and to increase the contract by \$25,000 for a total amount not to exceed \$110,688 through November 14, 2025, 2) Authorize and direct the Executive Director to execute and deliver a contract amendment to S. Groner Associates 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 Miller moved to approve discussion calendar item number 8, as recommended by staff and Commissioner Avila seconded the motion.

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

Ayes

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

Nays

9) Delinquent accounts for the Housing Services Programs to be written off as collection losses for the period of March 2014 through July 2022

Discussion calendar item number 9, to approve tenant delinquent accounts for the Housing Services Programs to be written off as collection losses for the period of March 2014 through July 2022, was requested.

Executive Director Razo explained the item.

Discussion amongst the Board of Commissioners took place regarding the discussion calendar item number 9.

Commissioner Miller moved to approve discussion calendar item number 9, as recommended by staff and Commissioner Johnson seconded the motion.

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

Ayes

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

Nays

10) Contract Amendment with SafeRock for Security Services at Arrowhead Grove and Housing Programs Office

Discussion calendar item number 10, to 1) Approve Amendment No. 1 to contract PC1344 effective October 29, 2024, for security services with SafeRock to exercise the first option year and increase the contract amount by \$174,782.52 for a total amount not-to-exceed \$349,565.04 through October 28, 2025, 2) Authorize and direct the Executive Director execute and deliver Contract amendment to SafeRock, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction, was requested.

Executive Director Razo explained the item.

Discussion amongst the Board of Commissioners took place regarding the discussion calendar item number 10.

Commissioner MacDuff moved to approve discussion calendar item number 10, as recommended by staff and Commissioner Miller seconded the motion.

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

Ayes

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

Nays

11) Contract Amendment with Innovative Pest Solutions for Pest Control Services

Discussion calendar item number 11, to 1) Approve Amendment No. 9 to contract PC1192, effective October 9, 2024, for agencywide pest control services with Innovative Pest Solutions increasing the current contract by \$80,000 for a total amount not-to-exceed \$330,000 through December 17, 2024, 2) Authorize and direct the Executive Director to execute and deliver the contract amendment to Innovative Pest Solutions upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction, was requested.

Executive Director Razo explained the item.

Commissioner MacDuff moved to approve discussion calendar item number 11, as recommended by staff and Commissioner Miller seconded the motion.

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

Ayes

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

Nays

12) Amendment No. 1 with Shipley Construction & Plumbing for Door & Replacement Installation Services at the Barstow 7th Ave. affordable housing community

Discussion calendar item number 12, to 1) Approve Amendment No. 1 to contract No. PC1256, effective October 9, 2024, for Door & Replacement Installation services at the Barstow 7th Ave. affordable housing community, with Shipley Construction & Plumbing, and to increase the contract amount by \$88,848 for a total contract amount not to exceed \$699,200.89 and to add 106 days to the contract to complete the work, 2) Authorize and direct the Executive Director to execute and deliver any related documents, 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 Johnson moved to approve discussion calendar item number 12, as recommended by staff and Commissioner Miller seconded the motion.

Discussion amongst the Board of Commissioners took place regarding the discussion calendar item number 12.

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

Ayes

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

Nays

13, 14, 15, and 16) Consent Calendar

Approval of the consent calendar including agenda item numbers 13-16 was requested.

Discussion amongst the Board of Commissioners took place regarding the discussion calendar item number 16.

Commissioner Miller moved to approve consent calendar agenda item numbers 13-16,
13) Adopt Resolution No. 201 Approving FY 2024-2025 Utility Allowance Schedules for the Housing Choice Voucher and Public Housing programs effective November 1, 2024.
14) Approve the meeting minutes for the special meeting of the Board of Commissioners of the Housing Authority of the County of San Bernardino held on September 16, 2024.
15) Approve and file Agency-wide Financial Statements through June 2024.
16) Approve vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month of July 2024.

The motion was duly seconded by Commissioner MacDuff and Commissioner Johnson abstained from Consent Calendar item 13 only. Upon roll call, the Ayes and Nays were as follows:

Ayes

Chair Cooper
Vice-Chair MacDuff
Commissioner Avila
Commissioner Miller
Commissioner Johnson (except as to
Consent item no. 13)

Nays

Abstain

Commissioner Johnson
(as to Consent Calendar
item no. 13 only)

17a) Closed Session Item

General Counsel Fred Galante announced that the board was convening in closed session to discuss each of the two closed session items as described in the closed session portion of the agenda and copied below.

CONFERENCE WITH LABOR NEGOTIATOR

Pursuant to Government Code Section 54957.6

Agency designated representatives: Fred Galante, General Counsel

Unrepresented employee: Executive Director

Following closed session board item number 17a, General Counsel Fred Galante reported that the board members held a closed session to discuss the item listed on the agenda, and the board unanimously provided direction to staff, with no further reportable action.

17b) Closed Session Item

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Pursuant to Government Code Section 54957

Title: Executive Director

Following closed session board item number 17b, General Counsel Fred Galante reported that the board members held a closed session to discuss the item listed on the agenda, and the board unanimously provided direction to staff, with no further reportable action.

Chair Cooper provided an opportunity for individual board member comments. There were none.

There being no other business, Commissioner Avila moved for the regular meeting of Tuesday, October 8, 2024, to be adjourned, and which motion was duly seconded by Commissioner Miller. There being no objection to the call for adjournment, the meeting was adjourned by unanimous consent at 5:37 p.m.

Beau Cooper, Chair

Cassie MacDuff, Vice Chair

Tim Johnson

David Avila

Sylvia Miller

Attest:

Secretary

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

November 12, 2024

FROM

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

SUBJECT

Agency-wide Financial Statements through July 2024

RECOMMENDATION(S)

Approve and file Agency-wide Financial Statements through July 2024.
(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 gain through July 2024 for Federal Fiscal Year (FFY) 2023-24 is \$16,332,392. This net gain is currently higher than the budgeted net loss of (\$5,886,391) with a variance of \$22,218,783. It is important to note the budgeted net loss was due to an anticipated drawdown of HUD held reserves (HHR). The large variance is primarily related to two main components. The first being the increased Housing Assistance Payment (HAP) subsidy income and HAP expenses in the Housing Choice Voucher (HCV) Program and the second being the receipt of the prior year United States Department of Housing and Urban Development (HUD) HAP subsidy.

The \$22,218,783 variance between the budgeted and the actual net income is due to the variance of gains and losses to the budget, such as:

- The HCV program received \$15.7 million more in HAP funding from HUD. HACSB budgets expecting to receive all HAP funds that were awarded, but the actual funds that are received are based on prior months' HAP expenses. This causes a variance between the amount of funding budgeted and the amount received.
 - An annual reconciliation between the amount of HAP funding received and the amount that should have been received is performed by HUD and HACSB. This reconciliation is also used to determine the difference between the authorized funding amount and the actual funding received.
 - If the authorized funding exceeds the amount that HACSB received, the difference is deposited into a restricted HUD Held Reserve (HHR) account which can be used for future eligible expenses, with HUD's approval.
 - If the funds expected to be received by HACSB exceeds the authorized funding amount, a withdrawal is made from HHR.
- Conversely the HCV program experienced an increase in HAP in the amount of \$13.7 million. This was mainly due to rising rents and an increase in vouchers issued, due to issuances in 2023. Unlike the funding in the HCV program, HAP is not budgeted at a 100%

lease rate. It is budgeted based on an estimated lease rate for the year, estimated available funding per federally approved appropriations, and on approved use of restricted HAP HUD held reserves.

- Based on the 2023 annual reconciliation performed by HUD, HACSB received \$20.8 million in HAP subsidy funds. Per HUD guidelines, prior year funds are recognized as revenue when received. This is contrary to Generally Accepted Accounting Principles (GAAP) but is an acceptable and allowable practice for all housing authorities. This largely attributes to the net income reflected in the current fiscal year financials.
- There is a decrease in tenant services expenses in the amount of \$150,000. This is budgeted evenly for the fiscal year, but the level of services provided can vary from month to month. We expect that the actual expense at year end will be closer to the budgeted amount.
- Physical needs work is budgeted evenly throughout the fiscal year, but the actual work performed can vary monthly. This causes a variance between the budgeted amount and the actual amount. The amount of variance through July 2024 is \$1.7 million, which is reflected on the extraordinary maintenance line on the financial statements. We expect that the actual expense at year end will be closer to the budgeted amount.
- Tenant income exceeded the budgeted amount by \$2.6 million. This increase is mainly due to prior year rental income being recognized in the current year. This occurs every year due to common accounting treatment. Adjustments will be made during the year to remove the prior year's income. Another reason for this increase is due to the acquisition of the Northport property in Victorville. The tenant income for this property is not reflected in the current year's budget.
- There was an increase in other income in the amount of \$1.2 million due to an increase in revenue generated from an affiliate non-profit as well as favorable increases in investments and interest income.
- General expenses exceeded the budgeted amount by \$1.3 million. This is mostly due to an increase of \$1 million in bad debt expense. This increase was due to a "write off" of balances that accrued during the eviction moratorium and tenants that did not fulfill their payments plans from the eviction moratorium.
- Depreciation expenses are not budgeted and amount to \$4.3 million.

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. This will lead to a decrease in the operating net income. The audited financial report will be provided to the Board of Commissioners once the audit process has been completed. The audit process will be completed in late June 2025 for the prior fiscal year which is when the audited financial statements are submitted to HUD.

Financial Summary	FY 2024 YTD
Revenues	\$219,302,664
Expenses	\$(198,707,317)
Operating Net Income/(Loss)	\$ 20,595,347
Operating Transfers/Non-Operating Items	\$(4,262,955)
Net Income/(Loss)	\$16,332,391

BACKGROUND INFORMATION

HACSB administers multiple housing programs and is the largest provider of affordable housing in the County of San Bernardino. The FFY 2024-25 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 delays in the federal budget process.

We continue to focus on maintaining the agency's fiscal stability, customer service, innovation, best practices, partnerships that will assist our staff and families, and show a continued passion for our agency's mission.

Based on HUD's guidance to routinely present key information to HACSB's Board of Commissioners, HACSB is presenting the financial statements on a monthly basis.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on October 31, 2024.

HACSB Budget Comparison

Period = Oct 2023-Jul 2024

	YTD Actual	YTD Budget	Variance	% Var	Annual
INCOME					
TENANT INCOME					
Total Rental Income	27,902,436	25,677,304	2,225,132	8.67	30,869,944
Total Other Tenant Income	801,426	426,603	374,823	87.86	511,667
NET TENANT INCOME	28,703,862	26,103,907	2,599,955	9.96	31,381,611
GRANT INCOME					
TOTAL GRANT INCOME	182,766,963	146,604,612	36,162,352	24.67	175,926,069
OTHER INCOME					
TOTAL OTHER INCOME	7,831,838	6,671,064	1,160,775	17.40	7,780,646
TOTAL INCOME	219,302,664	179,379,582	39,923,082	22.26	215,088,326
EXPENSES					
GRANT EXPENSES					
TOTAL GRANT EXPENSES	8,178,207	8,812,869	634,662	7.20	10,575,443
ADMINISTRATIVE					
Total Administrative Salaries	13,344,858	14,107,484	762,626	5.41	17,230,491
Total Legal Expense	469,408	470,730	1,322	0.28	564,845
Total Other Admin Expenses	6,693,026	6,767,799	74,773	1.10	8,080,900
Total Miscellaneous Admin Expenses	2,309,521	2,630,613	321,092	12.21	2,960,662
TOTAL ADMINISTRATIVE EXPENSES	22,816,813	23,976,626	1,159,813	4.84	28,836,897
TENANT SERVICES					
TOTAL TENANT SERVICES EXPENSES	2,108,640	2,243,625	134,984	6.02	2,459,644
UTILITIES					
TOTAL UTILITY EXPENSES	3,560,753	3,758,846	198,093	5.27	4,514,366
MAINTENANCE AND OPERATIONS					
Total General Maint Expense	3,219,900	2,910,222	-309,678	-10.64	3,535,851
Total Materials	1,475,420	763,575	-711,844	-93.23	916,270
Total Contract Costs	4,214,865	2,997,533	-1,217,332	-40.61	3,590,795
TOTAL MAINTENANCE EXPENSES	8,910,185	6,671,330	-2,238,855	-33.56	8,042,916
GENERAL EXPENSES					
TOTAL GENERAL EXPENSES	2,717,504	1,427,769	-1,289,736	-90.33	1,692,963
EXTRAORDINARY MAINTENANCE EXPENSES					
TOTAL EXTRAORDINARY MAINTENANCE EXPENSES	3,201,297	4,914,192	1,712,895	34.86	5,623,953
HOUSING ASSISTANCE PAYMENTS					
TOTAL HOUSING ASSISTANCE PAYMENTS	145,507,917	131,841,898	-13,666,019	-10.37	158,210,278
FINANCING EXPENSE					
TOTAL FINANCING EXPENSES	1,706,000	1,618,819	-87,181	-5.39	1,944,793
TOTAL OPERATING EXPENSES	198,707,317	185,265,974	-13,441,344	-7.26	221,901,253
OPERATING NET INCOME	20,595,347	-5,886,391	26,481,738	449.88	-6,812,927
NET OPERATING TRANSFER IN/OUT	0	0	0	N/A	0
NON-OPERATING ITEMS					
TOTAL NON-OPERATING ITEMS	4,262,955	0	-4,262,955	N/A	0
NET INCOME	16,332,391	-5,886,391	22,218,783	377.46	-6,812,927

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

November 12, 2024

FROM

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

SUBJECT

Vacated Tenant Accounts for the Authority Owned Portfolio to be Written Off as Collection Loss for the Month of August 2024

RECOMMENDATION(S)

Approve vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month of August 2024

(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 August 31, 2024, is \$120,328.08. 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 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 (August 1 – August 31, 2024) are primarily for voluntary move-outs and evictions. The total write-off for the month of August 2024 is \$120,328.08, 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 August 2024

SUMMARY FOR HACSB- Authority Owned Properties

PROPERTY	NO. VACATED	TOTAL
481170- 7Th St	1	66.00
481172- Bighorn	1	139.00
403 - Summit Walk	0	-
407 - Sunset Pointe	1	(191.00)
408 - Sunrise Vista	4	8,916.05
409 - Andalusia	6	42,794.10
423 - Mesa Gardens	1	5,406.00
425a - Sequoia	1	(40.00)
426 - Sunnyside	1	13,923.00
433a - Lombard	1	4,363.00
437 - Sunset Gardens	1	5,020.00
490 - Northport	2	24,165.00
Concessions Write Off	0	-
TOTAL RENT WRITE OFF	20	104,561.15
Miscellaneous Charges		120.22
Maintenance Charges		22,548.21
Legal Charges		12,682.50
Security Deposits Applied		(19,584.00)
NET TOTAL WRITE OFF		120,328.08

PROCUREMENT

Not applicable

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on October 31, 2024.

Housing Authority County of San Bernardino

COLLECTION WRITE-OFFS - Authority Owned Portfolio

Month End:

08/31/24

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
481170- 7Th St													
1	C	L		V	393.00	66.00			952.00		1,018.00	818.00	200.00
TOTALS:						66.00	-	-	952.00	-	1,018.00	818.00	200.00

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	Intent to Vacate	05/07/24		N/A				N/A	08/05/24

481172- Bighorn													
1	G	B		V	\$522	139.00			2,246.00		2,385.00	1,110.00	1,275.00
TOTALS:						139.00	-	-	2,246.00	-	2,385.00	1,110.00	1,275.00

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	Intent to Vacate	06/01/24		n/a				N/A	08/08/24

403 - Summit Walk													
1	A	M						(131.00)		(131.00)			(131.00)
2	H	C						(111.00)		(111.00)			(111.00)
TOTALS:						-	-	-	(242.00)	-	(242.00)	-	(242.00)

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
	Payment on bad debt								
	Payment on bad debt								

407 - Sunset Pointe													
1	R	D						(585.00)		(585.00)			(585.00)
2	K	J		V	997.00	(191.00)			1,071.00		880.00	600.00	280.00
3	S	S						500.00		500.00			500.00
TOTALS:						(191.00)	-	-	986.00	-	795.00	600.00	195.00

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	Payment on bad debt								
2	Intent to Vacate	07/01/24							07/31/24
3	Adjustment to prior month write off due to correction of misposted payment								

*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:

08/31/24

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	H	L		V	1,050.00	2,840.00			748.90		3,588.90	1,050.00	2,538.90
2	W	T		S	1,100.00	1,030.05			1,510.00	-	2,540.05	500.00	2,040.05
3	H	L		S	1,050.00	1,905.00			777.18	-	2,682.18	1,150.00	1,532.18
4	R	N		S	997.00	3,141.00	-	75.00	1,242.00	-	4,458.00	600.00	3,858.00
TOTALS:						8,916.05	-	75.00	4,278.08	-	13,269.13	3,300.00	9,969.13

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)	Court Date	Lock Out Date	Vacate Date
1	Notice to Pay or Quit	07/29/24						turned in keys to avoid eviction	08/02/24
2	Notice to Pay or Quit	07/29/24						Skipped to avoid eviction	08/09/24
3	Notice to Pay or Quit	07/29/24						Skipped to avoid eviction	08/02/24
4	Notice to Pay or Quit	07/29/24						Skipped to avoid eviction	07/31/24

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
409 - Andalusia													
1	S	J					-		(200.00)		(200.00)		(200.00)
2	M	N		E	1,305.00	7,475.56	-		1,725.04	1,340.00	10,540.60	599.00	9,941.60
3	B	K		E	1,161.00	6,913.54	-	45.22	1,287.00	1,945.00	10,190.76	399.00	9,791.76
4	L	C		E	1,512.00	11,762.00	-		1,498.00	2,047.50	15,307.50	1,150.00	14,157.50
5	J	C		E	2,000.00	13,536.00			558.00	975.00	15,069.00	2,000.00	13,069.00
6	B	J		V	2,000.00	1,326.00			288.00		1,614.00	799.00	815.00
7	O	H		V	1,272.00	1,781.00	-		432.00		2,213.00	599.00	1,614.00
TOTALS:						42,794.10	-	45.22	5,588.04	6,307.50	54,734.86	5,546.00	49,188.86

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	Payment on bad debt								
2	Notice to Pay or Quit	03/25/24	Posted	04/16/24	05/16/24	Y	07/11/24	N/A - vacated before 8/22 scheduled lockout	08/14/24
3	Notice to Pay or Quit	03/25/24	Posted	04/16/24	05/14/24	N	N/A	08/22/24	08/22/24
4	Notice to Pay or Quit	03/25/24	Posted	04/16/24	05/07/24	Y	06/06/24	07/25/24	07/25/24
5	Notice to Pay or Quit	06/06/24	Posted	07/01/24	07/25/24	N	N/A	07/25/24	07/25/24
6	Intent to Vacate	06/15/24							08/03/24
7	Intent to Vacate	07/12/24							08/12/24

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	D	H		E	1,170.00	5,406.00			1,309.01	1,775.00	8,490.01	575.00	7,915.01
TOTALS:						5,406.00	-	-	1,309.01	1,775.00	8,490.01	575.00	7,915.01

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)	Court Date	Lock Out Date	Vacate Date
1	Notice to Pay or Quit	04/08/24	Hand	05/15/24	06/12/24	N	N/A	turned in keys to avoid lock out	08/15/24

*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:

08/31/24

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
425a - Sequoia													
1	W	G		V	1,300.00	(40.00)			1,662.08		1,622.08	400.00	1,222.08
TOTALS:						(40.00)	-	-	1,662.08	-	1,622.08	400.00	1,222.08

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	Intent to Vacate	03/21/24							08/02/24

426 - Sunnyside													
1	T	J		E	1,515.00	13,923.00			946.00	1,160.00	16,029.00	1,395.00	14,634.00
TOTALS:						13,923.00	-	-	946.00	1,160.00	16,029.00	1,395.00	14,634.00

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	Notice to Pay or Quit	05/08/24	Posted	06/05/24	06/12/24	N/A	N/A	turned in keys to avoid lout out	08/21/24

433a - Lombard													
1	H	A		E	1,057.00	4,363.00			1,588.00	650.00	6,601.00	1,000.00	5,601.00
TOTALS:						4,363.00	-	-	1,588.00	650.00	6,601.00	1,000.00	5,601.00

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	Notice to Pay or Quit	04/08/24	Posted	05/06/24	05/13/24	Y	06/17/24	08/01/24	08/01/24

437 - Sunset Gardens													
1	M	D						(100.00)		(100.00)			(100.00)
2	A	M		E	1,086.00	5,020.00			1,623.00		6,643.00	600.00	6,043.00
TOTALS:						5,020.00	-	-	1,523.00	-	6,543.00	600.00	5,943.00

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	Payment on bad debt								
2	Notice to Comply	03/04/24	Hand	03/11/24	03/29/24	N	05/14/24	07/31/24	07/31/24

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Housing Authority County of San Bernardino

COLLECTION WRITE-OFFS - Authority Owned Portfolio

Month End: 08/31/24

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
490 - Northport													
1	J	P		E	1,800.00	10,080.00			877.00	1,230.00	12,187.00	3,240.00	8,947.00
2	F	S		E	1800.0	14,085.00			835.00	1,560.00	16,480.00	1,000.00	15,480.00
TOTALS:						24,165.00	-	-	1,712.00	2,790.00	28,667.00	4,240.00	24,427.00
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	Notice to Pay or Quit	05/08/24	Posted	05/15/24	05/24/24	N		N	08/08/24		08/08/24		
2	Notice to Pay or Quit	02/20/24	Posted	03/01/24	03/28/24	N		N	08/08/24		08/08/24		
ALL PROPERTY TOTALS:						104,561.15	-	120.22	22,548.21	12,682.50	139,912.08	19,584.00	120,328.08

Submitted by: _____ Date: _____ Reviewed by: _____ Date: _____

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