

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
October 14, 2025, AT 3:00 P.M.

AGENDA

PUBLIC SESSION

- 1) Call to Order and Roll Call.
- 2) Additions or deletions to the agenda.
- 3) General Public Comment - Any member of the public may address the Board of Commissioners on any matter not on the agenda that is within the subject matter jurisdiction of the Board. To make a comment on a specific agenda item, you may do so during the meeting or, alternatively, please submit your comments via email by 1:00 p.m. on the Tuesday of the Board meeting. Comments should be limited to 250 words or less. Please submit your comments via web at <https://hacsb.com/board-of-commissioners/> or email at publiccomment@hacsb.com. Your comments will be placed into the record at the meeting. Efforts will be made to read the comments into the record, but some comments may not be read due to time limitations.

DISCUSSION CALENDAR

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

- 4) Receive the Executive Director's Report for October 14, 2025.
(Page 1)
- 5) Receive the board building presentation for October 14, 2025, an overview of the Housing Authority of the County of San Bernardino's Family Self Sufficiency program.
(Page 2)
- 6) Adopt Resolution No. 222 approving revisions to the Administrative Plan governing the Housing Authority of the County of San Bernardino's rental assistance programs.
(Pages 3-41)
- 7) Adopt Resolution No. 223 approving and authorizing the Executive Director to negotiate, execute, and deliver documents on behalf of the Housing Authority of the County of San Bernardino as lender, ground lessor, and majority owner of Redlands Valencia Grove II Associates, LLC for the general revenue bond issuance for Valencia Grove Phase II.
(Pages 42-48)
- 8) Adopt Resolution No. 224 approving a Memorandum of Understanding between the Housing Authority of the County of San Bernardino and Teamsters Local 1932, for the Period of October 1, 2025 through September 30, 2028.
(Pages 49-81)

- 9) Adopt Resolution No. 225 approving revisions to the Housing Authority of the County of San Bernardino's Personnel Policy Handbook.
(Pages 82-84)
- 10) Adopt Resolution No. 226 declaring the Sunrise Vista Apartments property as surplus pursuant to the Surplus Land Act process.
(Pages 85-90)
- 11) Retroactively approve Addendum No. 1 to Lease Agreement, effective June 1, 2025 between the Housing Authority of the County of San Bernardino (Authority) and the County of San Bernardino (County) including provisions describing the process and plan for the tenant improvements, which include the demolishing and reconstructing of the building located at 1151 North Crestview Avenue in San Bernardino as well as adding temporary armed guard services by Integrated Security Management Group (ISMG).
(Pages 91-99)
- 12) Approve Contract No. PC1419, effective October 15, 2025, with CBRE, Inc. for Real Estate Brokerage Services for a two-year base period through October 14, 2027, with three single or multiple-year options to extend through October 14, 2030.
(Pages 100-129)
- 13) Approve Amendment No. 2 to the contract PC1336, effective December 1, 2025, for Inspection Services and PBV independent Entity Services with Reliant Asset Management Solutions, exercising the first option year to extend the contract through November 30, 2026, and increasing the compensation by \$396,177 for a total amount not to exceed \$1,242,114 for such option year.
(Pages 130-135)
- 14) Approve Amendment No. 4 to contract PC1344 for security services with SafeRock to exercise the second option year and increase the contract by \$64,947.96 for a total amount not-to-exceed \$414,513.00 through October 28, 2026.
(Pages 136-141)
- 15) Approve Contract PC1433, effective October 15, 2025, with Harshwal & Company, LLP for financial audit services in an amount not to exceed \$168,560 for a two-year base period through October 14, 2027, with options to extend the contract up to three single or multiple year extensions through October 14, 2030.
(Pages 142-174)
- 16) Approve Amendment No. 1 to increase the contract amount for Managed Cybersecurity Solution Services with Technology Integration Group by \$484,674.00 for continued Cybersecurity Services (PC1364) under a cooperative agreement with TIPS RFP 230105, for a total amount not to exceed \$724,674.00 through May 31, 2028.
(Pages 175-180)

CONSENT CALENDAR

APPROVAL OF CONSENT ITEMS: 17-20

- 17) 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 September 9, 2025.
(Pages 181-187)
- 18) Approve and file agency-wide financial statements through June 2025.
(Pages 188-190)

- 19) Approve the expense of uncollectable vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month of July 2025.
(Pages 191-196)
- 20) Approve the write-off of delinquent accounts for the Housing Services Programs as collection losses for the month of September 2025.
(Pages 197-199)
- 21) Individual Board member comments.
- 22) 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**

October 14, 2025

FROM

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

SUBJECT

Executive Director's Report for October 14, 2025

RECOMMENDATION(S)

**Receive the Executive Director's Report for October 14, 2025.
(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.

ITEM ATTACHMENTS

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on September 26, 2025.

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

October 14, 2025

FROM

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

SUBJECT

Board Building Presentation for October 14, 2025

RECOMMENDATION(S)

Receive the board building presentation for October 14, 2025, an overview of the Housing Authority of the County of San Bernardino's Family Self Sufficiency program.
(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 HACSB's Family Self Sufficiency program.

PROCUREMENT

Not applicable.

ITEM ATTACHMENTS

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on September 26, 2025.

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

October 14, 2025

FROM

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

SUBJECT

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

RECOMMENDATION(S)

Adopt Resolution No. 222 approving revisions to the Administrative Plan governing the Housing Authority of the County of San Bernardino's rental assistance programs.
(Presenter: Maria Razo, Executive Director, 332-6305)

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 and implementation of the proposed revisions to the Administrative Plan is projected to result in an estimated \$4.3 million annual reduction in Housing Assistance Payments after implementation is completed.

BACKGROUND INFORMATION

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

The primary reasons for revising the Administrative Plan are to incorporate changes to Moving to Work activities in the 2025 MTW Annual Plan, Amendment 1 and non-significant changes to activities in the 2026 MTW Annual Plan. Other revisions have been made throughout the Administrative Plan to promote consistent application of policies and procedures. Since the Administrative Plan is continuously reviewed for compliance and efficiency, HACSB staff take the opportunity to make minor changes when material changes are brought to the board. Attached is a table summarizing the proposed revisions along with the corresponding sections from the Administrative Plan with the redline changes.

The 2025 MTW Annual Plan, Amendment 1 contained major changes to two activities: Minimum Rent and Streamlined Lease Assistance for Elderly/Disabled. Housing Services staff are currently researching a software solution for the minimum rent activity, so the minimum rent changes are

not included in this Administrative Plan revision. Once a software solution is determined, staff will develop an implementation timeline and return to the Board with revisions to the Administrative Plan. The changes made to the Streamlined Lease Assistance for Elderly/Disabled program are included in this Administrative Plan revision. The MTW activity was modified to tier participants from the 24% rent calculation to the 30% rent calculation over a two-year period. Additionally, a 36% rent calculation is to be applied to new admissions. Staff proposes to tier participants to 27% on July 1, 2026 and to 30% on July 1, 2027. New admissions on or after January 1, 2026 would be calculated at the 36% tier. Customers will be notified of the change following Board approval and will receive multiple notifications prior to the effective date. The primary reason for implementing this change is to mitigate funding reductions and uncertainty to try and avoid terminating families from the program in the future.

To ensure alignment with HUD regulations and to promote program efficiency, it is recommended the Board adopt the resolution to approve the proposed changes to the Administrative Plan.

PROCUREMENT

Not applicable.

ITEM ATTACHMENTS

- Resolution – RES-BOC-101425 Administrative Plan Revisions
- Attachment 1 – ATT-BOC-101425-Summary of Administrative Plan Changes October 2025
- Attachment 2 – ATT2-BOC-101425-Redline of Administrative Plan Changes October 2025

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on September 26, 2025.

HOUSING AUTHORITY RESOLUTION NO. 2025-222

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

RECITALS

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

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

WHEREAS, HACSB desires to amend its policies and procedures to incorporate new HUD regulations and modifications to activities contained in HACSB's Moving to Work Annual Plans, as well as revise language in other sections.

OPERATIVE PROVISIONS

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

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

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

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

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

AYES:

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, October 14, 2025.

Secretary

Summary of Administrative Plan Changes, October 14, 2025

Section	Topic	Change
3.2.1 & 3.2.1.5	Family Types	Clarifies definition of career-able family and household member under Moving to Work (MTW) programs
3.12	Housing Services Program Determination	Reformats section, adds language from other areas of the Administrative Plan to provide a comprehensive list in one location, and adds updates concerning NLCU program transfers and MTW program determinations for Mainstream vouchers
6.2.3.9	Annual Income Exclusions – Adoption Assistance	Adds the Family Self-Sufficiency Program to the list of programs that include adoption assistance in the annual income calculation
6.4.1	Calculation of Housing Authority Subsidy and Family Rent Share – Term-Limited Lease Assistance Program	Removes information about a rent calculation that is no longer in use
6.4.2	Calculation of Housing Authority Subsidy and Family Rent Share - Streamlined Lease Assistance for Elderly/Disabled Families Program	Updates the rent calculation used for the Streamlined Lease Assistance for Elderly/Disabled Families Program based on the approved 2025 Moving to Work Plan, Amendment No. 1, which tiers the families on the 24% rent calculation to 27% and 30% over two years
6.4.3	Streamlined Lease Assistance for Career-Able Families Program	Removes description of a tiered rent structure
6.4.4	Streamlined Lease Assistance for Former Upland Housing Authority Participants	Updates rent calculation change that will occur as a result of a program change
6.4.5	Calculation of Housing Authority Subsidy and Family Rent Share – Rental Assistance Demonstration (RAD) Project-Based (PBV)	Updates the rent calculation used for Streamlined Lease Assistance for Elderly/Disabled Families Program in RAD units based on the approved 2025 Moving to Work Plan, Amendment No. 1, which tiers the families on the 24% rent calculation to 27% and 30% over two years. Additional language updates rent calculation change that will occur as a result of a program change
6.4.8.1	Permanent Hardship Exemptions	Removes language about the resetting of baseline based on fixed percentages
6.5.1 and subparts	Minimum Rent – Streamlined Lease Assistance and Family Self-Sufficiency Programs	Updates rent calculation for a minimum rent waiver and distinguishes differences between programs

Summary of Administrative Plan Changes, October 14, 2025 (Continued)

Section	Topic	Change
9.9	Rent Limitations	Clarifies that the Housing Authority makes rent determinations based on whole dollar amounts and provides the rounding methods used
10.2.4	Abatement and Termination	Clarifies the deadline for submitting abatement appeals to provide consistency and transparency
10.3	Determination of Responsibility	Adds language to clarify owner responsibility for repairs
11.5.1	Payment Standards for the Housing Services Program – Term-Limited Lease Assistance, Streamlined Lease Assistance, Veterans Affairs Supportive Housing (VASH), Emergency Housing Voucher (EHV) and Family Self-Sufficiency Programs	Adds language from the 2026 Moving to Work Plan that establishes exception payment standards as a reasonable accommodation based on a percentage of the MTW Local Payment Standard or Fair Market Rent, whichever is higher
12.9 and subparts	Changes that Result in Program Redetermination	Updates rent calculation change that will occur as a result of a program change
16.2.2.1	Term-Limited Lease Assistance Program	Adds language from the 2026 Moving to Work Plan that an extension of the 5-year term of assistance is subject to available funding
16.3	Family Obligation/Voucher Violations	Clarifies when a participant must provide the Housing Authority with a copy of an eviction notice
18.1	Family Debts to the Housing Authority	Adds language permitting admission of an applicant who was a minor when the household terminated assistance with a debt owed to the housing authority. Conversely, an adult member of a former household owing money to the Housing Authority would need to repay the debt before admission
19.2	Allowable Moves Under Portability for Participants	Adds prohibition on portability moves for families with repayment agreements
20.10	Local Project-Based Subsidy for Developments Using Tax Credit Rents	Adds language from the 2026 MTW Plan capping the Housing Assistance Payment for a RAD development at the incremental funding amount
Through-out		Throughout the plan, career-focused was changed to career-able, and Streamlined Fixed Lease Assistance for Elderly/Disabled and Streamlined Tiered Lease Assistance was changed to Streamlined Lease Assistance for Elderly/Disabled and Streamlined Lease Assistance for Career-Able, respectively. Additionally, Housing Quality Standards (HQS) was replaced with HUD inspection standards

3.2.1 Family Types

The applicant must qualify as a family. The Housing Authority defines a family as a single person or a group of persons as described in the following sections on elderly family, disabled family, group of persons and a single person. Additionally, the Housing Authority further defines certain families and household members as career-able to appropriately apply Moving to Work activities.

3.2.1.1 Elderly Family

The Housing Authority uses four different definitions of elderly family. The first applies to families participating in the Term-Limited Lease Assistance and Streamlined Lease Assistance programs. The second applies to families in Traditional, Regulatory Assistance for Special Purpose programs. The third and fourth definitions apply to families residing in the Horizons at Yucaipa senior housing development.

3.2.1.1.1 Term-Limited Lease Assistance and Streamlined Lease Assistance

An elderly family is one whose head, spouse, or sole member is a person who is at least fifty-seven (57) years of age. It may include two (2) or more persons who are at least fifty-seven (57) years of age living together, or one (1) or more persons who are at least fifty-seven (57) years of age living with one (1) or more live-in aides.

3.2.1.1.2 Traditional, Regulatory Assistance for Special Purpose Programs

An elderly family is one whose head, spouse, cohead or sole member is a person who is at least sixty-two (62) years of age. It may include two (2) or more persons who are at least sixty-two (62) years of age living together, or one (1) or more persons who are at least sixty-two (62) years of age living with one (1) or more live-in aides.

3.2.1.1.3 Families Residing in Mental Health Stabilization Act Designated Units at Horizons at Yucaipa Senior Housing Development

An elderly family is one whose head, spouse, or sole member is a person who is at least sixty (60) years of age. It may include two (2) or more persons who are at least sixty (60) years of age living together, or one (1) or more persons who are at least sixty (60) years of age living with one (1) or more live-in aides.

3.2.1.1.4 Families Residing in HACSB Awarded Project-Based Voucher Units at Horizons at Yucaipa Senior Housing Development

An elderly family is one whose head, spouse, or sole member is a person who is at least fifty-five (55) years of age. It may include two (2) or more persons who are at least fifty-five (55) years of age living together, or one (1) or more persons who are at least fifty-five (55) years of age living with one (1) or more live-in aides.

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Revised: ~~June~~October 2025

3.2.1.2 Disabled Family

A disabled family is one whose head, spouse, cohead or sole member is a person with disabilities. It may include two (2) or more persons with disabilities living together, or one (1) or more persons with disabilities living with one (1) or more live-in aides.

3.2.1.3 Group of Persons

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

3.2.1.4 A Single Person

A single person family is one comprised of a single person or youth described in 42 U.S.C. 1437(x)(2)(B),¹² who lives alone or intends to live alone, who is not categorized as elderly, disabled, or the remaining member of a tenant family.

3.2.1.5 Career-Able Family or Member (Moving to Work Programs)

In the Moving to Work programs, career-able family status is defined as a family whose head, cohead, spouse and/or sole member is age 56 or younger and is not an individual with a disability. A career-able household member is any member, who is age 56 or younger and is not an individual with a disability, or a live-in aide, foster youth/adult, full-time student or youth. An elderly or disabled family as defined above may contain a career-able member. This member may be a head, cohead, spouse or adult member.

3.3 Applicant Family Break Up [24 CFR 982.315]

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

In the absence of a judicial decision or an agreement among the original family members concerning the disposition of the application, the Housing Authority will determine which family will retain their placement on the waiting list. In making its determination, the

¹² An otherwise eligible youth who has attained at least 18 years of age and who has left foster care, or will leave foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act (42 U.S.C. 675(5)(H)), and is homeless or is at risk of becoming homeless at age 16 or older.

An applicant will be denied admission for criminal and drug related history in accordance with the policies described in Chapter 15.

3.12 Housing Services Program Determination

Once all eligibility factors have been confirmed, the Housing Authority will determine the Housing Services program for which the family qualifies. Program determination criteria are described in this section.

3.12.1 Term-Limited Lease Assistance

Career-able families that will be admitted to the Term-Limited Lease Assistance program include:

- All applicants admitted after January 1, 2012, who are career-able families (not elderly or disabled families) ~~are required to participate in the Term-Limited Lease Assistance program.~~
- All ~~p~~Port-in families,
- Families exercising mobility through the Project-Based Voucher program,
- non-legacy families in Rental Assistance Demonstration (RAD) units exercising mobility who are briefed on or after November 1, 2017, or as soon as practicable thereafter, and
- ~~T~~he former Upland Housing Authority waiting list applicants who are pulled on or after July 1, 2017, ~~are required to participate in the Term-Limited Lease Assistance Program.~~

No Child Left Unsheltered (NCLU) career-able families will be transitioned to the Term-Limited Lease (TLA) program without the NCLU program designation according to the following:

- ~~No Child Left Unsheltered (N~~CLU) career-abled families admitted between January 1, 2020 and December 31, 2022, ~~will transition to the Term-Limited Lease Assistance Program~~ at the conclusion of the initial four-year period.
- All career-able households admitted to the NCLU program after December 31, 2022 will transition after two-years.¹³
- Career-able families admitted before January 1, 2020 will transition at the first recertification occurring after January 1, 2025. ~~Career-abled families admitted~~

¹³ The FY2023 MTW Report extended the transition period for certain participants on No Child Left Unsheltered.

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~~before January 1, 2020, will transition at the first recertification occurring after January 1, 2025.~~

Exceptions to this policy may be made for families exercising portability or mobility through a VAWA accommodation. For the purpose of this program, a non-elderly family is one in which the head of household, spouse or cohead is fifty-six (56) years of age or younger. A non-disabled family is one in which the head of household, spouse or cohead is not disabled.

3.12.2 Streamlined ~~Fixed-Lease Assistance for Elderly/Disabled Families~~

~~The households~~Families that will be admitted to the Streamlined ~~Fixed~~-Lease Assistance for Elderly/Disabled Families include:

- All elderly/disabled applicants for Housing Services programs (excluding Term-Limited Lease Assistance eligible families) who are selected from the waiting list after February 1, 2015.
- Incoming elderly/disabled portability households, ~~for which HACSB bills the initial PHA~~
- Elderly/disabled families admitted under the No Child Left Unsheltered program criteria.
- Elderly/disabled families transferred from project-based to tenant-based assistance.
- Moving On Strategy program criteria for Continuum of Care households.
- Sponsor-based project-based voucher program criteria, and
- Former Upland Housing Authority elderly/disabled families transferred through the HUD approved voluntary transfer on July 1, 2017

For the purpose of this program, an elderly family is one in which the head of household, spouse or cohead is fifty-seven (57) years of age or older. A disabled family is one in which the head of household, spouse or cohead is disabled.

No Child Left Unsheltered (NCLU) elderly/disabled families will be transitioned to the Streamlined Lease Assistance program without the NCLU program designation according to the following:

- No Child Left Unsheltered-NCLU elderly/disabled families, admitted prior to 2020, who are transferred from project-based to tenant-based assistance due to HAP contract termination.

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- NCLU elderly/disabled families, admitted between January 1, 2020 and December 31, 2022, ~~will be transitioned to the Streamlined Fixed Lease Assistance program~~ after four years of participation in the No Child Left Unsheltered (NCLU) program.
- All Elderly/disabled households admitted to the NCLU program after December 31, 2022 will transition after two-years.
- Elderly/disabled families admitted before January 1, 2020, will transition at the first recertification occurring after January 1, 2025.

~~3.12.2.1 Mainstream Vouchers~~

~~The Mainstream Voucher Program was developed to provide rental assistance to persons with disabilities who are seeking suitable, affordable, and accessible housing in the private market. Vouchers awarded under the Mainstream 811 NOFA are administered using the same rent calculation methods as the Streamlined Fixed Lease Assistance program.~~

3.12.3 Streamlined ~~Tiered~~ Lease Assistance for Career-Focused Able Families

Families that will be assisted under the Streamlined Lease Assistance for Career-able Families include:

- All non-elderly and non-disabled participants, including incoming portability families for which HACSB bills the initial housing authority, who received assistance prior to January 1, 2012 and have a recertification effective date of February 1, 2015 or later, ~~including incoming portability families for which HACSB bills the initial PHA, f~~
- Families assisted under the No Child Left Unsheltered program criteria (admitted prior to October 1, 2019),
- Career-able families transitioned from project-based to tenant-based assistance due to HAP Contract termination or due to a VAWA emergency transfer, f
- Families assisted under the sponsor-based project-based voucher program criteria
- , e Current project-based voucher participants, and/or
- f Former Upland Housing Authority career ~~focused~~ able families transferred through the HUD approved voluntary transfer on July 1, 2017 will participate in the Streamlined Tiered Lease Assistance for Career Focused Families program as of their recertification date.

No Child Left Unsheltered (NCLU) career-able families admitted prior to 2020 will be transitioned to the Streamlined Lease Assistance program without the NCLU program

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designation when transferred from project-based to tenant-based assistance due to HAP contract termination.

3.12.4 Mainstream Vouchers

The Mainstream Voucher Program was developed to provide rental assistance to non-elderly individuals with disabilities who are seeking suitable, affordable, and accessible housing in the private market. Mainstream participants are assigned to either the Streamlined Lease Assistance for Elderly/Disabled or Streamlined Lease Assistance for Career-able based on family type.

3.12.3-15 Family Unification Program/Foster Youth to Independence

The Family Unification Program (FUP) and Foster Youth to Independence (FYI) will be administered using the Streamlined ~~Tiered~~ Lease Assistance (SLA) Program for Career-~~Focused-Able~~ Families unless the family meets the criteria for the Streamlined Lease Assistance for Elderly/Disabled Families. HUD does not permit term limits for FUP families. FUP-eligible youth and FYI participants are limited to 36 months of assistance under FUP regulations and may qualify for rental assistance for up to 24 months beyond the 36-month term limit. See chapter 16 for extension criteria.

The Housing Authority may transfer a FUP eligible family out of FUP into the general Streamlined Lease Assistance program if the family no longer has children in the household or to make FUP vouchers available.

3.12.4-6 Traditional, Regulatory Assistance for Special Purpose Programs

The Special Purpose programs program described in this section are administered in accordance with federal regulations and the specific criteria established by the special purpose program. Some of the eligibility criteria described in this Chapter, such as certain criminal background requirements, may be different for participants in these programs. A description of each program, including certain eligibility criteria, is provided below:

3.12.46.1 Continuum of Care

The Continuum of Care program was developed by the Housing Authority in cooperation with the County of San Bernardino Department of Behavioral Health (DBH) to provide decent housing and long-term mental health services to mentally ill participants and their families. Applicants are referred by DBH and must cooperate with supportive service providers in order to maintain their eligibility for the program. DBH utilizes a network of resources to provide a variety of services related to job training, health care, child care, and educational advancement.

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6.2.3.8 Student Financial Assistance

6.2.3.8.1 Term-Limited Lease Assistance, Streamlined Lease Assistance, Veterans Affairs Supportive Housing (VASH), Emergency Housing Voucher, and Family Self-Sufficiency Programs

Effective 1/1/2025 or as soon as practical thereafter, the full amount of student financial assistance is excluded from income.²³ Refer to the excluded income section in this Chapter for a detailed description of student financial assistance that was included or excluded prior to the effective date of this change.

6.2.3.8.2 Traditional, Regulatory Assistance for Special Purpose Programs

This section does not apply to participants of the Veterans Affairs Supportive Housing (VASH), Emergency Housing Voucher, and Family Self-Sufficiency programs (see 6.2.3.8.1).

Certain student financial assistance is included in annual income. However, most student financial assistance is excluded from annual income. Refer to the excluded income section in this Chapter for a detailed description of student financial assistance that is included and excluded from annual income.

6.2.3.9 Adoption Assistance

Adoption assistance income is included as part of the families' annual adjusted income for the following programs: Term-Limited Lease Assistance, Streamlined Lease Assistance, Veterans Affairs Supportive Housing (VASH), Family Self-Sufficiency Program, and Emergency Housing Voucher programs.²⁴

This section applies to the Veterans Affairs Supportive Housing (VASH) program effective January 1, 2019, or as soon as practicable thereafter.

6.2.4 Annual Income Exclusions

Certain types of income are excluded from annual income. This section describes all income exclusions.

²³ HACSB's FY2024 MTW Plan Activity 5: Simplified Income Determination adds all student financial assistance to the list of excluded income.

²⁴ HACSB's MTW Activity 5: Simplified Income Determination includes all income from adoption assistance.

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outside source, (3) in combination with any medical expenses, exceed three percent of annual income, and (4) do not exceed the earned income received by the family member who is enabled to work.

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

6.4 Calculation of Housing Authority Subsidy and Family Rent Share

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

6.4.1 Term-Limited Lease Assistance Program

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

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

6.4.2 Streamlined ~~Fixed~~-Lease Assistance for Elderly/Disabled Families Program

For families initially briefed in this program on or before December 31, 2018 or admitted under the Moving On Strategy³⁶, HACSB will calculate family rent share by selecting the

³⁶ The FY 2023 Moving to Work Annual Plan included Activity 29: Moving On Strategy establishing the family's rent share as the greater of 24% of their gross income, the minimum rent or baseline rent.

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~~greater~~largest of twenty-four percent (24%) of gross monthly ~~annual~~ income, the baseline rent, or the minimum rent.

Except for families admitted under the Moving On Strategy, the family rent share of 24% will increase to the greater of 27% of gross monthly income, the baseline rent, or the minimum rent on or about July 1, 2026, and on or about July 1, 2027, the family rent share will increase to the greater of 30% of gross monthly income, the baseline rent, or the minimum rent.³⁷

For families initially briefed in this program on or after January 1, 2019, (or as soon as practicable thereafter) HACSB will calculate family rent share by selecting the largest of thirty percent (30%) of monthly annual income, the baseline rent, or the minimum rent. ~~The minimum rent is \$125 for the Streamlined Fixed Lease Assistance program.~~ If the family is leasing a unit that is larger than their approved subsidy standard size and the family chooses to remain in the unit at program implementation or has chosen to rent a unit that is larger than their approved subsidy standard size while on the program, the family will pay the difference between the amount the Housing Authority will pay under the Streamlined ~~Fixed~~ Lease Assistance Program on behalf of the family and the contract rent. This also applies to the former Upland Housing Authority (UHA) elderly/disabled families as a result of the voluntary transfer on July 1, 2017, with a recertification date of January 1, 2018, or later; future Plan references to Streamlined ~~Fixed~~ Lease Assistance families will also apply to these former UHA families.

For new admissions and program redeterminations effective on or after January 1, 2026, the family rent share will be calculated based on the greater of:

1. 36% of gross monthly income,³⁸
2. The highest family rent share previously calculated for the family (the baseline rent); or
- ~~4-3.~~ Minimum rent

³⁷ FY 2025 Moving to Work Plan, Amendment 1, included revisions to Activity 22: Streamlined Lease Assistance tiering households on the 24% rent calculation to 27% and 30% over two years except for Moving On participants.

³⁸ FY 2025 Moving to Work Plan, Amendment 1, included revisions to Activity 22: Streamlined Lease Assistance program changing the rent calculation for newly admitted households to greater of 36% of gross monthly income, the baseline rent or minimum rent.

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6.4.3 Streamlined ~~Tiered~~-Lease Assistance for Career-~~Focused~~-Able Families Program

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

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

~~The rent tier starts at thirty percent (30%) of monthly gross income and may increase to a maximum rent tier of thirty-six percent (36%) of monthly gross income at the Housing Authority's discretion. A family's rent share may never drop below the highest family rent share amount.~~

Effective February 1, 2018, the Housing Authority applied the new family rent calculation of thirty percent (30%) of the monthly gross income, the minimum rent, or the Streamlined Lease Assistance baseline rent, whichever is greater. The Housing Authority used the family's most recently reported income information to process the reexamination, which served to minimize the financial impact to families when the new rent calculation was applied. Additionally, the Housing Authority provided an automatic six-month hardship exemption for all families affected by this change; therefore, the new rent tier was applied effective August 1, 2018.

Effective October 1, 2024, the Housing Authority will calculate the tenant rent portion based on the greater of thirty-six percent (36%) of gross monthly income, the minimum rent, or the SLA baseline rent. The Housing Authority will use the family's last reported income information to process a reexamination, ~~which will serve~~ to minimize the financial impact to families when the new rent calculation ~~was~~ applied. Additionally, the Housing Authority will provide an automatic six-month deferral for all current participants. Therefore, the new rent tier of 36% ~~will be~~ was applied to current participants and new admissions on or about April 1, 2025.

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6.4.4 Streamlined ~~Tiered~~ Lease Assistance for Former Upland Housing Authority Participants

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

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

UHA families will transition to this activity at their first recertification occurring on or after January 1, 2018. This will also apply at admission to any family who is transitioned from the UHA waiting list to an HACSB waiting list as a result of the July 1, 2017 voluntary transfer.

Participants will follow the rent tiers beginning at twenty-one percent (21%) of the monthly annual income with the rent tier increasing at recertification or sooner to a maximum of thirty-six percent (36%). Families, who already transitioned to the 30% tier before October 1, 2024, will transition to the 36% tier on or about April 1, 2025. Those families who are on tiers below 30% on October 1, 2024 will complete remaining tiers at recertification as shown in Smith Example below.

SMITH FAMILY (EXAMPLE)					
	First Biennial Recertification (21%)	Second Biennial Recertification (24%)	Third Biennial Recertification (27%)	Fourth Biennial Recertification (30%)	Fifth Biennial Recertification* (36%)
Smith Family Monthly Annual Income	\$833	\$1000	\$1000	\$500	\$1000
Smith Family Rent Share	\$175	\$240	\$270	\$270	\$360

If the family is transitioned from the Streamlined Lease Assistance for Career-Able Families program to the Streamlined Lease Assistance for Elderly/Disabled program, the family's rent tier will be 30% if the change is effective prior to January 1, 2026 and 36% if the change was effective on or after January 1, 2026. If the elderly or disabled head of

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household, spouse or cohead is removed from the family and the remaining household members are no longer eligible for the Streamlined Lease Assistance for Elderly/Disabled program, the family will transition to Streamlined ~~Tiered~~ Lease Assistance for Career-~~Able Focused~~ Families. Income will be reassessed at that time and a new baseline TTP set. For program redeterminations prior to January 1, 2026, the family will start at the 30% tier and progress to the 36% tier at the next recertification.

For program redeterminations on or after January 1, 2026, the family will start at the 36% tier. ~~starting at the 30% tier. Income will be reassessed at that time and a new baseline TTP set. The family will then progress to the 36% tier at the next recertification.~~

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

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

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

For elderly and disabled participants, HACSB will calculate family rent share by selecting the largest of twenty-four percent (24%) of gross monthly ~~annual~~ income, the baseline rent, or the minimum rent. Effective July 1, 2026 or as soon as practicable thereafter, the family rent share will change to the greater of twenty-seven percent (27%) of gross monthly income, the baseline rent, or the minimum rent. Effective July 1, 2027 or as soon as practicable thereafter, the family rent share will change to the greater of thirty percent (30%), the baseline rent, or the minimum rent.

Non-elderly and non-disabled participants will follow the rent tiers beginning at twenty-one percent (21%) of the monthly annual income with the income tier increasing every regularly scheduled biennial recertification or sooner to a maximum rent tier of thirty-six percent (36%). Families, who already transitioned to the 30% tier before October 1, 2024, will transition to the 36% tier on or about April 1, 2025. Those families who are on tiers below 30% on October 1, 2024 will complete remaining tiers at recertification. (Please see the Smith Family Example, below.)

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THE SMITH FAMILY (EXAMPLE)					
	First Biennial Recertification (21%)	Second Biennial Recertification (24%)	Third Biennial Recertification (27%)	Fourth Biennial Recertification (30%)	Fifth Biennial Recertification (36%)
Smith Family Monthly Annual Income	\$833	\$1000	\$1000	\$500	\$1000
Smith Family Rent Share	\$175	\$240	\$270	\$270	\$360

If the family is transitioned from the Streamlined Lease Assistance for Career-Able Families program to the Streamlined Lease Assistance for Elderly/Disabled program, the family's rent tier will be 30% if the change was effective prior to January 1, 2026 and 36% if the change was effective on or after January 1, 2026. If the elderly or disabled head of household, spouse or cohead is removed from the family and the remaining household members are no longer eligible for the Streamlined Lease Assistance for Elderly/Disabled program, the family will transition to Streamlined Lease Assistance for Career-Able Families. Income will be reassessed at that time and a new baseline TTP set. For program redeterminations prior to January 1, 2026, the family will start at the 30% tier and progress to the 36% tier at the next recertification.

For program redeterminations on or after January 1, 2026, the family will start at the 36% tier.

~~For households with a program change from the Streamlined Lease Assistance for Elderly/Disabled program to Streamlined Tiered Lease Assistance for Non-Elderly/Non-Disabled households, the household will start at the 30% tier. Income will be reassessed at that time and a new baseline TTP set. The family will progress to the 36% tier at the next recertification.~~

6.4.6 Calculation of Baseline for Streamlined Lease Assistance Programs

The family's baseline TTP is the highest family rent share previously calculated for the family which is based on the annual income calculation policies and income inclusions/exclusions in effect at the time the baseline TTP calculation was made. The baseline TTP will only be reset if the family qualifies for a permanent hardship exemption, is transferred from one program to another, such as from SLA to TLA, or as an income correction due to the family's failure to report income.

6.4.8 Hardship Exemption Criteria for Streamlined Lease Assistance Programs

HACSB recognizes that under some circumstances, families may experience a hardship that makes it challenging to pay the applicable rent under the Streamlined Lease Assistance Program. Hardship exemption criteria have been developed for all families that see a significant increase in their portion as a direct result of the SLA calculation at initial implementation of the activity or experience certain expenses or losses of income while participating in the program. In order for families to be eligible for a hardship exemption, they must make their request for a hardship exemption in writing and be in compliance with all program rules and regulations. The request for hardship exemption must come no later than 60 days after the most recent change in circumstances. Permanent hardship exemption requests must be received within 60 days or by next recertification whichever is later. Families also must provide all supporting documents regarding their case and all requests for hardship exemptions will be reviewed by the Hardship Review Committee. After the committee has evaluated the family's request, they will determine if the family qualifies for a temporary or permanent hardship exemption. If approved, the tenant rent portion change will be effective the first of the month following the receipt of the request.³⁹

The following sections describe the types of hardship exemptions that may be granted. All non-elderly/non-disabled households approved for a temporary hardship exemption will be required to participate in the Family Empowerment Services case management activities.

6.4.8.1 Permanent Hardship Exemptions

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

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

If a permanent hardship exemption has been approved, HACSB will reset the family's previous highest rent share (the "baseline rent") by recalculating the family's income and

³⁹ FY 2025 MTW Plan, Activity 22: Streamlined Lease Assistance describes the hardship review criteria and effective date.

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applying the applicable rent percentage. ~~For example, for families participating in the Streamlined Fixed Lease Assistance for Elderly/Disabled Families program, the new monthly income will be multiplied by twenty-four percent (24%) or thirty percent (30%) depending upon the family's admissions date to determine the new monthly rent share. For families participating in the Streamlined Tiered Lease Assistance for Career-Focused Families program, the new monthly income will be multiplied by the most recent tiered rent percentage established at recertification to determine the new monthly rent share.~~

6.4.8.2 Temporary Hardship Exemptions

HACSB also recognizes that certain hardships may exist on a temporary basis. The temporary relief that HACSB will offer families depends on the type of hardship being experienced by the family. Families initially leasing under the Streamlined Lease Assistance program may qualify for a temporary hardship exemption upon verification the family has no household income. To be considered for a hardship exemption, a written request must be submitted to the Housing Authority. No more than one temporary hardship exemption request may be received within a 12-month period. The table below describes each type of temporary hardship exemption that may be approved by HACSB.

Temporary Hardship Reason	Temporary Hardship Exemption Relief
Unforeseen involuntary loss of employment; or unforeseen complete loss of income due to major illness as determined by a medical professional. Period of income loss must be anticipated to exceed 30 consecutive days following the date of receipt of the written request.	Family's income will be recalculated and for up to 6 months the family's rent will be based upon most recent percentage or the minimum rent, whichever is higher. HACSB will provide a 30-day notice that the rent will revert to the previous rent amount at the end of the approved term. The family's income will not be re-reviewed until the next recertification. The exemption period can be extended up to six additional months if the length of the illness is longer than the initial term.
Significant medical expenses over \$2,500 for single medical event for Streamlined Fixed SLA Elderly/Disabled families only. Health and medical expenses are defined in section 6.3.2.4.	Family's income will be recalculated at a 5% reduction to the fixed percentage and for 6 months the family's rent will be based upon that percentage or the minimum rent, whichever is higher.
Unforeseen involuntary permanent loss of income for an adult family member who is attending high school.	Family's income will be recalculated and for 6 months the family's rent will be based upon most recent percentage established at recertification or the minimum rent, whichever is higher. HACSB will provide a 60-day notice that the rent will revert to the previous rent amount at the end of the 6 months.

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Adjusted Income or the applicable minimum rent. For the VASH, EHV and FSS programs, any amount of rent over the payment standard must be paid for by the family and cannot be subsidized by the Housing Authority. For Continuum of Care and Housing Opportunities for Persons with AIDs, the payment standard is not used to determine the Housing Assistance Payment (HAP) amount.

6.5 Minimum Rent [24 CFR 5.630 and 5.630]

6.5.1 Streamlined Lease Assistance and Family Self-Sufficiency Programs

The Minimum Rent for the Streamlined Lease Assistance program, including the Family Self-Sufficiency (FSS) Program is \$125.00.⁴⁰ A policy has been established for a temporary waiver from the minimum rent for families who demonstrate a hardship in paying the required minimum amount. Families may request a temporary waiver to the minimum rent by completing the Minimum Rent Waiver Request Form and providing documentation that supports the hardship for the family.

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

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

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

6.5.1.1 Streamlined Lease Assistance Program

Upon approval of the waiver, the total tenant payment shall be calculated ~~at 30% using the family's current rent tier of~~ multiplied by the family's monthly adjusted gross monthly

⁴⁰ The FY 2009 Moving to Work Annual Plan included Activity 10: Minimum Rent which established a minimum rent of \$125 for all Housing Services programs except VASH, EHV, and Traditional, Regulatory Assistance for Special Purpose Programs.

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income and shall be effective on the first of the month following the month in which the family submitted the waiver request form with all supporting documentation.

6.5.1.2 Family Self-Sufficiency Program

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

6.5.1.3 Programs Serving Vulnerable Populations

A temporary waiver of the minimum rent will also be applied automatically to vulnerable individuals and families who are initially moving into a homeless serving program, such as Permanent Supportive Housing until the regularly scheduled recertification.⁴¹ A family granted the automatic waiver under a homeless serving program will not be required to repay the minimum rent. Starting with the first recertification, the minimum rent will increase to \$50, and at the second recertification, the minimum rent will be \$125.⁴²

6.5.2 Veterans Affairs Supportive Housing (VASH) and Emergency Housing Voucher (EHV) Programs

The minimum rent is \$50 for the VASH and EHV programs. A temporary waiver of the minimum rent will be applied automatically to homeless individuals at admission until the regularly scheduled recertification.⁴³ A family granted the automatic waiver under a homeless serving program will not be required to repay the minimum rent.

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

⁴¹ The FY 2022 Moving to Work Annual Plan modified Activity 10: Minimum Rent to allow HACSB to reduce or postpone the minimum rent for individuals in programs serving extremely vulnerable populations. The programs include Permanent Supportive Housing (PSH) project-based voucher developments, Family Unification Program, Foster Youth to Independence and No Child Left Unsheltered.

⁴² The FY 2025 Moving to Work Annual Plan, Amendment No. 1 modified Activity 10: Minimum Rent to increase the minimum rent to \$450, while exempting NCLU, Moving On, and other programs serving vulnerable populations.

⁴³ The FY 2022 Moving to Work Annual Plan modified Activity 10: Minimum Rent to allow HACSB to reduce or postpone the minimum rent for individuals in programs serving extremely vulnerable populations.

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9.9 Rent Limitations [24 CFR 982.507]

The contract rent, Housing Assistance Payment, and tenant rent are provided in whole dollar amounts. In determining the contract rent, the Housing Authority will round down the rent reasonableness to nearest dollar. Prorated monthly rent amounts are rounded to the nearest dollar.

9.9.1 Term-Limited Lease Assistance and Streamlined Lease Assistance Programs

At all times during the tenancy, the rent to owner may not be more than the most current reasonable rent or the local payment standard, whichever is less, as determined by the Housing Authority in accordance with Chapter 11 of the Administrative Plan.

If the proposed initial rent is not reasonable, the Housing Authority will attempt to negotiate with the owner to reduce the rent. If the rent can be approved after negotiations with the owner, the Housing Authority will continue processing the RFTA and lease.

If the owner does not agree on the proposed adjusted rent to owner after the Housing Authority has tried and failed to negotiate a revised rent, the Housing Authority will inform the family and owner that the lease is disapproved.

9.9.2 Traditional, Regulatory Assistance for Special Purpose Programs

At all times during the tenancy, the gross rent to owner may not be more than the most current reasonable rent as determined by the Housing Authority in accordance with Chapter 11 of the Administrative Plan.

When a family is initially leasing a unit, the dwelling unit rent must be at a level where the family's share of rent (including tenant purchased utilities) does not exceed forty percent (40%) of the family's monthly adjusted income. The Housing Authority will also make a determination as to the reasonableness of the proposed rent in accordance with Chapter 11 of the Administrative Plan.

If the proposed initial rent is not reasonable or is not affordable because the family share would be more than forty percent (40%) of the family's monthly adjusted income, the Housing Authority will attempt to negotiate with the owner to reduce the rent or include some or all of the utilities in the rent to the owner.

If the rent can be approved after negotiations with the owner, the Housing Authority will continue processing the RFTA and lease. If the revised rent involves a change in the provision of utilities, the executed lease agreement will be amended to reflect the change.

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

If the emergency repair item(s) are not corrected in the time period required by the Housing Authority and the tenant is responsible and in violation of their family obligations, the Housing Authority will take appropriate steps to enforce the family obligations.

10.2.2 Non-Emergency Items

For non-emergency items, repairs must be made within thirty (30) days of the original inspection date unless an extension is granted by the Housing Authority. When it has been determined that a unit on the program fails to meet inspection standards, and the owner is responsible for completing the necessary repair(s) in the time period specified by the Housing Authority, the assistance payment to the owner will be abated. The Housing Authority will not pay any housing assistance for the time period the unit is in a failed status.

The Housing Authority may also notify landlords of recommendations for repair of items that would improve the unit but do not fail inspection standards and do not impact the health and/or safety of the participant's household.

10.2.3 Extension for Repairs

The owner may request an extension for repairs beyond the thirty (30) day reinspection deadline. The request must be submitted in writing and include an estimated date for the completion of the repairs. The Housing Authority will grant extensions under the following circumstances:

- Failure of the tenant to make unit available for repairs (copies of notices to the tenant must be submitted with the owner's request);
- Illness/hospitalization of the owner during the inspection period;
- Extensive repairs requiring building permits;
- The materials or parts necessary to make repairs need to be ordered; or
- Other circumstances as approved by the Housing Manager or Director.

Additionally, the unit will not be abated if the family fails to make the unit available for re-inspection or for the repairs.

10.2.4 Abatement and Termination [24 CFR 985.3(f)]

A notice of abatement and termination of contract will be sent to the owner after the unit is found in noncompliance with inspection standards at the correction date or approved

extension. The abatement will be effective from the first day of the month after the date of the failed re-inspection. The contract termination date will be ninety (90) days after the effective date of the abatement.

At any time during the abatement, the family may give notice to terminate the lease and request a voucher to move. However, if repairs are not completed within the first sixty (60) days of the abatement, a final contract termination notice will be sent. At that time, the family will be required to attend a move briefing if the family has not already done so and will be issued a Family Obligations Agreement or Voucher for an initial term of 90 days.

The owner may still make repairs on the unit during the abatement period. However, the owner must notify the Housing Authority that repairs have been completed and that the unit is ready for inspection. After receiving notification of completed repairs, the Housing Authority will conduct a reinspection within fourteen (14) days. The family and owner will be notified of the reinspection date in writing. Payment will resume on a unit the day it passes inspection.

No retroactive payments will be made to the owner for the period of time the housing assistance was abated and the unit did not comply with inspection standards.

If repairs are completed before the effective termination date, the termination may be rescinded by the Housing Authority if the participant chooses to remain in the unit. Only one (1) reinspection will be conducted after the termination notice is issued.

Abatement appeals must be requested in writing no later than 30 days from the date the abatement ended.

10.3 Determination of Responsibility [24 CFR 982.404]

Certain inspection standard deficiencies are considered the responsibility of the family:

- A. Tenant-paid utilities not in service
- B. Failure to provide or maintain family-supplied appliances
- C. Damage to the unit or premises caused by a household member or guest beyond normal wear and tear. "Normal wear and tear" is defined as items which could not be charged against the tenant's security deposit under state law or court practice.

If an inspection deficiency is tenant caused, the owner may make the repair and charge the tenant for the cost of the repair or require the tenant to repair the deficiency. If the owner is requiring the tenant to make repairs, the owner must inform the tenant and the

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Housing Authority of the repairs that are the tenant's responsibility upon receiving the results of the first inspection. The change of responsibility to remedy the ~~HQS inspection~~ violation from owner to tenant is subject to Housing Authority review and approval. The owner is responsible for all other inspection standard violations. In the absence of definitive evidence that a violation was caused by tenant damage beyond normal wear and tear, the responsibility for the repair will be assigned to the owner.

The owner is responsible for vermin infestation even if caused by the family's living habits. However, if such infestation is serious and repeated, it may be considered a lease violation and the owner may evict for serious or repeated violation of the lease. The Housing Authority may terminate the family's assistance on that basis.

If a violation of inspection standards is determined to be the responsibility of the family, the Housing Authority will require the family make any repair(s) or corrections within thirty (30) days or twenty-four (24) hours for a life-threatening breach. If the repair(s) or correction(s) are not made in this time period, the Housing Authority will terminate assistance to the family. The owner's rent will not be abated for items which are the family's responsibility.

If the tenant is responsible and corrections are not made, the contract will terminate when assistance is terminated.

10.4 Additional Local Requirements [24 CFR 982.406]

The Housing Authority adheres to all HUD required inspection standards ~~_under Housing Quality Standards (HQS).~~ The Housing Authority has also adopted additional quality standards in alignment with HUD regulations, California law, local codes and Housing Authority policy. These policies are not likely to adversely affect the health or safety of participant families or severely restrict housing choice. These additions are clarifications of HUD's acceptability criteria or performance standards.

All Housing Authority inspection standards can be reviewed through the Housing Authority website at: www.hacsb.com. Specifically, HACSB has clarified the following criteria for all units in the Housing Services program:

1. Thermal Environment [HCV GB p.10-7]
 - Primary heat source must be capable of generally maintaining an even temperature of sixty-five (65) degrees in all rooms in the unit living and sleeping area.

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will consider whether the bathroom and/or kitchen is private or shared. When these facilities are private versus shared, HACSB may provide additional consideration when determining the reasonable rent.

11.4 Payment Acceptance and Certification

Owners will be advised that by accepting each monthly payment from the Housing Authority s/he will be certifying that the rent to owner is not more than rent charged by owner for comparable unassisted units in the premises. If requested, the owner must provide to the Housing Authority information on rents charged by the owner for other units in the premises or elsewhere. The Housing Authority will only request information on the owner's units elsewhere if the Housing Authority has cause to demonstrate that the owner has a tendency to charge higher rents to program participants or if needed for rent reasonableness comparables.

11.5 Payment Standards for the Housing Services Program [24 CFR 982.4]

The payment standard is used to calculate the housing assistance payment for a family. *Payment standard* is defined as "the maximum monthly assistance payment for a family assisted in the program (before deducting the total tenant payment by the family)."

The payment standard for a family is the lower of (1) the payment standard for the family unit size, which is defined as the appropriate number of bedrooms for the family under the Housing Authority's subsidy standards or (2) the payment standard for the size of the dwelling unit rented by the family. The payment standard for space rent is equal to the family unit size under the subsidy standards.

11.5.1 Term-Limited Lease Assistance, Streamlined Lease Assistance, Veterans Affairs Supportive Housing (VASH), Emergency Housing Voucher (EHV) and Family Self-Sufficiency Programs

This section applies to new admissions and changes of unit or payment standard⁶³ under the Veterans Affairs Supportive Housing (VASH) program effective January 1, 2021, or as soon as practicable thereafter.

The Housing Authority has established a comprehensive payment standard schedule that is based on rental submarkets in the County of San Bernardino.⁶⁴

⁶³ In CY 2025, VASH participants were transferred from the Special Purpose Voucher Programs Payment Standards to the Local Payment Standards except for participants whose tenant rent share would increase.

⁶⁴ The FY 2009 Moving to Work Annual Plan including Activity 12: Local Payment Standards which authorized the creation of local payment standards for the County of San Bernardino.

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At least annually, the Housing Authority will review the local payment standards. The agency may subsequently increase or decrease the payment standards. Payment standard increases will be applied at the earliest of the participant's first recertification, move to another unit, or subsidy standard change following the payment standard increase.⁶⁵ However, an increase to the Local Payment Standards will not be automatically applied at recertification if the participant has leased a unit that is larger than their approved voucher subsidy size ("over-housed" participants). Increases to the Local Payment Standards will apply to over-housed participants only if a rent increase is requested by the landlord and approved in accordance with HACSB's rent reasonableness policies.

Before increasing the payment standard, the Housing Authority may review the budget to determine the impact projected subsidy increases would have on funding available for the program and the number of families served. For this purpose, the Housing Authority will compare the number of families who could be served under a higher payment standard with the number assisted under current payment standards.

If the payment standard is reduced, the payment standard will remain unchanged for families that are under HAP contract when the payment standard reduction occurred. However, if a change to the household size results in a reduction to the family's subsidy standard unit size, the payment standard for the appropriate subsidy standard unit size will apply at the earliest of the first recertification or move to another unit following the subsidy standard change.

An exception payment standard may be approved if necessary, as a reasonable accommodation for a family that includes a person with disabilities per Notice PIH ~~2013~~2025-2612. The Housing Authority may approve an exception payment standard up to the greater of 120 percent of the local payment standard or of 120 percent of Fair Market Rent (FMR) or for the VASH program, up to the greater of 140 percent of the local payment standard or 140 percent of the FMR for the VASH program.⁶⁶ HUD approval is required for an exception payment standard above ~~120 percent of FMR or 140 percent of FMR for the VASH program~~these thresholds.

⁶⁵ FY 2025 Moving to Work Plan includes Activity 12, Local Payment Standards and Alternative Flat Rents which specifies when payment standard increases are applied.

⁶⁶ ~~Section 8 Housing Choice Vouchers: Revised Implementation of the HUD-Veterans Affairs Supportive Housing Program, Rules and Regulations published August 13, 2024~~FY 2026 Moving to Work Plan modifies Activity 12, Local Payment Standards and Alternative Flat Rents to provide reasonable accommodation exception payment standards for households utilizing the local payment standards.

If the family does not report the change within the required time frame or the family causes an unreasonable delay in the interim recertification processing, the following guidelines will apply:

- Increase in participant rent portion will be effective retroactive to the first of the month the interim recertification would have been effective if the change had been reported in a timely manner. The family will be responsible for any overpaid assistance and may be required to sign a repayment agreement or make a lump-sum payment. The family is not responsible for repayment if an interim reexamination would not have been required if the family had reported the change timely.
- Decrease in participant rent portion will be effective on the first of the month following the month when the change is verified.

For pre-HOTMA actions effective prior to the post-HOTMA provisions above:

If the family does not report the change within the required time frames, the family will have caused an unreasonable delay in the interim recertification processing and the following guidelines will apply:

- Increase in participant portion rent will be effective retroactive to the date it would have been effective had it been reported on a timely basis. The family will be responsible for any overpaid assistance and may be required to sign a repayment agreement or make a lump-sum payment.
- Decrease in participant portion of rent will be effective on the first of the month following the month that the change was processed.

12.9 Changes that Result in Program Redetermination⁷⁴

If at a regularly scheduled recertification or interim recertification changes to the family result in qualification for a different Housing Authority program, the change will be effective at their regularly scheduled recertification date.

12.9.1 Term-Limited Lease Assistance Program

If the head of household, spouse or cohead becomes disabled after being issued a Family Obligations Agreement for participation in the Term-Limited Lease Assistance program,

⁷⁴ The FY 2012 and FY 2013 MTW Plans created two distinct programs: Term-Limited Lease Assistance and Streamlined Lease Assistance, respectively. These programs each have particular qualifications for participation as documented in this Chapter.

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the family will be transferred to the Streamlined ~~Fixed~~ Lease Assistance for Elderly/Disabled program. If the transfer is effective on or after 1/1/2026, the tenant rent calculation will be based on 36% of the household's gross monthly income.-

12.9.2 Streamlined ~~Fixed~~ Lease Assistance Program for Elderly/Disabled

If the head of household, spouse or cohead is no longer elderly or disabled after being issued a Family Obligations Agreement for participation in the Streamlined ~~Fixed~~ Lease Assistance program, the family will be transferred to the Term-Limited Lease Assistance Program or Streamlined ~~Tiered~~ Lease Assistance for Career-Able Families program based on the criteria in section 3.12 and at the 36% rent calculation.-

12.9.3 Streamlined ~~Tiered~~ Lease Assistance Program for Career-Able Focused Families

If the head of household, spouse or cohead becomes disabled after being issued a Family Obligations Agreement for participation in the Streamlined ~~Tiered~~ Lease Assistance for Career-Able Families program, the family will ~~be transferred to the Streamlined Fixed Lease Assistance program.~~ be transferred to the Streamlined Lease Assistance for Elderly/Disabled program. If the transfer is effective on or after 1/1/2026, the tenant rent calculation will be based on 36% of the household's gross monthly income.

12.9.4 Family Self-Sufficiency

When an FSS family exits the program, they will be transferred to Streamlined Lease Assistance Program for Elderly/Disabled or the Streamlined Lease Assistance Program for Career-Able Families. For transfers to the Streamlined Lease Assistance Program for Elderly/Disabled effective on or after 1/1/2026, the tenant rent calculation will be based on 36% of the household's gross monthly income.

12.9.4.5 Traditional, Regulatory Assistance for Special Purpose Programs

In the rare circumstance that a participant in a Special Purpose Program is no longer eligible for that program, and continues to be in good standing, the Housing Authority may transfer the participant, where appropriate, into the program the family qualifies for in alignment with Chapter 2 of this Administrative Plan.

12.10 Recertification at Move

12.10.1 Term-Limited Lease Assistance and Streamlined Lease Assistance Programs

The family is not recertified at move. The effective date of the new contract will not change the effective date of the next annual recertification.

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April 1, 2022. Families will be given a six (6) month transition period and then will be terminated from the program.⁸¹

18. If HUD-VASH participant fails to participate in case management services.

16.2.2.1 Term-Limited Lease Assistance Program

In addition to the above-described reasons, the Housing Authority may terminate the contract if a participant in the Term-Limited Lease Assistance program has reached its five-year term of participation.⁸² There is no appeal to the expiration of assistance; however, the family may request an extension of the assistance as a hardship exemption.

A hardship exemption policy has been established that defines the circumstances under which households may request an extension to the term limit. Subject to available funding, Families may be eligible for an extension to the term limit to complete a self-sufficiency related activity, for unforeseen involuntary loss of income, or for another approved reason.

16.2.2.1.1 Hardship Exemption for Self-Sufficiency Related Activity

A family may be granted an extension of assistance under this category in order to allow the family to complete an educational, job training, or other approved self-sufficiency activity leading to gainful employment.

Applications for hardship exemption under this category must be submitted a maximum of six (6) months prior to the end of term and a minimum of 45 days prior to the end of term. Subsequent extension requests must be submitted no earlier than 3 months prior to the new end of term date and a minimum of 30 days prior to the new end of term date.

To be eligible for a hardship exemption under this category, all of the following criteria must be met:

1. The family must have complied with all requirements of the program, including the Supportive Services Agreement (SSA);
2. The family must be participating in an educational, job training, or other self-sufficiency activity leading to gainful employment.

⁸¹ The FY 2014 Moving to Work Annual Plan included Activity 24: Transition for Over-Income Public Housing/Housing Choice Voucher families. The FY 2022 Moving to Work Annual Plan modified Activity 24 to exempt Term-Limited Lease Assistance Program participants.

⁸² The FY 2012 Moving to Work Annual Plan created Activity 20: Term-Limited Lease Assistance program.

16.3 Family Obligation/Voucher Violations

As described in Section 16.2.2, failure to abide by any of the family obligations is grounds for termination. The following are the Housing Authority's family obligations:

1. The family must:
 - a. Supply any information that the HACSB or HUD determines to be necessary including evidence of citizenship or eligible immigration status, and information for use in a regularly scheduled reexamination or interim reexamination of family income and composition
 - b. Disclose and verify social security numbers and sign and submit consent forms for obtaining information
 - c. Supply any information requested by the HACSB to verify that the family is living in the unit or information related to family absence from the unit
 - d. Promptly notify the HACSB in writing when the family is away from the unit for an extended period of time in accordance with HACSB policies
 - e. Allow the HACSB to inspect the unit at reasonable times and after reasonable notice
 - f. Notify the HACSB and the owner in writing before moving out of the unit or terminating the lease
 - g. Use the assisted unit for residence by the family. The unit must be the family's only residence
 - h. Promptly notify the HACSB in writing of the birth, adoption, or court-awarded custody of a child
 - i. Request HACSB written approval to add any other family member as an occupant of the unit
 - j. Promptly notify the HACSB in writing if any family member no longer lives in the unit
 - k. Give the HACSB a copy of any owner eviction notice within ten business days of receipt
 - l. Pay utility bills and provide and maintain any appliances that the owner is not required to provide under the lease
 - m. Must report any changes in family composition and family income in writing within ten (10) days of such change
 - n. If applicable, Participant must remain in compliance with supportive service provider (RAD only)
2. The family (including each family member) must not:
 - a. Own or have any interest in the unit (other than in a cooperative)

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- b. Commit any serious or repeated violation of the lease
- c. Commit fraud, bribery, Grand Theft Housing, or any other corrupt or criminal act in connection with the program
- d. Engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the unit
- e. Sublease or let the unit or assign the lease or transfer the unit
- f. Receive housing choice voucher program housing assistance while receiving another housing subsidy, for the same unit or a different unit under any other Federal, State or local housing assistance program
- g. Make any side payments in excess of the family share
- h. Damage the unit or premises (other than damage from ordinary wear and tear) or permit any guest to damage the unit or premises
- i. Receive housing choice voucher program housing assistance while residing in a unit owned by a spouse, parent, child, grandchild, sister or brother of any member of the family, unless the Housing Authority has approved a reasonable accommodation
- j. Engage in abuse of alcohol in a way that threatens the health, safety or right to peaceful enjoyment of the other residents and persons residing in the immediate vicinity of the premises

16.3.1 Explanation and Terms of Family Obligation Requirements

Further explanation on family obligation violations that may result in a termination of assistance is provided below:

1. Housing Quality Standards (HQS)/HUD Inspection Standard Breach: The inspector will determine if an ~~HQS~~ breach of HUD's inspection standards as identified in 24 CFR §982.404(b) is the responsibility of the family. At the sole discretion of the Housing Authority, families may be given time extensions to correct HQS-inspection standard breaches.
2. Lease Violations: The following criteria will be used to decide if a serious or repeated violation of the lease will cause a termination of assistance [24 CFR §982.310]:
 - a. If the owner terminates tenancy through court action for serious or repeated violation of the lease.

CHAPTER 18: FAMILY OR OWNER DEBTS TO THE HOUSING AUTHORITY AND RECORD RETENTION POLICIES

18. Introduction

This chapter describes the Housing Authority's policies concerning recovery of overpayments made by HACSB owed to the Housing Authority by families or owners. It describes the methods that will be utilized for collection of monies and the guidelines for different types of debts. It is the Housing Authority's policy to meet the informational needs of owners and families, and to communicate the program rules in order to avoid owner and family debts. Before a debt is assessed against a family or owner, the file must contain documentation to support the Housing Authority's claim that the debt is owed. The file must further contain written documentation of the method of calculation, in a clear format for review by the owner, the family, or other interested parties.

When an action or inaction of an owner or participant results in the overpayment of housing assistance, the Housing Authority holds the owner or participant liable to return any overpayments to the Housing Authority. The Housing Authority may enter into a repayment agreement in accordance with the policies contained in this Chapter as a means to recover overpayments.

When an owner or participant refuses to repay monies owed, the Housing Authority will utilize other available collection alternatives including, but not limited to, the following:

- Collection agencies
- Small claims court
- Criminal court
- Civil law suit
- State income tax set-off program

18.1 Family Debts to the Housing Authority [24 CFR 982.552 (c)(v-vii)]

Any amount due to the Housing Authority by a Housing Services program participant must be repaid by the family. If the family is unable to repay the debt within thirty (30) days, the Housing Authority may offer to enter into a repayment agreement in accordance with the policies below. If a member of a former participant household was a minor when assistance was terminated and the family owes a debt to the Housing Authority, the former minor will not be held responsible for paying the family's debt. However, an adult

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member of a former participant household with a debt owed to the Housing Authority, who applies for assistance or requests to be added to a participant household, will be required to pay the debt before being admitted to the program or added to a participant household.

The maximum amount the Housing Authority can enter into a repayment agreement is \$5,000. If the family owes more than \$5,000 but less than \$10,000, as a result of program fraud, the family may be permitted to remain on the program if the family makes a downpayment that reduces the total owed to \$5,000 or less and enters into a repayment agreement. If the family refuses to make a downpayment, enter into a repayment agreement, or breaches a repayment agreement, the Housing Authority will terminate the housing assistance to the family. The Housing Authority may pursue other methods, even after the household is terminated from the program, of collecting the money owed to the Authority.

If a family owes an amount which equals or exceeds \$10,000 as a result of program fraud, the family will be terminated. Where appropriate, the Housing Authority will refer the case for criminal prosecution.

18.1.1 Repayment Agreements [24 CFR 982.552 (c)(v-vii)]

The Housing Authority may choose to enter into a repayment agreement with a participant who owes money to the Agency. The term repayment agreement refers to a formal document created by the Housing Authority and signed by a participant where the participant acknowledges a debt in a specific amount and agrees to repay the amount due at specific time periods. It is similar to a promissory note but contains more details regarding the nature of the debt, the terms of repayment, Housing Authority action upon default of the agreement.

Monthly payments may be made on a repayment agreement amount not to exceed \$5,000. The minimum monthly payment amount for any repayment agreement is \$25. However, the rent plus the monthly repayment amount cannot exceed 40% of household's gross monthly income. Households must pay the Housing Authority on time as specified in the repayment agreement. A payment will be considered to be in arrears if the payment has not been received by the close of the business day on which the payment was due. If the due date is on a weekend or holiday, the due date will be at the close of the next business day.

A late payment will result in the full balance of the repayment agreement to be paid in full and the Housing Authority may begin termination proceedings. A repayment agreement will be considered to be in default when it is in arrears for over thirty (30) days from the

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19.1.2 Veterans Affairs Supportive Housing (VASH) Program

An eligible family that is issued a HUD-VASH voucher must receive required case management services provided by the partnering VA medical facility. Therefore, special mobility and portability procedures apply to the VASH program.⁸⁹

Except for victims of domestic violence, dating violence, sexual assault, and stalking, the Housing Authority must consult with the VA prior to approving a portability transfer.

19.1.3 Emergency Housing Voucher (EHV) Program

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

19.1.4 Local Disaster Short-Term Rental Assistance Program

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

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

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

The Housing Authority will not provide portable assistance for a participant if a family has moved out of its assisted unit in violation of the lease. VAWA creates an exception to this prohibition for families who are otherwise in compliance with program obligations but have moved to protect the health or safety of an individual who is or has been a victim of domestic violence, dating violence, sexual assault, or stalking and who reasonably believed he or she was imminently threatened by harm from further violence if they remained in the unit.

⁸⁹ Details can be found in Section 8 Housing Choice Vouchers: Revised Implementation of the HUD-Veterans Affairs Supportive Housing Program, Rules and Regulations published August 13, 2024

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

All outgoing portability families must attend a move briefing and adhere to the Housing Authority's Program Moves guidelines described in Chapter 13 of Administrative Plan. If the family has a repayment agreement, the balance must be paid in full before a portability transfer is approved.

19.2.1 Term-Limited Lease Assistance and Streamlined Lease Assistance Programs

The Housing Authority may not require participants porting to other jurisdictions to comply with the Housing Authority's local requirements, while the participant's assistance is being administered by another Housing Authority. However, a portability move will not be approved if a family is participating in a term-limited program and assistance is ending in one month or less.

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

The Veterans Affairs Support Housing (VASH) program has additional portability requirements. Portability policies under VASH depend on whether the family wants to move within or outside of the initial Veterans Affairs (VA) facility's catchment area. In all cases of portability, except for moves due to VAWA, the initial VA facility must be consulted prior to the move and provide written confirmation that case management will continue to be provided in the family's new location. In all cases of portability within the same catchment area, the initial VA facility must make the determination regarding which VA facility will provide the family with case management. This determination will ultimately affect whether the receiving PHA can absorb the family. If a VASH participant ports to another jurisdiction outside the VA's catchment area due to VAWA, the receiving VA must admit the veteran escaping violence into their caseload.

If the receiving PHA does not administer a VASH program, it must always bill the initial PHA. If the receiving PHA does administer VASH, it may only absorb the family if a HUD-VASH voucher is available and case management can be provided through a VA facility that partners with the receiving PHA.

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

20.10 Local Project-Based Voucher Subsidy for Developments Using Tax Credit Rents

The Housing Authority may use a different tenant rent (TTP) and housing subsidy calculation for certain developments utilizing tax credit rents.¹⁰⁷ The TTP will be based on the applicable tax credit rent according to the unit size and target Adjusted Monthly Income (AMI) for the unit. The housing subsidy will be a fixed subsidy amount negotiated for each development. The target AMI will differ between developments but could be set at 30%, 50%, 60% AMI and/or other level.

The contract rent cannot exceed 110% of the Fair Market Rent (FMR). Additionally, the HAP may not exceed the initial RAD subsidy or incremental funding amount for that development.¹⁰⁸ Contract rents may be increased on the anniversary date of the contract through an increase to the TCAC-published Tax Credit rents.

Effective November 1, 2021, applicants under this program must meet both minimum and maximum income criteria for the target AMI (income tier) to qualify at admission. The minimum income criteria is used to determine the affordability of the tenant rent portion, which cannot exceed 40% of the family's monthly gross income at admission.¹⁰⁹ The maximum income criteria is used to determine eligibility for the target AMI for the available unit. If the applicant's income exceeds the maximum income for the available unit, the applicant will be skipped until a unit within the applicable income tier becomes available. If the applicant's income exceeds the highest target AMI for the PBV units in the development, then the application will be denied.

After admission, a family may qualify for a six-month hardship exemption if tenant rent exceeds 40% of the family's monthly income. To be eligible for hardship exemption, the family must:

- Have a rent burden greater than 40% of gross monthly income. Rent burden is calculated as the household's monthly rent portion (the applicable tax credit rent) divided by the household's gross monthly income;

¹⁰⁷ The FY 2019 Moving to Work Annual Plan included Activity 27: Local Project-Based Voucher Subsidy for Developments using Tax Credit Rents. The activity changes the TTP calculation to create one based upon income bands, applying a flat TTP within each income band instead of basing the calculation of TTP on gross or adjusted income. Additionally, the Housing Authority will modify the housing subsidy calculation to provide a fixed subsidy.

¹⁰⁸ The FY 2026 Moving to Work Plan, Activity 11: Local Project-Based Voucher Program, was modified to cap HAP at the established RAD subsidy incremental funding for the transaction.

¹⁰⁹ The 2021 MTW Plan, Activity 27, was modified to include a minimum income requirement.

- Request the hardship exemption in writing in accordance with Housing Authority policies; and
- Be in compliance with Housing Authority policies, program rules, and regulations.

A six-month hardship exemption may be approved for the following reasons:

- The family experiences a death of a household member with income;
- Any income-earning member of the assisted family no longer remains in the unit;
- An elderly or disabled household experiences a permanent loss of income;
- Unforeseen and involuntary permanent loss of income for a family member under the age of 18;
- Unforeseen involuntary loss of employment;
- Unforeseen loss of income due to major illness as determined by a medical professional; or
- Unforeseen involuntary permanent loss of income for an adult family member who is attending high school.

If approved for a hardship exemption, the family's TTP will be equal to 40% of the family's gross monthly income for six months. Following the six-month period, the family will return to the AMI rent tier that applied to the family prior to the hardship. No more than one hardship exemption may be approved within a 12-month period, and approval is subject to funding availability.

20.11 Reasonable Accommodation Program Transfers

In order to afford persons with disabilities an equal opportunity to obtain the same result, to gain the same benefit, or to reach the same level of achievement as those who do not have disabilities, the Housing Authority may use its available funds to relocate a family that is a current participant in the Housing Authority's public housing program, with a disabled head of household or family member, if one of the following has been determined:

- There are no public housing units to accommodate the family's household needs based on occupancy standards
- There are no ADA/504 units available to accommodate the family's needs (i.e., customized wheelchair exceeds normal dimensions, other specialized equipment needs, etc.)
- There are no public housing units/communities that meet a medically necessary restriction or requirement

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

October 14, 2025

FROM

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

SUBJECT

Valencia Grove Phase II Permanent Financing - List of Material Documents for General Revenue Bonds Issuance

RECOMMENDATION(S)

1. Adopt Resolution No. 223 approving and authorizing the Executive Director to negotiate, execute, and deliver documents on behalf of the Housing Authority of the County of San Bernardino as lender, ground lessor, and majority owner of Redlands Valencia Grove II Associates, LLC for the general revenue bond issuance for Valencia Grove Phase II.
2. Approve documents related to Bond Financing Documents:
 - a. Trust Indenture
 - b. Loan Agreement
 - c. Loan Document
 - d. Specimen Bonds
 - e. Specimen Copy of Borrower Note
 - f. Regulatory Agreement
 - g. Tax Certificate and Agreement
 - h. Post-Issuance Compliance Responsibilities
 - i. Deed of Trust, Security Agreement, Assignment of Leases and Rents, and Fixture Filing
 - j. Lender's Title Insurance Policy
3. Approve documents related to Bond Sale Documents:
 - a. Preliminary Official Statement
 - b. Bond Purchase Contract
 - c. Official Statement
 - d. Continuing Disclosure Agreement
 - e. Blanket Issuer Letter of Representations to The Depository Trust Company
 - f. Rating Letter and Report for the Bonds
 - g. Pricing Numbers
4. Approve documents related to Issuer Documents:
 - a. Certificate of Issuer
 - b. Order of the Issuer
 - c. Internal Revenue Service Form 8038
5. Approve documents related to Borrower Documents:
 - a. Certificate of the Borrower Pursuant to Purchase Contract
 - b. Certificate of the Borrower
 - i. Exhibit A: Resolution
 - ii. Exhibit B: Articles of Organization
 - iii. Exhibit C: Operating Agreement, including Amendment
 - iv. Exhibit D: Certificate of Fact of Good Standing
 - c. Certificate as to Sufficiency of Insurance
6. All other ancillary documents necessary to carry out and close 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

Issuance of bonds will require legal and bank costs. These costs will be reimbursed through the proceeds of the permanent financing.

BACKGROUND INFORMATION

Valencia Grove Phase II is a new construction affordable housing development being developed by HACSB's affiliate non-profit Housing Partners I, Inc. (HPI) and will be acquired by HACSB via the Restore Rebuild transaction. On June 22, 2022, the HPI Board approved Resolution No. 127, authorizing the issuance of up to \$21 million in taxable, variable-rate bonds to serve as interim financing for construction. This draw-down bond structure, supported by letters of credit from Cathay Bank and the Federal Home Loan Bank of San Francisco, was designed to minimize interest costs during the construction period and serve as a bridge to permanent financing.

With construction complete, the project is scheduled to go online by October 15, 2025 once Southern California Edison has powered the community. HACSB is now preparing to replace the construction bonds with a new, tax-exempt, fixed-rate bond that will serve as the project's permanent financing. This transition will eliminate variable interest rate exposure, and the costs associated with credit enhancements, while providing a stable, long-term debt structure aligned with the project's affordability period.

Due to the ongoing process of working towards financial and construction closings, the final versions of the list of documents attached to this Memorandum will come at a later date. These documents are needed to complete the permanent financing package plan for the project. HPI has two existing loans that will continue as permanent debt. Additionally, HACSB has a loan that will continue as permanent debt but at a significantly reduced amount. These three loans will convert from construction-period debt into long-term residual receipt notes. The Housing Authority will issue new General Obligation bonds for \$28 million that will contribute to the permanent financing for this project as a loan between HACSB and the ownership entity. By issuing this bond, HACSB will be in a better position to secure lower interest rates to ensure the long-term sustainability of the project due to its A+ bond rating.

PROCUREMENT

Not applicable.

ITEM ATTACHMENTS

- Resolution - No. 2025-223 -VGII Permanent Financing Documents
- Attachment - List of Major Documents - General Revenue Bonds Valencia Grove II

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on September 26, 2025.

HOUSING AUTHORITY RESOLUTION NO. 2025-223

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO APPROVING THE IMPLEMENTATION OF THE RESTORE-REBUILD TRANSACTION FOR VALENCIA GROVE PHASE II

RECITALS

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

WHEREAS, the Authority is in the process of revitalizing the former scattered sites public housing development previously designated as PIC No. CA019000150 and now known as Valencia Grove (the "Site") by demolishing the old buildings located on the Site and developing, in multiple phases, new multifamily residential rental units and homeownership units, consistent with and subject to disposition approvals granted by the U.S. Department of Housing and Urban Development ("HUD") Special Application Center ("SAC"), including without limitation the letter from SAC to the Authority dated March 12, 2012, as updated on October 12, 2022 (collectively, the "HUD Dispo Approval"); and

WHEREAS, 85 new affordable housing units have already been built and occupied as part of the revitalization through development of a project known as Valencia Grove I by the low income housing tax credit partnership, Redlands Valencia Grove I Associates, LP (the "Phase I Partnership") on portions of the Site ground leased to the Phase 1 Partnership by the Authority (the "Phase I Property"); and

WHEREAS, the Authority is continuing the revitalization of the Site through the development of new multifamily residential rental units in a project known as Valencia Grove Phase II ("Valencia Grove II") by a California limited liability company known as Redlands Valencia Grove II Associates, LLC (the "Company"), on portions of the Site ground leased to the Company by the Authority (the "Phase II Property"); and

WHEREAS, Valencia Grove II includes 104 new multi-family rental units affordable to families at or below 80% of area median income (AMI). Valencia Grove II broke ground on April 23, 2023, and is currently on track to receive its Certificate of Occupancy in mid-October 2025.

WHEREAS, in 2024, the Authority began to explore options to secure more favorable financing terms for the permanent financing of the project upon completion. It was determined that by issuing a public bond as well as placing Restore Rebuild subsidy on the project, it would be quicker to financially stabilize the property and put us in a better position to support our tenants. On June 10, 2025, the Board of Commissioners approved the issuance of HACSB tax-exempt multifamily bonds to provide permanent financing.

WHEREAS, the Authority now desires to work towards gathering the documents and all other ancillary documents necessary to carry out and close the tax-exempt general revenue bonds to provide permanent financing to Valencia Grove II.

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 this Resolution and hereby approves, and authorizes and directs the Executive Director of HACSB to negotiate, execute and deliver, the following agreements and documents in connection with Valencia Grove II for and in the name of HACSB, in consultation with Legal Counsel, to accomplish the approval granted herein; provided such agreements and documents do not in materially conflict with the substance and intent of this Resolution:

- a. Bond Financing Documents:
 - i. Trust Indenture
 - ii. Loan Agreement
 - iii. Loan Document
 - iv. Specimen Bonds
 - v. Specimen Copy of Borrower Note
 - vi. Regulatory Agreement
 - vii. Tax Certificate and Agreement
 - viii. Post-Issuance Compliance Responsibilities
 - ix. Deed of Trust, Security Agreement, Assignment of Leases and Rents, and Fixture Filing
 - x. Lender's Title Insurance Policy
- b. Bond Sale Documents:
 - i. Preliminary Official Statement
 - ii. Bond Purchase Contract
 - iii. Official Statement
 - iv. Continuing Disclosure Agreement
 - v. Blanket Issuer Letter of Representations to The Depository Trust Company
 - vi. Rating Letter and Report for the Bonds
 - vii. Pricing Numbers
- c. Issuer Documents:
 - i. Certificate of Issuer
 - ii. Order of the Issuer
 - iii. Internal Revenue Service Form 8038
- d. Borrower Documents:
 - i. Certificate of the Borrower Pursuant to Purchase Contract
 - ii. Certificate of the Borrower
 - 1. Exhibit A: Resolution
 - 2. Exhibit B: Articles of Organization
 - 3. Exhibit C: Operating Agreement, including Amendment
 - 4. Exhibit D: Certificate of Fact of Good Standing
 - iii. Certificate as to Sufficiency of Insurance
- e. All other ancillary documents necessary to carry out and close the transaction.

Section 3. This Resolution No. 2025-223 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, October 14, 2025.

Secretary

LIST OF MAJOR DOCUMENTS

HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO
REVENUE [REFUNDING] BONDS
(VALENCIA GROVE II APARTMENTS)
2025 SERIES A

Party initials or other designations are as follows:

ISSUER: Housing Authority of the County of San Bernardino (“Issuer” or “HACSB”)
 BORR: Redlands Valencia Grove II Associates, LLC (“Borrower”)
 KBCM: KeyBanc Capital Markets, Inc. (“Underwriter” and “Remarketing Agent”)
 TRUSTEE: [TO COME] (“Trustee” and “Dissemination Agent”)

Doc. #	Signing Parties	Recording Document	Document Name
BOND FINANCING DOCUMENTS:			
1.	ISSUER TRUSTEE		Trust Indenture, between the Issuer and the Trustee.
2.	ISSUER BORR		Loan Agreement, between the Issuer and the Borrower.
3.	ISSUER TRUSTEE		Specimen Bonds.
4.	BORR ISSUER		Specimen Copy of Borrower Note, by the Borrower, to the order of the Issuer, as endorsed by the Issuer without recourse to the Trustee.
5.	ISSUER BORR TRUSTEE	<input checked="" type="checkbox"/>	Regulatory Agreement, between the Issuer and the Borrower, and acknowledged by the Trustee.
6.	ISSUER BORR		Tax Certificate and Agreement, executed by the Issuer and the Borrower
7.	BORR		Post-Issuance Compliance Responsibilities, executed and delivered by the Borrower.
8.	TITLE		Owner’s Title Insurance Policy.

Doc. #	Signing Parties	Recording Document	Document Name
BOND SALE DOCUMENTS:			
9.			Preliminary Official Statement.
10.			Bond Purchase Contract, executed and delivered by the Underwriter, as accepted by the Issuer and the Borrower.
11.	ISSUER BORR		Official Statement.
12.	ISSUER BORR TRUSTEE		Continuing Disclosure Agreement, among the Issuer, the Borrower, and the Dissemination Agent.
13.	ISSUER		Blanket Issuer Letter of Representations to The Depository Trust Company.
14.	S&P		Rating Letter and Report for the Bonds.
15.	KBCM		Pricing Numbers.
ISSUER DOCUMENTS:			
16.	ISSUER		Certificate of Issuer, together with Resolution _____.
17.	ISSUER TRUSTEE		Order of the Issuer.
18.	ISSUER		Internal Revenue Service Form 8038.
BORROWER DOCUMENTS:			
19.	BORR		Certificate of the Borrower Pursuant to Purchase Contract.
20.	BORR		Certificate of the Borrower. Exhibit A: Resolution Exhibit B: Articles of Organization Exhibit C: Operating Agreement, including Amendment Exhibit D: Certificate of Fact of Good Standing
21.	BORR		Certificate as to Sufficiency of Insurance.

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

October 14, 2025

FROM

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

SUBJECT

Teamsters Local 1932 MOU 2025-2028

RECOMMENDATION(S)

Adopt Resolution No. 224 approving a Memorandum of Understanding between the Housing Authority of the County of San Bernardino and Teamsters Local 1932, for the Period of October 1, 2025 through September 30, 2028.

(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.

FINANCIAL IMPACT

Approval of the proposed resolution will have an additional financial impact in an amount not expected to exceed \$7,000 for each Fiscal Year (FY) of the MOU. This is specifically for the Footwear Protection, Bilingual Pay and On Call pay increases. The financial impact related to the pay range changes for represented staff were already included in the Board approval of the new Pay Ranges in August 2025.

BACKGROUND INFORMATION

On February 11, 2021, Teamsters Local 1932 ("Teamsters") filed a petition for formal recognition with the Public Employment Relations Board ("PERB") and the Agency to represent a proposed "Miscellaneous Bargaining Unit" of Agency employees.

Pursuant to the Agency's Employer-Employee Relations Resolution (EERR, Resolution No. 21-108), the Agency processed Teamsters' petition. After confirming compliance with the EERR and verifying majority employee support, the Agency granted formal recognition of Teamsters as the exclusive representative of the Miscellaneous Bargaining Unit.

The Miscellaneous Bargaining Unit consists of full-time employees, excluding all part-time, temporary, and probationary employees, in the following classifications: Affordable Housing Specialist, Administrative Services Specialist, Community Manager, Housing Services Specialist, Lead Housing Services Specialist, Maintenance Supervisor, Maintenance Technician, Portability Specialist, and Porter.

Following recognition, the Agency and Teamsters negotiated an initial Memorandum of Understanding (MOU), which was approved by the Board of Commissioners in August 2022. That agreement was for a three-year term (August 10, 2022 – September 30, 2025).

As the expiration of the initial MOU approached, the Agency and Teamsters met on August 12, August 18, and August 20, 2025, to negotiate wages, benefits, and other terms and conditions of employment. The parties reached tentative agreement on a successor MOU for the period of October 1, 2025 – September 30, 2028. Teamsters subsequently ratified the tentative agreement by a vote of its membership.

The Agency's labor relations representatives and Teamsters' representatives have jointly prepared the proposed MOU (Exhibit A). If approved by the Board of Commissioners, the MOU will become a binding agreement between the Agency and Teamsters

Key provisions of the proposed MOU for October 1, 2025 – September 30, 2028, include:

- **Three-Year Term** – October 1, 2025 through September 30, 2028.
- **Updated Salary Ranges** – Effective first full payroll period beginning August 29, 2025, implementation of updated salary ranges as recommended by HACSB and approved by the Board on August 12, 2025.
- **Market Rate Adjustments (contingent on budget, pursuant to the agency's existing policy):**
 - September 2026: Up to 4% based on the percentage increase in the Consumer Price Index (CPI-U, Riverside-San Bernardino-Ontario) measured July 2025–July 2026.
 - September 2027: Up to 4% based on CPI-U measured July 2026–July 2027.
- Both are consistent with board approval of the Compensation Philosophy changes on August 12, 2025.
- **Bilingual Pay (effective October 24, 2025)** – Increase from \$40 to \$45 per pay period for eligible full-time employees.
- **On-Call Pay (effective October 24, 2025):**
 - Maintenance Technicians: Increase from \$105/week to \$120/week.
 - Maintenance Supervisors: Increase from \$50/week to \$60/week.
- **Protective Footwear Allowance** – Increase from \$125 to \$175 per fiscal year.
- **Medical Reopener** – Either party may reopen negotiations regarding medical insurance changes. This was requested by the Agency as we continue to look at all benefits offered to staff.
- **Cell Phone Allowance Reopener** – Provides the opportunity for future negotiations on the allowance program. Teamsters was interested in negotiating changes to the cell phone allowance amount provided to staff. However, the Agency is already looking at changes to the cell phone allowance program but has not completed the review by the timing of negotiations to be included.

PROCUREMENT

Not applicable

ITEM ATTACHMENTS

- Resolution – No. 224 - Teamsters MOU Approval
- Contract – Redlined Teamsters MOU

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on September 26, 2025.

HOUSING AUTHORITY RESOLUTION NO. 2025-224

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY
OF THE COUNTY OF SAN BERNARDINO APPROVING A MEMORANDUM OF
UNDERSTANDING BETWEEN THE HOUSING AUTHORITY OF THE COUNTY OF SAN
BERNARDINO AND TEAMSTERS LOCAL 1932, FOR THE PERIOD OF OCTOBER 1, 2025
THROUGH SEPTEMBER 30, 2028**

RECITALS

WHEREAS, Teamsters currently represents the Miscellaneous Bargaining Unit comprised of full-time employees, excluding all part-time, temporary, and/or probationary employees, in the following classifications: Affordable Housing Specialists, Administrative Services Specialist, Community Manager, Housing Services Specialist, Lead Housing Services Specialist, Maintenance Supervisors, Maintenance Techs, Portability Specialist, and Porters; and

WHEREAS, the Board of Commissioners adopted and implemented the initial MOU between the Agency and Teamsters for the period of August 10, 2022 through September 30, 2025 on August 10, 2022.

WHEREAS, the Agency and Teamsters labor representatives formally met and conferred in good faith regarding wages, hours, and other terms and conditions of employment and reached Tentative Agreements for a successor Memorandum of Understanding ("MOU") for the period of October 1, 2025 through September 30, 2028; and

WHEREAS, Teamsters ratified the Tentative Agreements by a vote of its membership; and

WHEREAS, once approved by the governing body of a local agency, such as the Agency, a MOU becomes a binding agreement between the employee organization and the local agency; and

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

Section 1. The 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 accepts, adopts, approves and implements the successor Memorandum of Understanding between the Housing Authority of the County of San Bernardino and Teamsters Local 1932 for the period of October 1, 2025 through September 30, 2028, a copy of which is attached hereto as **Exhibit A**.

Section 3. The Executive Director is hereby authorized and directed to execute the Memorandum of Understanding between the Housing Authority of the County of San Bernardino and Teamsters Local 1932 for the period of October 1, 2025 through September 30, 2028.

Section 4. This Resolution No. 2025-224 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, October 14, 2025.

Secretary

Memorandum of Understanding
Between
Housing Authority of the County of San Bernardino
and
Teamsters Local 1932



Effective ~~August 10, 2022~~ October 1, 2025 through
September 30, 20258

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**Memorandum of Understanding
Between
Housing Authority of the County of San Bernardino
and
Teamsters Local 1932**

This Memorandum of Understanding (“MOU”) reflects the tentative collective bargaining agreement reached between the authorized labor relations representatives of the Housing Authority of the County of San Bernardino (“Agency”) and the recognized employee organization identified as Teamsters Local 1932 (“Teamsters” or “Union”). This MOU shall have no force or effect until the date upon which the Board of Commissioners formally accepts and approves this MOU by resolution or other official act.

ARTICLE 1 – TERM OF AGREEMENT

Except as otherwise specified herein, the term of this MOU shall be effective from ~~and after August~~October 1, 2025-10, 2022 and shall expire at midnight on September 30, 202558.

ARTICLE 2 – RECOGNITION

For the purposes of meeting its obligations under the Meyers-Milias-Brown Act (Government Code Sections 3500 et seq.), Agency rules, regulations, and/or laws affecting wages, hours, and other terms and conditions of employment, the Agency hereby affirms its recognition of Teamsters Local 1932 (“Union”), as the exclusive recognized employee organization for the Miscellaneous Bargaining Unit (“Unit”), which consists of full-time employees, excluding all part-time, temporary, and/or probationary employees, in the following classifications:

Affordable Housing Specialists, Administrative Services Specialist, Community Manager, Housing Services Specialist, Lead Housing Services Specialist, Maintenance Supervisors, Maintenance Techs, Portability Specialist, and Porters.

Additional classifications may be added to the above list either by mutual signed amendment to this MOU and/or through the unit modification process set forth in the Agency’s Employer-Employee Relations Resolution No. 21-108.

The parties to this MOU affirm their mutual commitment to the goals of effective and efficient public service, good employee morale, and amicable employer-employee relations. The parties encourage the highest possible degree of friendly cooperative relationships between their respective representatives at all levels and with and between all employees.

ARTICLE 3 – NON-DISCRIMINATION

The provisions of this MOU shall be applied equally to all represented employees without unlawful harassment, discrimination, retaliation, and disrespectful or other unprofessional conduct based on race (including, but not limited to, hair texture and protective styles such as braids, locks and twists), religious creed (including religious dress and grooming practices), color, national origin (including language use restrictions and possession of a driver’s license issued under Vehicle Code section

12801.9), ancestry, physical or mental disability, medical condition, genetic information/characteristics, marital status/registered domestic partner status, sex (including pregnancy, childbirth, breastfeeding or related medical conditions), sex stereotype, gender identity, gender expression/transgender (including whether or not you are transitioning or have transitioned), sexual orientation, age (40 and over) or military and veteran status or any other basis protected by federal, state, or local law or ordinance or regulation.

ARTICLE 4 – UNION ACCESS TO NEW EMPLOYEE ORIENTATIONS AND INFORMATION

- A. The Agency agrees to provide, when practical, no less than ten (10) days' notice in advance of any new employee orientations and provide the Union access to the orientation(s). Orientation refers to any onboarding process, whether in person, online or through other means. Access shall be determined by the Union, which could mean representational attendance or correspondence. The Union shall advise the Agency reasonably in advance as to the type of access requested. The Agency agrees to provide such reasonable notice of current employees that have changed position status (i.e., part-time to full time, promotional).
- B. The Agency agrees to provide the Union with the name, job title, department, work location, and work telephone number of ~~newly-hired~~ employees who have successfully completed their probationary period within thirty (30) days of successful completion of the date of hire. The Agency also agrees to provide the Union with the name, job title, department, work location, work, home and personal cellular telephone numbers, personal email addresses and home address of all Unit employees once a quarter.
- C. Notwithstanding the foregoing and pursuant to Government Code Section 6254.3, the Agency will not provide the Union with any home address, home telephone number, personal cellular telephone number, personal email address or birth date of any employee who has made a written request to the Agency regarding non-disclosure of said information. Upon receipt of a written request for non-disclosure of employee information, the Agency will provide the Union with a copy of that request.

ARTICLE 5 – UNION ACCESS TO WORK LOCATIONS

The parties recognize and agree that in order to maintain good employee relations, it is necessary for Business Agents of Teamsters to have access to work locations and to confer with Agency employees during working hours in order to post bulletins on the Union designated bulletin board or assigned space on a designated bulletin board, investigate and process grievances and disciplinary actions, or meet with members for the purpose of representing members in their relations with the Agency.

Teamsters Business Agents shall be granted access upon obtaining authorization from the Human Resources Director and/or their designee prior to entering a work location and after advising of the general nature of the business. However, the Director of Human Resources and/or their designee may deny access or terminate access to work locations if, in their judgment, it is deemed that the visit would interfere with the efficiency, safety, or security of agency operations. The Director of Human Resources and/or their designee shall not unreasonably withhold timely access to work locations. The

Director of Human Resources and/or their designee shall ensure that there is at all times someone designated who shall have full authority to approve access. If a request is denied, the Director of Human Resources and/or their designee shall establish a mutually agreeable time for access to the employee.

Teamsters Business Agents granted access to work locations shall limit such visits to a reasonable period of time, taking into consideration the nature of the grievance or appeal. The Director of Human Resources and/or their designee may mutually establish with the Teamsters Representative reasonable limits as to the number of visits authorized with the same employee on the same issue, and reasonable limits as to the number of employees who may participate in a visit when several employees are affected by a specific issue. The Agency shall not unduly interfere with Teamsters' right to access work locations.

ARTICLE 6 – UNION ACCESS TO PERSONNEL RECORDS

Generally, the Union as the exclusive representative is entitled to all information that is necessary and relevant to discharge its representational duty. Accordingly, the parties agree that Teamsters Business Agents shall be permitted to review employee personnel records as defined in the Agency's Employee Policy Handbook to the same degree allowed by employees under state law when accompanied by the employee or upon presentation of a written authorization signed by the employee. The Union representative when accompanied by the employee or upon presentation of a written authorization signed by the employee may request a copy of the employee's personnel record to the same extent permitted employees under state law. The Union shall submit any requests to the Director of Human Resources, who shall then grant a request for access within three (3) working days and a request for copies within five (5) working days. The Agency shall provide the Union one copy, either electronic or paper at Union request, of personnel records without charge. The Agency may verify any written authorization. The Union's access to employee personnel records shall be for good cause only. The Agency shall not be required to produce for inspection or copy third party reference material or any other material in employee personnel files that are not expressly authorized to be viewed or copied by the employee under state law. Union shall defend and indemnify the Agency for any claims made by an employee regarding the Union's access to employee personnel records.

ARTICLE 7 – DUES DEDUCTION

- A. Employees in a job classification within the representation Unit covered by this MOU may choose to become a member of Union. If the employee chooses to become a member, Union requests that the Agency deduct membership dues, initiation fees, and general assessments, as well as payment of any other membership benefit program sponsored by Union such as D.R.I.V.E. (Democrat, Republic, Independent, Voter, Education) and/or Supplemental Benefits, from the wages and salaries of members of Union for all weeks worked. The phrase "weeks worked" excludes any week other than a week in which the employee earned a wage. Union hereby certifies that it has and shall maintain all such deduction authorizations signed by the individual from whose salary or wages the deduction is to be made and shall not be required to provide a copy of an individual authorization to the Agency unless a dispute arises about the existence or terms of the authorization. Any request to begin dues deductions or cancel dues deductions must be made to Union and not to the Agency. Union is responsible

for informing the Agency of the amount of dues deductions for employees. Union dues shall be deducted each pay period in accordance with Agency procedures and provisions of applicable law from the salary of each employee whose name is provided by Union.

- B. The Agency shall provide for payroll deductions on each payroll period (twenty-four times out of twenty-six payroll periods per calendar year). The Agency shall remit the total amount of deductions to the Union by the 15th of the month through an electronic transfer. Any changes in Union dues must be given to the Agency a minimum of thirty (30) days prior to change to accommodate changes to payroll.
- C. Employees in these Units who are members of the Teamsters Local 1932 may withdraw from Teamsters Local 1932 by sending notice to Teamsters Local 1932. Teamsters Local 1932 shall immediately certify to the Agency to terminate dues deductions for any such employees, consistent with applicable law. Teamsters Local 1932 shall indemnify the Agency for any claims made by the employee for dues deductions made in reliance on that information.
- D. Union shall defend and indemnify the Agency for any claims made by an employee for deductions made under this Article.

ARTICLE 8 – AUTHORIZED EMPLOYEE REPRESENTATIVES

SECTION 1. AUTHORIZED TEAMSTERS EMPLOYEE REPRESENTATIVES (STEWARDS)

If a Teamsters Business Agent is unavailable, Teamsters may designate a Unit member as a Steward to represent employees in investigative interviews, in the processing of grievances, during disciplinary proceedings or as otherwise permitted by law, subject to the following rules and procedures:

- A. Teamsters may designate at least one (1) Steward in each geographic location for which HACSB maintains a work force. Teamsters shall be entitled to designate two (2) alternates for each Steward, provided that these alternates shall be located at the same major location as their appropriate representative.
- B. If there is no Steward at the work location, representation may be provided by a Steward from another work location.
- C. Only Unit members who have obtained regular full-time status may be designated by Teamsters as Stewards.
- D. Teamsters shall file with the Director of Human Resources a written list of all employees designated by Teamsters as Stewards and alternates, such list to be kept current by Teamsters.
- E. Time spent by a Steward or an alternate during their regularly scheduled work hours in representing an employee shall be compensated by the Agency at their usual pay without any loss of compensation. Time spent by a Steward or an alternative on Union

business shall never be counted as overtime in and of itself nor paid outside of the employee's normally scheduled work hours, but shall count only during normal scheduled hours for purposes of calculating weekly overtime for non-scheduled non-Union business work.

- F. The parties shall arrange and be available for meetings, investigatory interviews, etc., within a reasonable period of time, taking into account such things as the nature of the offense and/or the circumstances (e.g., employee on leave, employee seeking return to work, etc.).

SECTION 2. HANDLING OF GRIEVANCES AND DISCIPLINARY HEARINGS

- A. At the request of an employee, a Steward or alternate may investigate a formal grievance and represent the employee at the resulting proceedings or during disciplinary proceedings.
- B. Prior to participating in a grievance or disciplinary proceeding, the Steward or alternate and affected employee shall first obtain authorization from their immediate supervisor. The immediate supervisor may deny such request if it is deemed that such a request would unduly interfere with the efficiency, safety, or security of Agency operations. If the request is denied, the immediate supervisor will establish an alternate time convenient to the Agency and employees when the Steward or alternate and affected employee can reasonably expect to be released from their work assignment. A denial of permission will automatically constitute an extension of the time limits established in the Grievance Procedure or Discipline Procedure equal to the amount of the delay.
- C. Employees must use the Steward or alternate assigned to their location, except as otherwise provided herein.

ARTICLE 9 – USE OF BULLETIN BOARDS

The Agency will provide Union access to a reasonable portion of existing bulletin board space for notices of Teamsters or provide Union access to install its own Bulletin Boards for such use. Only bulletin boards or bulletin board space designated by the Director of Human Resources and/or their designee may be used for posting of Union notices. Union shall be responsible for all postings and Agency shall be under no obligation to post for the Union. Designated bulletin boards or bulletin board space shall only be used for the following notices:

- A. Scheduled Teamsters meetings, agenda, and minutes;
- B. Information on Teamsters elections and the results;
- C. Information regarding Teamsters social, recreational, and related news bulletins; and
- D. Reports of official business of Teamsters, including reports of committees of the Teamsters Local 1932 Executive Board.

Notices that are posted, distributed through the mail system, or placed in an employee's Agency mailbox shall not be obscene, derogatory, defamatory, or of a political nature, or directed at any employee or official in the Agency; nor shall they pertain to public issues which do not involve the Agency or its relations with Agency employees.

ARTICLE 10 – LABOR MANAGEMENT COMMITTEE

The Agency shall agree to a Joint Labor Management Committee to include meetings as needed to address the efficient and effective delivery of services provided by the Agency. This Committee is not intended to be a substitute for the grievance process or disciplinary appeal process. The Committee shall include no more than two Unit members/employees and their Union representative(s) to meet with the Director of Human Resources along with any Agency representative deemed appropriate by the Director. The purpose of the Committee meetings is to discuss issues of interest to the Unit members, issues of interest to management and issues of mutual interest. Depending on who calls for the meeting, the side asking for the meeting shall provide the agenda for the meeting a week in advance to inform the other side of the subjects to be discussed. The other side may then supplement the agenda as desired.

ARTICLE 11 – UNION PROHIBITED CONDUCT

- A. The Union, its officers, agents, representatives and/or members agree that during the term of this MOU they will not cause nor condone any strike, walkout, slowdown, sick-out, or any other concerted job action by withholding or refusing to perform services. A violation of this Article by any Unit member shall constitute a just cause for discipline.
- B. In the event that the Union, its officers, agents, representatives and/or members cause or condone any employee strike, walkout, slowdown, sick-out, or any other concerted job action by withholding or refusing to perform services, the Union shall immediately instruct any persons engaging in such conduct that their conduct is a violation of this MOU, and require all such represented persons to immediately cease engaging in the prohibited conduct and return to work.

ARTICLE 12 – EMPLOYEE RIGHTS

The following are employee rights:

- A. The right of employees to form, join, and participate in the activities of employee organizations of their own choosing for the purpose of representation on all matters of employer-employee relations as provided by Government Code Section 3502.
- B. The right of employees to refuse to join or participate in the activities of employee organizations and the right to represent themselves individually in their employment relations with the Agency as provided by Government Code Section 3502.
- C. The right of employees to be free from interference, intimidation, restraint, coercion, discrimination, or reprisal on the part of the Agency or an employee organization because of their exercise of rights under Government Code Section 3502.

- D. The right of Teamsters, upon its request and prior to implementation, to meet and confer with Agency Management on matters within the scope of representation, except in cases of emergency when the Agency determines that a rule, resolution, or regulation must be adopted immediately without prior notice or meeting with Teamsters as provided by Government Code Section 3504.5(b).
- E. Any settlement by the Agency and an individual grievant not represented by Teamsters Local 1932 shall not be binding on Teamsters Local 1932.

ARTICLE 13 – MANAGEMENT RIGHTS

It is understood and agreed that the Agency reserves and retains all of its inherent managerial rights, powers, functions and authorities, unless and only to the extent that the provisions of this MOU specifically modify or limit such rights, powers, functions and authority. The right of an employee to grieve the practical consequences of Agency decisions on wages, hours, and other terms and conditions of employment shall not be abridged.

Agreed Subjects Outside of Bargaining – The parties hereto agree that the Agency shall have the right to unilaterally make decisions on all subjects that are outside the scope of bargaining. Those subjects agreed by the parties to be outside the scope of bargaining shall include, but are not limited to, the following:

- A. Determining issues of policy and making management decisions.
- B. Take any and all necessary action to carry out the mission of the Agency in emergencies;
- C. Determine the mission of the Agency’s constituent departments, divisions, boards, commissions, and committees;
- D. Determine the existence or nonexistence of facts which are the basis of any management decision;
- E. Determine the necessity, organization or level of any service or activity conducted by the Agency and to expand or diminish such services or activities;
- F. Determine the nature, manner, methods, technology, means, and size of the work force by which Agency operations are to be conducted;
- G. Determine and/or establish types of equipment or technology to be used;
- H. Determine and/or change the facilities, methods, technology, means, and size of the work force by which Agency operations are to be conducted provided that, the Agency shall comply with its statutory obligation to engage in impact bargaining over the foreseeable effects of the decision on matters within the scope of representation;
- I. Determine and change the number of locations, relocations, and types of operations, processes, and materials to be used in carrying out all Agency functions, provided that

the Agency shall comply with its statutory obligation to engage in impact bargaining over the foreseeable effects of the decision on matters within the scope of representation;

- J. Determine policies, procedures, and standards pertaining to Agency operations and activities;
- K. Determine and/or establish methods of financing;
- L. Hire, transfer, promote, and demote Unit members for non-disciplinary reasons, in accordance with this MOU and the Agency's personnel rules, provided that the Agency shall comply with its statutory obligation to engage in impact bargaining over the foreseeable effects of the decision on matters within the scope of representation;
- M. Determine the need and use of personnel information for Unit members and the means by which the information is to be provided, with Unit members retaining their rights to privacy as provided by law;
- N. Determine and/or modify Unit member job qualifications and/or classifications provided that, the Agency shall comply with its statutory obligation to engage in impact bargaining over the foreseeable effects of the decision on matters within the scope of representation;
- O. Determine and/or change work assignments for Unit members in accordance with requirements as determined by the Agency provided that, the Agency shall comply with its statutory obligation to engage in impact bargaining over the foreseeable effects of the decision on matters within the scope of representation;
- P. Determine Unit member performance standards, including but not limited to quality and quantity standards, and to require compliance therewith;
- Q. Relieve Unit members from duties for lack of work or similar non-disciplinary reasons, provided that the Agency shall comply with its statutory obligation to engage in impact bargaining over the foreseeable effects of the decision on matters within the scope of representation;
- R. Discharge, suspend, demote or otherwise discipline Unit members for cause, subject to Unit member's appropriate rights of appeal; and
- S. Determine and distribute and/or modify rules regulations to maintain order and safety within the Agency which are not in contravention with this MOU.

ARTICLE 14 – WAGES

- A. Effective the payroll period starting August 29, 2025, the pay ranges set forth in Attachment A shall apply to all Unit Members. As part of changes to the pay ranges implemented by Attachment A, Unit Members would be eligible for increases to their base pay commensurate with the number of ranges their position moved up on the new

pay ranges up to a maximum of three pay ranges. Each pay range change is a 2.5% increase up to a maximum of 7.5%. All current Unit Members are eligible for a 7.5% increase or movement to the minimum of the range if the 7.5% did not take them to the new approved minimum. . Effective the first full payroll period covering August 5, 2022, the Agency shall implement the Salary Ranges for Unit employees as set forth in Attachment A.

- B. FY ~~2023-24~~2025-26: Effective the first full payroll period in ~~October 2023~~September 2026, all Unit employees will receive a market rate adjustment in their base salaries up to a maximum of 4% as determined by the percentage increase in the Consumer Price Index for All Urban Consumers for the Riverside-San Bernardino-Ontario area (not seasonally adjusted) measured from July 202~~25~~36 to July 202~~36~~36. Any market rate adjustment would be contingent upon budget available. If a market rate adjustment is granted, this adjustment would not affect the Board approved ~~salary~~pay ranges in effect. Employees who are at the maximum of their pay range would ~~not be eligible for a market rate adjustment above the Board approved maximum salary range for their position~~receive a lump sum equal to the market rate adjustment percentage times the employees current annual base pay.
- C. FY ~~2024-25~~2026-2027: Effective the first full payroll period in ~~October 2024~~September 2027, all Unit employees will receive a market rate adjustment up to a maximum of 4% as determined by the percentage increase in the Consumer Price Index for All Urban Consumers for the Riverside-San Bernardino-Ontario area (not seasonally adjusted) measured from July 202~~36~~36 to July 202~~47~~47. Any market rate adjustment would be contingent upon budget available. If a market rate adjustment is granted, this adjustment would not affect the Board approved ~~salary~~pay ranges in effect. Employees who are at the maximum of their pay range would ~~not be eligible for a market rate adjustment above the Board approved maximum salary range for their position~~receive a lump sum equal to the market rate adjustment percentage times the employees current annual base pay.

ARTICLE 14.5 – BILINGUAL PAY

This benefit in the form of extra pay is designed to compensate eligible Unit Members who are: a) required routinely and consistently to use communication skills in a language other than English; or b) available to assist other employees with the translation of non-English conversations.

Full time Unit Members in the positions of Administrative Services Specialist, Affordable Housing Specialist, Housing Services Specialist, Lead Housing Services Specialist, Maintenance Supervisor, Maintenance Technician, Portability Specialist and Porter who successfully pass the Bilingual Skill Assessment, are eligible to participate in the Bilingual Pay Program.

All eligible Unit Members will be assessed for:

- Proficiency in speaking and understanding the spoken Spanish, Chinese, Tagalog and/or Vietnamese Languages.
- Effective communication with sign language.

Newly hired employees in designated positions will be assessed at the time of hire.

Eligible employees who successfully pass the Bilingual Skill Assessment will receive the following incentive pay:

<u>Defined</u>	<u>Full Time</u>	<u>Part-time</u>
<ul style="list-style-type: none"> • <u>Speak and understand the spoken language; and/or</u> • <u>Communicate effectively with sign language</u> 	<u>\$45 Per pay period</u>	<u>\$25 per pay period.</u>

*Approved rate increase effective the payroll period starting October 24, 2025. Old rates of \$40 and \$20, respectively, will apply until then.

ARTICLE 15 ON-CALL PAY

The Agency maintains an on-call policy and rotation procedure to ensure emergency maintenance issues are addressed promptly and effectively during non-working hours. Unit positions designated to participate in on-call rotation assignments will be determined by the Agency. Designated personnel will be paid for actual time worked in accordance with the Agency's Overtime Policy. In addition, an on-call incentive will be paid to the designated participants in an amount set by the Agency, within the annual salary budget approved by the Board of Commissioners.

A. On-Call Personnel includes Maintenance Supervisors and Maintenance Technicians.

B. On-Call Differential will be paid as follows:

Maintenance Technician	\$105 <u>120</u> .00 per one week on-call duty period
Maintenance Supervisor	\$50 <u>60</u> .00 per week

*Approved rate increase effective the payroll period starting October 24, 2025. Old rates of \$105 and \$50, respectively, will apply until then.

C. Unit members subject to being on-call must refer to the Agency's Emergency On-Call Procedure for all applicable procedures.

ARTICLE 16– GROUP INSURANCE BENEFITS

A. Medical Insurance: The Agency provides comprehensive HMO and PPO medical insurance plan options for eligible full-time employees and their dependents. Employees are eligible for enrollment on the first of the month following the date of hire.

The Agency and employee share the cost of employee and dependent coverage (85% paid by the Agency, and 15% paid by the employee).

B. Non-medical Group Insurance Plans:

i. Dental Insurance

- ii. Vision Insurance
- iii. Life Insurance
- iv. Long Term Disability Insurance
- v. Flexible Spending Account
- vi. Accidental Death and Dismemberment Insurance
- vii. Employee Assistance Plan

The Agency provides the insurance plan options listed above for eligible employees and their dependents. Employees are eligible to enroll in these insurance plans on the first of the month following date of hire. ~~Generally, the Agency pays 100% of employee coverage~~The Agency pays 100% of employee-only coverage, and the employee pays 100% of dependent coverage.

In addition, the Agency makes available several voluntary work-life benefits through a 3rd party vendor. Aflac.

- C. Detailed information regarding all group insurance benefits is provided to all employees at hire, and is ~~also available on Paycom. Employees may also contact Human Resources for these documents. in separate Plan Documents in the Human Resources office.~~
- D. The parties agree that, notwithstanding the term of this Memorandum of Understanding, either party may request to reopen negotiations limited to the subject of medical insurance coverage, including plan design, carriers, employee contribution rates, or eligibility provisions. Requests to reopen shall be made in writing, and negotiations shall commence within thirty (30) calendar days of the request, unless mutually extended. The scope of negotiations under this reopener shall be limited solely to medical insurance coverage as described above, and all other provisions of this MOU shall remain in full force and effect.

ARTICLE 17 – PROTECTIVE FOOTWEAR REIMBURSEMENT

Whereas the Agency requires that American Society for Testing and Materials (ASTM) certified protective footwear be worn by select positions as a condition of employment, the Agency shall reimburse employees who are required to wear protective footwear up to a maximum of \$~~125~~175 per pair on a Fiscal Year basis.

To be eligible for the reimbursement, the following must be followed:

- A. The employee must be in the position of Porter, Maintenance Technician or Maintenance Supervisor; and
- B. The employee must purchase ASTM certified protective footwear. \

- C. Within thirty (30) days of the protective footwear purchase, the employee must present the protective footwear with receipt to their Supervisor for verification of cost and approval of acceptable protective footwear.

Upon approval for reimbursement, the Supervisor will be responsible for submitting for reimbursement for the employee through Accounts Payable procedures. Reimbursement will be provided to the employee via Electronic Fund Transfer within thirty (30) days of approval.

ARTICLE 18 – DRESS CODE

SECTION 1. DRESS CODE

The Housing Authority of the County of San Bernardino is a professional organization. Because each employee is a representative of the Agency in the eyes of our clients and the public, it is important that each employee report to work properly groomed and wearing appropriate attire. Employees are expected to dress neatly and, in a manner, consistent with the nature of the work performed. Employees who report to work inappropriately dressed and in non-compliance with this policy may be sent home to change without compensation.

An employee's religious beliefs or medical conditions, as defined by applicable law, that require deviation from the standards as set forth will be considered on an individual basis. Department managers are responsible for enforcing the dress policy, and may provide more specific guidelines, if variance from the policy is deemed appropriate.

SECTION 2. CLOTHING AND FOOTWEAR

Employees who wear uniforms are expected to report for duty in the assigned uniform. Uniforms are expected to be clean and pressed. All maintenance personnel are required to wear American Society for Testing and Materials (ASTM) certified protective footwear during all days/times conducting maintenance related activities. Footwear must not be defective (torn) to the extent that its ordinary use creates a safety hazard.

Employees who are not required to wear uniforms are expected to wear business clothing appropriate to the position held. Attire is expected to be clean, pressed and well fitting. All footwear is expected to be appropriate to the employee's position. Shoes are to be neat, clean and in good repair.

Examples of unacceptable attire for all employees include tank or halter-tops, flip-flop sandals, bare midriff, low back or front attire, off-the-shoulder or open-shoulder attire, spandex or denim pants, jeans and T-shirts with inappropriate designs or messages. All clothing should fit appropriately and be clean and without rips or holes.

Spandex/leggings and athletic wear such as sweatshirts, sweatpants and tennis shoes are unacceptable at all times.

SECTION 3. TATTOOS AND JEWELRY

Nose piercings will be allowed with a single stud. All other facial piercing jewelry is prohibited. Pierced earrings may be worn to a maximum of three pieces per ear. Ear plugs are to be no larger than

¾ inch in diameter. All tattoos may be visible as long as they are appropriate and not offensive. All jewelry must be appropriate, so it does not detract from a professional appearance.

SECTION 4. PERSONAL HYGIENE

Personal hygiene is essential. Therefore, it is necessary that all employees maintain a clean, presentable appearance. Personal hygiene includes a regular bath/shower, use of deodorant, and appropriate oral hygiene.

ARTICLE 19 – HOLIDAYS

The following holidays are established as paid holidays for all Unit members:

- | | | |
|-----|-----------------------------|------------------------------------|
| 1. | January 1 | New Year's Day |
| 2. | Third Monday of January | Martin Luther King, Jr.'s Birthday |
| 3. | Third Monday of February | President's Day |
| 4. | March 31 | Cesar Chavez Day |
| 5. | Last Monday of May | Memorial Day |
| 6. | June 19 | Juneteenth |
| 7. | July 4 | Independence Day |
| 8. | First Monday of September | Labor Day |
| 9. | Second Monday of October | Indigenous People's Day |
| 10. | November 11 | Veteran's Day |
| 11. | Fourth Thursday of November | Thanksgiving |
| 12. | Fourth Friday of November | Day after Thanksgiving |
| 13. | December 24 | Day before Christmas |
| 14. | December 25 | Christmas Day |
| 15. | December 31 | Day before New Year's Day |

When a holiday falls on a Saturday or Sunday, it is usually observed on the preceding Friday or the following Monday.

Unit members on a 9/80 work schedule will observe the preceding workday when a holiday falls on a Friday which would be their day off. Holiday pay is counted as time worked for purposes of overtime calculation.

Eligibility

To be eligible for holiday pay, Unit members must work their regularly scheduled workdays immediately preceding and following the holiday, unless an absence on either day is approved in advance by their supervisor. In the case of illness on the day preceding or following a holiday, a doctor's note may be provided to ensure eligibility for the holiday pay. Unit members on a Leave of Absence are not eligible for Holiday pay.

If required to work on a scheduled paid holiday, Unit members will receive regular holiday pay, and in addition be paid straight time for hours worked.

ARTICLE 20 – BEREAVEMENT LEAVE

Paid bereavement leave shall not be considered accrued leave which a Unit Member may use at their discretion, but is granted by reason of the death of a member of the employee's immediate family (current spouse, child, parent, legal guardian, brother, sister, grandparent, grandchild, mother-, father-, sister-, brother-, son- or daughter-in-law, registered domestic partner or stepparent, stepchild or step sibling). A Unit Member may take a maximum of five (5) working days of bereavement leave each time a death occurs within a Unit Member's immediate family, three (3) days of which are paid and the remaining two (2) are either unpaid or the employee may use accrued sick or vacation leave to cover the two (2) days. In order to receive paid bereavement leave, the Unit Member must have completed at least thirty (30) days of employment with the Agency and notify their supervisor and/or Human Resources of the request as soon as possible. Bereavement leave must be completed within three (3) months of the family member member's death and may be intermittent leave and is not required to be used in consecutive amounts. Unit Members are required to provide documentation of the family member's death within thirty (30) days of the first day of the leave. 'Documentation' includes, but is not limited to, a death certificate, a published obituary, or written verification of death, burial, or memorial services from a mortuary, funeral home, burial society, crematorium, religious institution, or governmental agency. The Agency shall maintain the confidentiality of any Unit Member requesting leave under this policy. Any documentation provided to the Agency regarding this leave shall be maintained as confidential and shall not be disclosed except to internal personnel or counsel, as necessary, or as required by law.

An Unit Member may use up to one day of sick leave to attend the service of an extended family member to include aunt, uncle, niece or nephew. The Unit Member may request the use of vacation or unpaid time for any days needed to travel to or from the service.

Reproductive Loss Leave

Unit Members who have worked for the Agency for at least thirty (30) days are eligible to request up to five (5) days of unpaid leave in the event they experience a reproductive loss. Such loss affecting the employee, or the employee's current spouse or domestic partner, that may qualify for this leave generally includes: miscarriage, failed surrogacy, stillbirth, unsuccessful assisted reproduction (such as artificial insemination or embryo transfer) or failed adoption. This leave must normally be taken within three (3) months of the reproductive loss. The leave does not have to be taken on consecutive days off. Employees may request to use their accrued sick or vacation time during the approved leave.

ARTICLE 21 – PERFORMANCE EVALUATIONS

Employees will receive a written Performance Evaluation at the following employment milestones:

- A. Six-month anniversary of the hire date
- B. Annually thereafter in conjunction with the Agency annual performance review procedures

In the case of a promotion, the employee's Performance Evaluation schedule will be adjusted to the following milestones:

- A. Six-month anniversary of the promotion date
- B. Annually thereafter in conjunction with the Agency annual performance review procedures

The following will be considered major factors in every performance evaluation and will always be considered essential functions of every job (in addition to any others deemed essential by the Agency): regular and reliable attendance; the ability to respond positively to direction and criticism of performance; the ability to work productively and harmoniously with others on a consistent basis; and the consistent maintenance of professional and appropriate demeanor.

Performance evaluations will also assess the quality and quantity of the work performed and knowledge of the job. The performance evaluation should help employees become aware of the progress they are making, the areas in which they need to improve, and objectives or goals for personal development and future work performance.

Within five (5) working days of receiving the evaluation, the employee may request a meeting with their supervisor to further discuss their review. If the employee and supervisor are unable to come to an agreement regarding a review, the employee may request a meeting with Human Resources for further review but must do so within ten (10) working days of receiving the review.

Employees are required to timely sign their evaluations, and in no event later than thirty (30) calendar days of receipt of same or may be subject to discipline for failure to comply with this requirement.

ARTICLE 22 – LAYOFF AND RECALL POLICY

SECTION 1. LAYOFFS AND RECALLS

If the Agency determines that it must reduce its workforce because of adverse economic or other financial conditions or organizational needs, then layoff and recall from layoffs for Union represented employees will generally be conducted in a manner that is consistent with the procedures described below.

SECTION 2. DEFINITIONS

- A. Layoff - The involuntary separation of a regular Union represented employee without fault of the employee.
- B. Seniority - A Union represented employee's length of service with the Agency measured from the original date of hire without a break of service greater than 30 days. Union represented employees with breaks in service greater than 30 days will restart their calculation of length of service for layoff purposes from their most recent date of hire with the Agency or return to work date after the break that exceeded 30 days, whichever is later.
- C. Bumping - Within a job classification, any Union represented employee with regular full-time status who is to be laid off shall have the right to bump in descending order, to job classifications within their regression ladder, if any, provided that the bumping employee has greater Agency seniority and has demonstrated positive current and past performance.
- D. Lower Classification - A classification that is within the series of the employee's job description and is lower than their current position. (For example, a Lead Housing Services Specialist to a Housing Services Specialist or a Maintenance Supervisor to a Maintenance Technician.)

SECTION 3. PROCEDURES

A. Layoff Notification

If a layoff of Union represented employees is expected, then the Director or Manager overseeing the department will be responsible for completing a layoff plan relative to the Union represented employees and providing the plan to the Director of Human Resources a minimum of 30 days prior to the anticipated layoff. The layoff plan must include the anticipated reason and timeframe for the layoff of Union represented employees, the number of such employees anticipated to be laid off and the names and job titles of the employees to be laid off. The Director of Human Resources shall provide the Union with the layoff plan at least twenty-one (21) calendar days prior to the layoff effective date of the Union represented employee. All affected Union represented employees will be notified in writing at least two weeks prior to the layoff effective date or within any timeframe required under any applicable law.

B. Layoff Process

- i. Union represented employees will be selected for layoff based on the following criteria, although in no particular order:
 - a) Demonstrated current and past performance; and
 - b) Seniority with the Agency.
- ii. Before any layoff occurs of regular full-time Union represented employees, all temporary, part-time, probationary and contract employees working in the same classifications shall be terminated.
- iii. Union represented employees in acting assignments who have regular status in another classification, shall be returned to their former classification where they will be subject to layoff under provisions applicable to other employees in that classification.
- iv. If a regular full-time Union represented employee in a classification to be laid off has previously completed their probationary period of a minimum of 12 months in a lower classification and has demonstrated positive current performance over the preceding 12 months, then the employee shall be permitted to bump down within the Agency to the lower classification provided that the bumping employee has greater Agency seniority than the incumbent in the lower classification that is being bumped.
 - a) Union represented employees choosing to bump down will displace the employee with the least classification seniority based on Agency seniority.
 - b) An employee who bumps down to a lower classification pursuant to this policy shall be paid in the lower classification base pay range at their current pay rate, if within the lower classification base pay range. If the employee's current wage is above the lower classification base pay range, then their new pay rate will be adjusted down to the maximum of the lower classification base pay range. Any applicable changes to fringe benefits will be consistent with the lower classification.
 - c) After being served with a notice of layoff, a Union represented employee who is eligible to bump to a lower classification based upon the requirements set forth herein, shall give written notice of the exercise of their bumping rights within five (5) work days of receipt of the layoff notice.
- v. A Union represented employee who elects not to exercise their bumping rights will be laid off in accordance with the terms of the layoff notice served by the Agency.

C. Recall

Union represented employees who are laid off will be maintained on a recall list for one year from their layoff effective date and shall be assured the right to reinstate to their former position as long as they remain capable of performing the essential duties of the job classification and have not been convicted of any felony. While on the recall list, Union represented employees should inform Human Resources if they become unavailable for recall. Union represented employees who do not keep a current home address, phone number and email on record with Human Resources will lose their recall rights.

When a vacancy exists within the classification, laid off Union represented employees on the recall list will be notified by email and if no response to that email then by one phone call. Recalled employees will have seven (7) days to respond to Human Resources to confirm agreement to return and must be able to return to work on the date requested by the Agency. Failure to respond within seven (7) days or those who are unable to return on the date requested will be removed from the recall list.

Union represented employees recalled to their previous classification shall be assigned to the same base pay rate as when they left.

ARTICLE 23 – NEPOTISM

The Agency is committed to a policy of employment and advancement based on qualifications and merit. Accordingly, the Agency does not discriminate in favor of or in opposition to the employment of relatives. Due to the potential for perceived or actual conflicts of interest, the Agency will consider hiring relatives of persons currently employed only if:

- A. Candidates for employment will not be working directly for, or supervising a relative; or
- B. Candidates for employment who are related will not occupy a position in the same line of authority in which employees can initiate, advise on or participate in decisions involving a direct benefit to the relative, including decisions on hiring, retention, transfer, promotion, wages and leave requests; or
- C. Where the Executive Director finds that any potential or actual adverse impact would be insignificant.

The Agency defines Relatives for purposes of this policy as spouses, registered domestic partners, children, siblings, parents, in-laws, step-relatives, grandparents, grandchildren, aunts, uncles, first cousins, nieces and nephews, or anyone else living in the home of the employee.

If two employees become Related while working for the Agency, they must immediately disclose that relationship to the Director of Human Resources. The Agency shall make reasonable efforts to assign job duties so as to minimize any problems of supervision, safety, security or morale. This may include, without limitation, allowing either or both affected employees to request a transfer to another department.

For similar reasons, supervisors and managers must not date or otherwise become involved in a romantic or sexual relationship with subordinate employees. All employees are encouraged to avoid such relationships with fellow employees. If any employees nonetheless become involved in such a relationship with another employee, they must immediately disclose the relationship to the Director of Human Resources so that appropriate steps can be taken to avoid conflicts of interest or other problems.

Employees are not permitted to be in a supervisorial relationship with a Related employee.

Where any of the above circumstances exist and the Agency determines it would cause a conflict of interest or problems of safety, security, or morale, the Executive Director or designee will make reasonable efforts to transfer one of the Related individuals to a comparable position in another department. Although the Agency may consider the wishes of the employees as to which of the Related individuals shall be transferred, the controlling factor in this determination is the productive operation and efficiency of the Agency. If any such transfer results in a reduction of salary or compensation, that reduction shall not be considered disciplinary in nature.

If continuing employment of two Related individuals cannot be accommodated, the Agency retains the sole discretion to separate one or both Related individuals from Agency employment. Any such separation shall not be considered disciplinary in nature.

Determinations made pursuant to this Section shall be made on a case-by-case basis.

ARTICLE 24 – GRIEVANCE PROCEDURE

SECTION 1. GRIEVANCE DEFINED

A grievance is a complaint that there has been a violation of this MOU, the personnel policies of the Agency, and/or local, state or federal law. The Unit member and/or the Unit member's designated representative bringing such a claim shall state how the violation affects their wages, hours, working conditions, or job security, as provided for in this MOU, the personnel policies of the Agency, and/or local, state or federal law.

SECTION 2. INFORMAL DISCUSSION OF GRIEVANCE

When a Unit member has a grievance complaint, the Unit member and/or the Unit member's designated representative shall first informally discuss the matter with the Unit member's immediate supervisor within fifteen (15) working days from the incident or decision generating the grievance. If after the discussion with the immediate supervisor, the complaint has not been satisfactorily resolved, the Unit member and/or Unit member's designated representative shall have the right to informally discuss the complaint with the supervisor's immediate superior. If after such a discussion, the complaint has not been satisfactorily resolved, the Unit member shall have the right to file a formal written grievance on a form to be supplied to the Union by the Agency.

SECTION 3. FORMAL GRIEVANCE PROCEDURE

The formal written grievance shall be used to resolve a Unit member's grievance complaint which the employee believes has not been satisfactorily resolved by the informal discussion process described above.

- A. A Unit member shall have the right to present a formal grievance, in writing, within fifteen (15) working days after the discussion of the grievance with the immediate supervisor and the immediate supervisor's superior. All formal written grievances shall state: (1) the violation of this MOU, the personnel policies of the Agency, and/or local, state or federal law; (2) how it affects the Unit member's wages, hours, working conditions or job security; and (3) the Unit member's suggested solution.
- B. The formal written grievance shall be presented to the Department Director or Senior Manager, depending on who is in the Unit member's chain of command. The Department Director or Senior Manager shall discuss the grievance with the Unit member and/or the Unit member's designated representative. Within twelve (12) working days after receipt of the formal written grievance, the Department Director or Senior Manager shall render a written decision regarding its merits. If the Department Director or Senior Manager's decision does not satisfactorily resolve the grievance complaint, the Unit member and/or Unit member's designated representative may present the formal grievance to the Director of Human Resources. The grievance shall be considered resolved and no further administrative review of the subject matter of the grievance shall be permitted when the Unit member does not seek further review of the grievance within twelve (12) working days after the receipt of the decision of the Department Director or Senior Manager. Failure of the Department Director or Senior Manager to render a written decision on the grievance within twelve (12) working days constitutes a decision denying the grievance.
- C. When the Unit member presents a formal grievance to the Director of Human Resources, the Director of Human Resources shall discuss the grievance with the Unit member and/or the Unit member's designated representative. Within twelve (12) working days after receipt of the formal grievance, the Director of Human Resources shall render a written decision regarding its merits. If the Director of Human Resources' decision does not satisfactorily resolve the complaint, the Unit member and/or Unit member's representative may present the formal grievance to the Executive Director. The grievance shall be considered resolved and no further administrative review of the subject matter of the grievance shall be permitted when the Unit member does not seek further review of the grievance within twelve (12) working days after the receipt of the decision of the Director of Human Resources. Failure of the Director of Human Resources to render a written decision on the grievance within twelve (12) working days constitutes a decision denying the grievance.
- D. When the Unit member presents a formal grievance to the Executive Director, the Executive Director shall discuss the grievance with the Unit member and/or the Unit member's designated representative. Within twelve (12) working days after receipt of the formal grievance, the Executive Director shall render a written decision regarding its merits. The decision of the Executive Director shall resolve the grievance and no further review of the subject matter of the grievance shall be permitted within the Agency's administrative process. Should the Executive Director fail to render a written decision

within twelve (12) working days, the grievance shall be deemed denied and the administrative procedures completed.

SECTION 4. REPRISALS

The Agency shall not institute any reprisals against any Unit member or designated representative resulting from the use of the grievance procedure.

ARTICLE 25 – DISCIPLINE PROCEDURES

- A. Rules regarding Discipline Procedures are set forth in the Agency’s Personnel Policy Handbook and are incorporated by reference herein.
- B. The Personnel Policy Handbook provides causes for discipline including the examples of performance issues and examples of inappropriate behavior listed in Section 3000 (Work Performance Standards). Additional sections of the Personnel Policy Handbook describe causes for discipline including, but not limited to, the following Sections:
 - i. 1004 (~~Anti-Harassment~~Prohibition against Discrimination, Harassment and Retaliation);
 - ii. 1005 (Code of Conduct);
 - iii. 2007 (Timekeeping Requirements);
 - iv. 2015 (Background Checks and Investigations);
 - v. 3004 (Zero Tolerance for Workplace Violence);
 - vi. 3005 (Drugs and Alcohol~~Abuse~~);
 - vii. 3006 (Punctuality and Attendance);
 - viii. 4000 (Technology Usage);
 - ix. 4002 (Travel Policy);
 - x. 4003 (Vehicle Policy);
 - xi. 4010 (Tools and Equipment); and
 - xii. 5008 (Family Medical Leave and California Family Rights Act Leaves).
- C. The Agency may impose progressive discipline in accordance with the Personnel Policy Handbook. At the Agency’s discretion and justified for cause, certain violations may result in a more severe disciplinary action, including immediate termination of employment, and may not necessarily be preceded by less severe forms of disciplinary action. Progressive discipline may include, but is not limited to the following:

- i. Oral Counseling/Reprimands - Oral counseling is the lowest level of administrative action, with an oral reprimand being slightly more severe than counseling. This level of discipline should cover the misconduct or unsatisfactory performance at issue, the corrective measures to be taken by the employee moving forward, and the consequences for failure to correct the problem for which the employee is being counseled/reprimanded. While this level of discipline may be confirmed or memorialized in writing, it shall not be a part of the employee's permanent personnel file unless it is included as an attachment to subsequent discipline or an annual evaluation.
- ii. Written Counseling - A written counseling should cover the misconduct or unsatisfactory performance at issue, the corrective measures to be taken by the employee moving forward, and the consequences for failure to correct the problem for which the employee is being counseled. A written counseling is placed in the employee's permanent personnel file and a copy given to the employee.
- iii. Suspension Without Pay - The Agency may suspend an employee from their position without pay for up to thirty (30) calendar days for cause. Documents related to a suspension shall become part of the employee's personnel file when imposed.
- iv. Reduction in pay - The Agency may reduce an employee's pay for cause. Documents related to a reduction in pay shall become part of the employee's personnel file when the reduction in pay is final. A reduction in pay for disciplinary purposes may take one of two forms:
 - a) a decrease in salary within the salary range, or
 - b) a decrease in salary paid to an employee for a fixed period of time.
- v. Demotion - The Agency may demote an employee from their position for cause. Documents related to a demotion shall become part of the employee's personnel file when the demotion is final. Once demoted, there is no obligation of the Agency to return the employee to their prior position.
- vi. Termination of employment - The Agency may terminate an employee from their position for cause. Documents related to the termination shall become a part of an employee's personnel file when the termination is imposed.

D. Oral counseling and written counseling are not subject to the Grievance Procedure or any disciplinary appeal or other administrative due process protections.

Section 2021 of the Agency's Personnel Policy Handbook contains the disciplinary procedures followed by the Agency when imposing discipline. The Exceptions provided in Section 2021, subsection I, shall not apply during the Term of this MOU, meaning that employees must always be provided notice prior to the issuance of a final order to either suspend, demote, reduce compensation, or discharge an employee.

ARTICLE 26 – MODIFICATION

This MOU may only be modified or amended by written agreement between the parties which must then be ratified by the Union and formally approved by resolution of the Board of Commissioners of the Agency.

ARTICLE 27 – JOINT DRAFTING

In recognition of the fact that the parties had an equal opportunity to negotiate the language of, and draft, this MOU, the parties acknowledge and agree that there is no single drafter of this MOU and, therefore, the general rule that ambiguities are to be construed against the drafter is, and shall be, inapplicable. If any language in this MOU is found or claimed to be ambiguous, each party shall have the same opportunity to present evidence as to the actual intent of the parties with respect to any such ambiguous language without any inference or presumption being drawn against any party hereto.

ARTICLE 28 – SAVINGS CLAUSE

Should any portion, word, clause, phrase, sentence, paragraph, or provision of this MOU be declared void or unenforceable by a court of competent jurisdiction, such portion shall be considered independent and severable from the remainder of this MOU, the validity of which shall remain unaffected. In the event that any article, section, or subsection of this MOU shall be declared invalid by any court or by any state or federal law or regulation, or should a decision by any court or any state or federal law or regulation diminish the benefits provided by this MOU, or impose additional obligations on the Agency, the Agency and the Union shall meet and confer on the affected article, section, or subsection.

ARTICLE 29 – REOPENERS

This MOU shall be subject to a reopener at the direction of the Agency, upon adoption by the Agency of a Resolution evidencing a finding by the Agency that any or all of the following events have occurred during the term of this MOU:

- A. Five percent (5%) or greater reduction in any one or more sources of revenue during the period April 1 through September 30 compared to the immediately preceding same period of time, with the reduction in revenues measured by receipts or funding notification by a third party funding source (i.e. U.S. Department of Housing and Urban Development) during the applicable time period; and/or
- B. Five percent (5%) or greater reduction in any one or more sources of revenue during the period October 1 through March 31 and the same preceding period of time, with the reduction in revenues measured by receipts or funding notification by a third party funding source (i.e. U.S. Department of Housing and Urban Development) during the applicable time period.

Upon the Agency's invocation of this Article, any increases in compensation initially provided for in this MOU shall immediately cease and revert to the status quo existing prior to implementation of the changes. The parties shall thereafter convene the meet and confer process regarding compensation and the loss of revenue. Implementation of the cessation and reversion of compensation increases

provided for in this MOU, shall not occur unless and until the Agency implements the same reversion to the status quo as regards to unrepresented employees.

Although invocation of this Article shall not in and of itself constitute a revocation of terms and conditions of employment in force and effect prior to adoption of this MOU, such provisions shall be subject to the meet and confer process conducted pursuant to this reopener. A determination by the Agency to implement this Article shall not be subject to administrative or judicial challenge.

The parties further acknowledge that during the term of this MOU, situations may arise which regard to matters within the scope of representation, where the meet and confer process shall be required as to either the changes proposed by the Agency to matters within the scope of representation and/or as to the impact of the exercise of any such management rights, matters mandated by law, and matters that are ongoing discussions between the parties. Although not an exclusive description of issues that may give rise to the referenced meet and confer processes, exemplars are: 1) compliance with the Affordable Care Act, 2) addressing of changes in performance evaluation substance and/or methodology, 3) modifications to the Agency's Personnel Policy Handbook, and 4) modifications to the Agency's Employer-Employee Relations Resolution.

ARTICLE 30 – REOPENER ON CELL PHONE ALLOWANCE

The Agency has determined that certain classifications and/or positions require the regular use of a personal cell phone to perform assigned duties. In such cases, the Agency provides a monthly cell phone allowance in an amount determined by the Agency. The Agency is considering changes to the Cell Phone Allowance program, including the provision and use of Agency-owned cell phones. If the Agency does not propose changes to the cell phone allowance program within (six) 6 months of ratification of the successor MOU, the parties agree to meet and confer regarding the cell phone allowance provided to Unit Members.

[SIGNATURES ON NEXT PAGE]

It is agreed this MOU shall not be binding upon the parties, either in whole or in part, unless and until ratified by Teamsters and executed by its representatives along with Agency labor representatives and then approved and adopted by the Board of Commissioners of the Housing Authority of the County of San Bernardino.

**Housing Authority of the County
of San Bernardino**

Teamsters Local 1932

Maria Razo
Executive Director

Barbara Whittington
Organizer/Business Agent

~~Colin J. Tanner~~Jennifer Dawson
Chief Labor Negotiator

Natalie Harts
Staff Coordinator

Attachment A – Salary Ranges

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

October 14, 2025

FROM

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

SUBJECT

Employee Handbook Policy Revisions

RECOMMENDATION(S)

Adopt Resolution No. 225 approving revisions to the Housing Authority of the County of San Bernardino's Personnel Policy Handbook.

(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.

FINANCIAL IMPACT

Approval of the proposed revisions to the Personnel Policy Handbook (Handbook) may have some financial impact to the Housing Authority of the County of San Bernardino's (HACSB) approved annual budget. The amount of the financial impact may vary based on use of such policy by employees.

BACKGROUND INFORMATION

As part of a recent review by the HACSB Customer Service Committee of the Customer Relations policy and guidelines, along with HACSB's recent negotiations with Teamsters on the Protective Footwear Reimbursement, the following changes are being requested.

3003 Customer Relations - The Customer Service Committee is proposing a change to the Customer Relations policy including a title change from Customer Relations to Customer Service. The changes reflect wording more in-line with practice and expectations.

3009 Protective Footwear Reimbursement- As part of the recent Teamsters negotiations, HACSB proactively reviewed current data related to employees request for footwear reimbursement and proposed an increase from \$125 to \$175/fiscal year. This proposal was part of recent negotiations and was approved by Teamsters as part of the new Memorandum of Understanding.

PROCUREMENT

Not applicable

ITEM ATTACHMENTS

- Resolution – No. 225 - Employee Policy Revisions
- Attachment – Redlined Policies for Board Approval

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on September 26, 2025.

HOUSING AUTHORITY RESOLUTION NO. 2025-225

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE
COUNTY OF SAN BERNARDINO APPROVING REVISIONS TO THE HOUSING AUTHORITY OF
THE COUNTY OF SAN BERNARDINO EMPLOYEE POLICY HANDBOOK**

RECITALS

WHEREAS, the Housing Authority of the County of San Bernardino (HACSB) Employee Policy Handbook sets forth the terms and conditions of employment for all full-time and part-time employees; and

WHEREAS, the Employee Policy Handbook contains the employment policies and practices of HACSB in effect at the time of publication, and it supersedes all previous policies, rules, procedures and past practices of HACSB, both oral and written; and

WHEREAS, HACSB desires to amend its policies and procedures as they relate to updated practices and negotiations with Teamsters as part of the updated Memorandum of Understanding.

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 additions and revisions to the HACSB Employee Policy Handbook, as shown on Exhibit "A" attached hereto.

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

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

AYES: COMMISSIONER:

NOES: COMMISSIONER:

ABSENT: COMMISSIONER:

STATE OF CALIFORNIA)
)
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 October 14, 2025.

Secretary

Exhibit A

3003 Customer ~~Relations~~Service

The Agency is committed to providing exceptional, efficient and respectful customer service to all individuals, including program participants, residents, landlords, visitors, community partners, the general public and internal staff. We are dedicated to creating a positive experience while ensuring compliance with federal, state and local regulations.

Every interaction, whether in person, by phone, email, letter or virtual communication, represents the Agency and reflects our values. Our goal is to ensure a respectful, responsive and inclusive customer service experience that aligns with our Agency mission.

Employees are expected to be courteous, respectful, honest, professional and timely in customer interactions. For specific guidelines on customer interaction, employees are to review the Customer Service Guidelines in place.

~~We are a service business and all of us must remember that the customer is to be treated courteously and given proper attention at all times. Customer service is everyone's responsibility. Every time employees interact with an individual, answer the telephone, send an e-mail, write a letter, or attend a meeting, they are making an impression on our customers — whether they are program participants, landlords, visitors, partners or even other Agency employees.~~

~~Employees are expected to be courteous, respectful, honest and professional. For specific guidelines on customer interaction, employees are to review the Customer Service Policy and Guidelines.~~

3009 Protective Footwear Reimbursement

Whereas the Agency requires that American Society for Testing and Materials (ASTM) certified protective footwear be worn by select positions as a condition of employment, the Agency shall reimburse employees who are required to wear protective footwear up to a maximum of \$~~125~~ 175 per pair on a fiscal year basis.

To be eligible for ~~the reimbursement~~ reimbursement, the following must be followed:

- The employee must be in the position of Porter, Maintenance Technician or Maintenance Supervisor; and
- The employee must purchase ASTM certified protective footwear.
- Within thirty (30) days of the protective footwear purchase, the employee must present the protective footwear with receipt to their Supervisor for verification of cost and approval of acceptable protective footwear.

Upon approval for reimbursement, the Supervisor will be responsible for submitting for reimbursement for the employee through Accounts Payable procedures. Reimbursement will be provided to the employee via Electronic Fund Transfer within thirty (30) days of approval.

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

October 14, 2025

FROM

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

SUBJECT

Surplus Land Act Declaration for Sunrise Vista Apartments

RECOMMENDATION(S)

1. Adopt Resolution No. 226
 - a. Declaring the Sunrise Vista Apartments property as surplus pursuant to the Surplus Land Act process.
 - b. Authorizing and directing the Executive Director to execute and deliver all pertinent documents for this transaction in consultation with legal counsel.
- (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

The sale of Sunrise Vista Apartments will result in net proceeds to the Housing Authority of the County of San Bernardino (HACSB). The amount of said proceeds is difficult to project until a purchase and sale agreement is in place with a potential buyer.

BACKGROUND INFORMATION

The Sunrise Vista property located at 755 E. Virginia Way in Barstow has been owned by HACSB via a partnership with the County of San Bernardino (County) since 2010. The property consists of 156 units that are a combination of affordable housing and market rate units. The affordable housing programs include HOME, Neighborhood Stabilization Program (NSP) and Project-Based Vouchers (PBV). The property is one of several affordable housing developments owned by HACSB within the city of Barstow. HACSB, with the approval of the Board of Commissioners, has decided to sell the property and utilize the existing housing subsidies at a future date in an area where housing is hard to access by low-income families.

The property will be marketed with the intention of the HOME and NSP agreements to stay in place and assumed by the new ownership. The intent of HACSB is to provide a notice to end the PBV contract one year from the sale of the property and potential buyers will be informed as such. Residents who are in PBV units will have their subsidy convert to Tenant-Based Voucher assistance once the one-year notification period has transpired. It is important to note that with this conversion to Tenant-Based Vouchers the residents will not see any change in their rent portions and the landlord will not see any changes in subsidy levels.

In order to sell the property, HACSB had to seek approval from the County as the aforementioned HOME and NSP programs are administered by the County and have regulatory covenants recorded on the property. Over the last several months HACSB has been able to get approval from the County to sell the property. However, since HACSB is the sole owner of the property, the Surplus Land Act disposition procedure must be conducted to effectuate the sale.

The Surplus Land Act requires HACSB to first declare the property as surplus and thus not required for its present or anticipated future needs. Thereafter, HACSB must offer the property for sale to any public agency or entity described under Government Code section 54222 et seq. In the event that none of those public agencies or entities offer to purchase the Property, or if HACSB and such public agency or entity do not reach an agreement on the terms and conditions of purchase/sale, HACSB intends to offer the Property for sale to the general public, subject to the purchaser assuming the assignment of the HOME and NSP Agreements. HACSB will work under the guidance of its General Counsel to complete the process.

PROCUREMENT

Not applicable.

ITEM ATTACHMENTS

- Resolution No. 226 – Sunrise Vista SLA

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on September 26, 2025.

HOUSING AUTHORITY RESOLUTION NO. 2025-226

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO DECLARING CERTAIN HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO-OWNED REAL PROPERTY TO BE SURPLUS AND AUTHORIZING OFFERS OF SAID PROPERTY FOR PURCHASE

On Tuesday, October 14, 2025, on motion of Commissioner _____, duly seconded by Commissioner _____ and carried, the following Resolution No. 2025-226 is adopted by the Board of Commissioners of the Housing Authority of the County of San Bernardino.

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;

WHEREAS, under the Surplus Land Act, Government Code section 54220 *et seq.*, surplus real property is defined as “land owned in fee simple by any local agency for which the local agency’s governing body takes formal action in a regular public meeting declaring that the land is surplus and is not necessary for the agency’s use”; and

WHEREAS, the Surplus Land Act authorizes HACSB to sell surplus real property in the manner proposed therein; and

WHEREAS, HACSB owns certain real property identified as Assessor’s Parcel Number 0183-221-01-0000; 0183-221-02-000 located at 755 E. Virginia Way, in the City of Barstow, County of San Bernardino, State of California (“Property”), as such Property is shown on Exhibit A; and

WHEREAS, the Property contains 156 units that are a combination of affordable housing and market rate units, which are subject to affordable housing programs, including HOME Investment Partnerships Program Agreement, Neighborhood Stabilization Program (NSP) Agreement and Project-Based Vouchers (PBV); and

WHEREAS, there is no present or contemplated use that would preclude HACSB from declaring the Property as surplus to the needs of HACSB and offering the Property for sale to any public agency or entity described under Government Code section 54222 *et seq.*; and

WHEREAS, HACSB finds that it does not require the Property to continue to perform its authorized housing functions at any time in the future, that the Property is one of several affordable housing developments owned by HACSB and that the sale of the Property would provide HACSB funding for use in an area where housing is hard to access by low-income families; and

WHEREAS, HACSB has secured approval from the County of San Bernardino to sell the Property, provided the sale is conditioned on any purchaser assuming the HOME and NSP Agreements as said Agreements are administered by the County and have regulatory covenants recorded on the Property title; and

WHEREAS, HACSB has determined it would be in the best interest of HACSB to sell the Property; and

as the same appears in the Official Minutes of said Board at its meeting of Tuesday, October 14, 2025.

Secretary

By _____

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

Ref. No. 845-09-332 MLS

Lots 2 and 3, Tract No. 10437, in the City of Barstow, County of San Bernardino, State of California, as per map on File in Book 144, Pages 68 and 69, of Maps, in the office of the County Recorder of said County.

Except therefrom all oil, gas, and sodium in the land, and to it or persons authorized by it, the right to prospect for mine, and remove such deposits from the same upon compliance with the conditions and subject to the provisions and limitations of the Act of July 17, 1914 (38 STAT. 509) as amended by the Act of March 4, 1933 (47 STAT. 1570) and the Act of September 13, 1962 (76 STAT. 538) as reserved in the Patent from the United States of America, recorded August 17, 1965 in Book 6454 Page 414, Official Records

A.P.N's 0183-221-01-0000 and 0183-221-02-0000

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

October 14, 2025

FROM

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

SUBJECT

Addendum No. 1 to Lease Agreement with the County of San Bernardino at the Arrowhead Grove Head Start Facility

RECOMMENDATION(S)

1. Retroactively approve Addendum No. 1 to Lease Agreement, effective June 1, 2025 between the Housing Authority of the County of San Bernardino (Authority) and the County of San Bernardino (County) including provisions describing the process and plan for the tenant improvements, which include the demolishing and reconstructing of the building located at 1151 North Crestview Avenue in San Bernardino as well as adding temporary armed guard services by Integrated Security Management Group (ISMG).
2. Authorize and direct the Executive Director to execute and deliver Addendum No. 1 to lease agreement to the County 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

The temporary armed guard services and tenant improvements will have no eventual financial impact on the Authority. The County will reimburse the Authority for the cost of the armed guard services and will directly fund all the predevelopment and development costs associated with the tenant improvements for the additional building that they will occupy.

BACKGROUND INFORMATION

On July 9, 2019, the Board of Governors approved contract 19-470, between the Housing Authority of the County of San Bernardino (Authority) and the County of San Bernardino (County) for a five-year lease agreement for the Arrowhead Grove Head Start Facility for approximately 3,119 square feet for classroom, office and land. Located at the 1151 Crestview Avenue in San Bernardino (Premises) for use by the Preschool Services Department (PSD). The original term of the lease was for the period of July 1, 2019, to June 30, 2024. In the six years since the lease was originally approved, the Authority and County have continuously worked together to ensure PSD's presence remains at the Arrowhead Grove Head Start facility. On July 1, 2024, an approved holdover clause was initiated while negotiations occurred for the most recent extension, which was executed on June 1, 2025. The new lease agreement includes an increase to the square footage (adding an additional building) and extending the existing term of the lease which

Addendum No. 1 to Lease Agreement with the County of San Bernardino at the Arrowhead Grove Head Start Facility

October 14, 2025

expired on June 30, 2024, to May 31, 2040. The updated square footage will be a total of 4,319 square feet, comprising approximately 3,119 square feet of the original buildings A and B, and approximately 1,200 square feet of the added building located at 1163 North Crestview (Building C). Addendum No. 1 includes the major construction work that will occur to the Premises (building C) as part of PSD's improvements, such as the demolition and full renovation of the building. The improvements will be paid for and constructed by the County, which are subject to the Housing Authority's review and approval. Addendum No. 1 also includes the temporary armed security guard services to the lease agreement. All other lease terms remain unchanged.

HACSB contracts with third party contractors for armed security guard services at some of its properties. The guard services are generally used at low density high acreage and scattered site properties. The services are primarily for the overnight and weekend hours and the properties receiving service are in the cities of San Bernardino and Victorville. The security services primarily include routine patrols with a marked patrol vehicle and armed guards who patrol by foot at random and rotating times of the day and night. The services provided are crime prevention and reporting, lease enforcement, vacant unit checks and general site monitoring services. These services will be temporary, beginning on March 1, 2025, and ending on February 28, 2026. Intergraded Security Management Group is the incumbent contractor providing security services.

PROCUREMENT

Not applicable

ITEM ATTACHMENTS

- Contract - Addendum No 1 Lease Amend Housing Authority 19-470 A2 - Preschool - Crestview Lease

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on September 26, 2025.

ADDENDUM NO. 1 TO LEASE AGREEMENT

(Contract No. 19-470 - 1151 North Crestview Avenue, San Bernardino)

This **ADDENDUM NO. 1 TO LEASE AGREEMENT** ("Addendum"), dated June 1, 2025 ("Effective Date"), is entered into by and between the HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO, a public body, corporate and politic ("LANDLORD"), and the COUNTY OF SAN BERNARDINO, a political subdivision of the State of California ("COUNTY"), who are collectively referred to herein as the "Parties".

WHEREAS, LANDLORD and COUNTY entered into Lease Agreement, Contract No. 19-470 dated July 9, 2019, as amended by the First Amendment dated January 26, 2021, and Second Amendment dated May 20, 2025 (collectively, the "Lease"), wherein the LANDLORD leases approximately 3,119 square feet in Building A & B and land located at 1151 North Crestview Avenue in San Bernardino, as more specifically described in the Lease, to COUNTY for a term that expires May 31, 2040;

WHEREAS, the Second Amendment includes provisions describing the process for COUNTY to plan for and develop the Tenant Improvements, as defined in the Lease, encompassing the COUNTY-desired improvements to the expansion area of the Interior Space to accommodate additional classroom amenities for COUNTY's educational needs;

WHEREAS, since the date of the Second Amendment, the Parties have evaluated options for the COUNTY-desired improvements to the Interior Space and concluded that full demolition and reconstruction of the building where the proposed Tenant Improvements are to be completed is required;

WHEREAS, the Parties wish to memorialize the change in the scope of Tenant Improvements to reference the plan for the COUNTY to demolish and reconstruct the building and indemnify LANDLORD for any damages or injuries related to such activities; and

WHEREAS, the Parties further wish to memorialize COUNTY's desire to provide and pay for six months of security services at the Premises pursuant to the terms of this Addendum.

NOW, THEREFORE, in consideration of mutual covenants and conditions and the foregoing recitals which are hereby incorporated by reference, the parties hereto agree the Lease is amended as follows:

1. **ALTERATIONS AND IMPROVEMENTS**. The Parties hereby agree that **Paragraph 14, ALTERATIONS AND IMPROVEMENTS**, and **EXHIBIT "J" TENANT IMPROVEMENTS** attached and incorporated herein, shall include in the description of "Tenant Improvements" the option for COUNTY to fully demolish and reconstruct the Building encompassing the classroom facilities where the Tenant Improvements are intended to be performed. COUNTY hereby further agrees to comply with the Prevailing Wage Requirements at Exhibit "H", which requirements shall be revised to be made applicable to COUNTY as it relates to its demolition and reconstruction of the Tenant Improvements. The improvements described in Exhibit "J" shall be revised to include a description of such demolition and reconstruction consistent with the amended version of Exhibit "J" attached to this Addendum. Additionally, to address any potential liability related to COUNTY's demolition and construction

activities, the Parties hereby agree that the following indemnification provision shall apply and be added to the LEASE:

INDEMNIFICATION. COUNTY shall indemnify, defend (with counsel reasonably approved by LANDLORD), protect, and hold harmless LANDLORD and its officers, employees, agents, and volunteers and the Premises from any and all claims, actions, death of any person or any accident, injuries, losses, damages, judgments, costs, expenses, penalties, and/or liability, including, but not limited to, attorneys' and consultant's fees, arising out of or related to COUNTY'S demolition and construction of the Tenant Improvements, and operations at the Premises and the Building. COUNTY shall not be responsible for (and such indemnity shall not apply to) any acts, errors, or omissions arising out of the sole negligence of LANDLORD or its respective agents, servants, employees, or contractors. The COUNTY's obligations under this provision shall survive the expiration or early termination of the Lease. No termination, cancellation or release agreement entered into by COUNTY and LANDLORD shall release COUNTY from its obligations under the provisions of this indemnification and defense obligation. COUNTY's indemnity and defense obligation shall survive the expiration or earlier termination of the Lease.

2. **MAINTENANCE AND REPAIR.** The provisions of Section 17 of the Lease entitled "Maintenance and Repair" is hereby supplemented to include the provision of security services to the Premises as provided herein. COUNTY shall pay all costs of LANDLORD's contract security services provider for the provision of security services at the Premises for six (6) months from the effective date of the Second Amendment to the Lease. LANDLORD shall provide to COUNTY copies of, and COUNTY shall pay LANDLORD the full invoiced amount, all invoices provided by LANDLORD's contract security services provider as it pertains to the Premises within the time payment is due thereunder, including for any security services provided before the date of this Addendum. COUNTY shall be solely responsible for any late fees and charges incurred thereunder for any late payments.

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

4. All other provisions and terms of the Lease, as amended, shall remain the same and are hereby incorporated by reference. In the event of any conflict between the Lease, as amended and this Addendum, the terms and conditions of this Addendum shall control.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Addendum pursuant to authority duly given, as of the date first above written.

SAN BERNARDINO COUNTY		HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO
-----------------------	--	--

► _____ By ► _____
Dawn Rowe, Chair, Board of Supervisors (Authorized signature - sign in
blue ink)

Dated: _____		Name	Maria Razo
--------------	--	------	------------

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

Lynna Monell
Clerk of the Board of
Supervisors
San Bernardino County

Title Executive Director _____

By _____
Deputy

Dated: _____

Address _____

FOR COUNTY USE ONLY

Approved as to Legal Form	Reviewed for Contract Compliance	Reviewed/Approved by Department
► _____ John Tubbs II, Deputy County Counsel	► _____	► _____ Lyle Ballard, Real Property Manager, RESD
Date _____	Date _____	Date _____

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

State of California)

County of San Bernardino)

On _____, 2025 before me, _____,
(insert name and title of the officer)

personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

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

State of California)

County of San Bernardino)

On _____, 2025 before me, _____,
(insert name and title of the officer)

personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

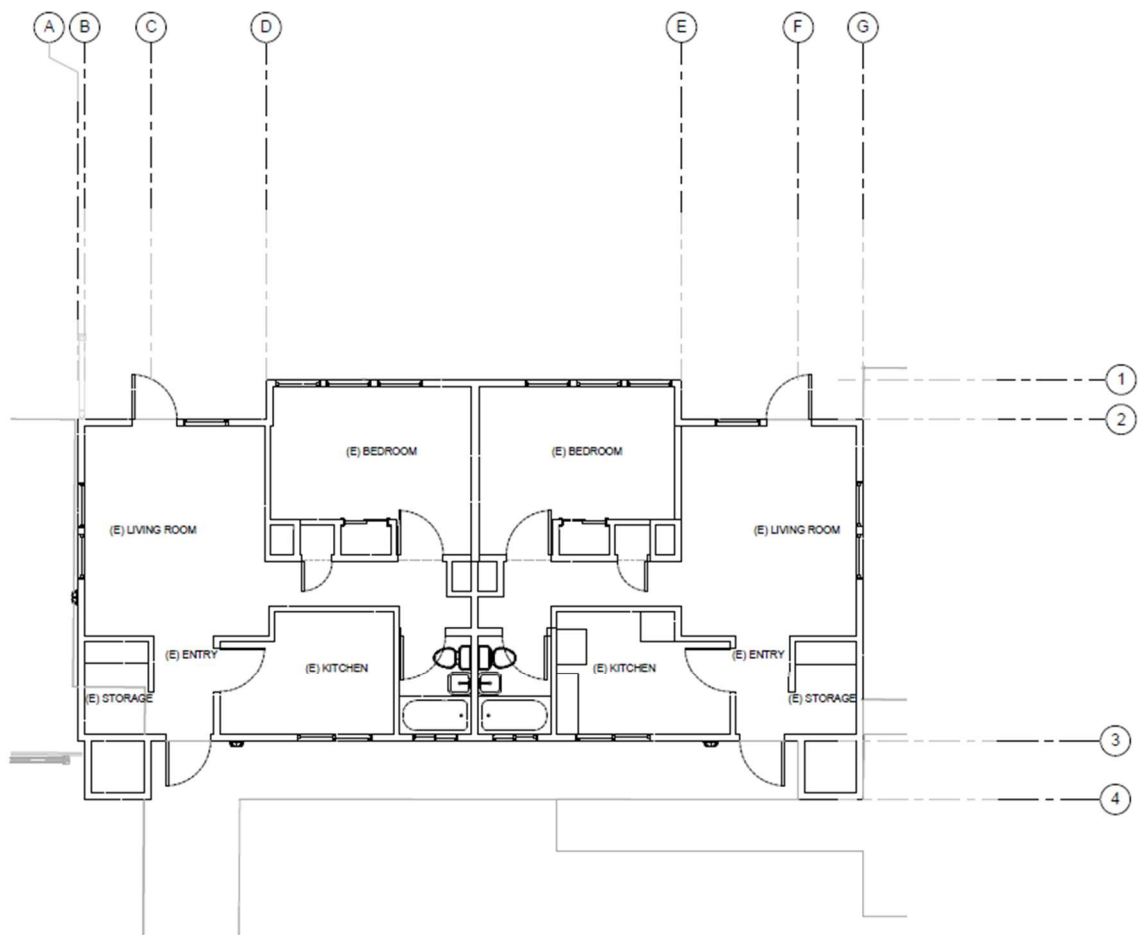
WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT J

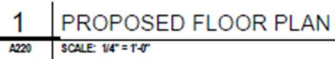
TENANT IMPROVEMENTS

Demolition and reconstruction of the existing +/- 1,245 square foot residence building at 1163 N Crestview Ave, San Bernardino. The new building will include two classrooms, one children's restroom, one adult restroom, a sleeping room and two lobby areas per the Head Start Design Guidelines. New construction will include metal and/or wood framing, electrical, mechanical, plumbing and fire / life safety systems to support the new preschool facility. Exterior improvements will include new accessible concrete walkways, security fencing, landscape & irrigation, and a new playground.



1 DEMOLITION FLOOR PLAN

A210 SCALE: 1/4" = 1'-0"



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

October 14, 2025

FROM

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

SUBJECT

Contract for as needed Real Estate Brokerage Services with CBRE, Inc.

RECOMMENDATION(S)

1. Approve Contract No. PC1419, effective October 15, 2025, with CBRE, Inc. for Real Estate Brokerage Services for a two-year base period through October 14, 2027, with three single or multiple-year options to extend through October 14, 2030.
2. Authorize and direct the Executive Director to execute and deliver Contract No. PC1419 to CBRE, 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 #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 our resources by mobilizing the talents of our community partners.

FINANCIAL IMPACT

Compensation to the firm will be based on a commission structure, with the firm earning a percentage of the sale price upon successful sale of the property as per the Fee Schedule included in the contract (Exhibit A).

BACKGROUND INFORMATION

The Housing Authority of the County of San Bernardino (HACSB) is pursuing a contract with a real estate brokerage firm to assist with the sale of HACSB-owned multi-family properties on an as-needed basis. This firm will provide professional real estate brokerage services to ensure that maximum value is achieved for HACSB properties through strategic marketing, valuation, and the negotiation processes. Under this contract work, the scope of services provided will include property valuation and market analysis, marketing and promotion, buyer identification and negotiations, transaction coordination and closing assistance, as well as regulatory compliance and reporting.

PROCUREMENT

A Request for Proposal (PC1419) for Real Estate Brokerage Services was issued on March 25, 2025, which resulted in the receipt of three (3) proposals. Outreach efforts included posting to our HACSB website under the “current open bid opportunities” section, advertisements in the local newspapers, direct email notifications to vendors that are recognized as providers of this specialized service, and by posting to the Planet Bids website that is our eBidding platform. Proposals were evaluated and CBRE, Inc. was deemed the most responsive bidder.

Responses were received by the deadline from the following organizations:

<u>Contractors Name</u>	<u>Location</u>	<u>Score</u>
CBRE, Inc.	Ontario, CA	279
Mogharebi-Ozen Company	Costa Mesa, CA	270
Keller Williams Beverly Hills (Joe La Croix)	Los Angeles, CA	217

Based on the responses for these services that were solicited to an adequate number of sources and in accordance with Title 2 Code of Federal Regulations Part 200, staff recommends awarding a contract for real estate brokerage services to CBRE, Inc. for a two-year base term beginning October 15, 2025, through October 14, 2027, with three single or multiple year options to extend through October 14, 2030.

ITEM ATTACHMENTS

- Contract – PC1419 Real Estate Brokerage Services (CBRE, Inc.)

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on September 26, 2025.

THIS CONSULTING, SERVICES, AND NON-ROUTINE MAINTENANCE RELATED SERVICES AGREEMENT (NON-CONSTRUCTION) ("Agreement") (**PC1419**) is made as of the **15th day of October, 2025** ("Effective Date") by and between **CBRE, Inc. ("Contractor")**, a Delaware Corporation (*if applicable*) and the Housing Authority of the County of San Bernardino, a California public entity ("HACSB").

RECITALS

WHEREAS, HACSB is a public entity in San Bernardino County, State of California, committed to provide affordable and safe public housing for low- and moderate-income families; and

WHEREAS, Contractor has offered to provide certain services to HACSB, and HACSB wishes to retain Contractor for the provision of such services.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the foregoing Recitals, which Recitals are incorporated herein by this reference, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and for the mutual covenants contained herein, Contractor and HACSB hereby agree as follows:

ARTICLE 1. Statement of Work. Contractor shall furnish all labor, materials, tools, equipment, and supervision to perform all work required in the Statement of Work set forth on Exhibit "A", attached hereto and incorporated herein by reference ("Work"). In connection with its performance of the Work, Contractor shall comply with all of the Contract Documents (as hereinafter defined).

ARTICLE 2. Contract Documents. This Agreement incorporates by reference all of the following documents ("Contract Documents"):

1. General Conditions for Non-Construction Contracts Section I – (with or without Maintenance Work) (Form HUD 5370), attached hereto as Exhibit "B" and incorporated herein by reference.
2. Additional General Provisions, attached hereto as Exhibit "C" and incorporated herein by reference ("Additional Provisions").
Work Authorization, attached hereto as Exhibit "D" and incorporated herein by reference.
3. All applicable Federal, State, and Local laws, ordinances and regulations related to this Agreement shall be incorporated herein by reference. This Agreement is funded by the U. S. Department of Housing and Urban Development, and is subject to all regulations and requirements for agreements funded by HUD. Federal Regulations may be found at <http://www.gpoaccess.gov>. State of California regulations may be found at <http://www.leginfo.ca.gov>. For laws the County of San Bernardino, go to <http://www.sblawlibrary.org>.

ARTICLE 3. Term; Time of Completion. Contractor shall commence work under this agreement for a two year **base period**, beginning on or about **October 15, 2025** and expiring on **October 14, 2027** unless for any reason funds which have been appropriated for the provision of these services are no longer available, or until such time as terminated per the terms of the agreement in accordance with contract provisions in Article 19, which term may be extended **for single or multiple year extension options in HACSB's discretion for a maximum of three (3) years**. Contractor shall not commence work prior to the date of issuance by HACSB of a work authorization in the form set forth on Exhibit "D", attached hereto and incorporated herein by reference ("Work Authorization"). HACSB shall have the option to extend the engagement up to three single or multiple year terms. The optional years shall be exercised by written amendments executed by each party with board approval for additional funding on option years if needed. Option years will begin on or about **October 15, 2027** and expire no later than **October 14, 2030**. Following issuance of a Work Authorization, Contractor shall timely complete the Work in accordance with the schedule requirements specified in Exhibit "A", and within the term of this Agreement.

ARTICLE 4. Price. Unless otherwise specified in the Statement of Work, HACSB agrees to pay Contractor based on a percentage of the final purchase price of the property successfully sold or acquired through the services provided under this Agreement. Details defined in Exhibit A – Scope of Services – Fee Schedule. Price as set forth herein, is in consideration for and provides full and complete compensation for the Work and the performance by Contractor of all of its obligations hereunder. Terms are defined in the Additional Provisions, and includes a guarantee of task completion.

ARTICLE 5. Performance of Work. Contractor shall perform its duties on premises approved by HACSB, during HACSB's regular workdays and normal work hours and warrants that it shall perform the Work in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances. Contractor acknowledges that HACSB has the right to review the Work performed by Contractor and may, in its discretion, reject the Work, or any part thereof, as set forth in the Additional Provisions. In the event HACSB rejects any or all of the Work, at HACSB's election: (a) Contractor shall promptly correct any such deficiencies in the Work, or (b) the deficient Work shall be stricken from this Agreement and Contractor shall not be paid for such portion of the Work. Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Work assigned to them. Finally, Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Work and that such licenses and approvals shall be maintained throughout the term of this Agreement. Any employee of Contractor or its subcontractors who is determined by HACSB to be uncooperative, incompetent, a threat to the adequate or timely completion of the Work, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Work in a manner acceptable to HACSB, shall be promptly removed from the Work by the Contractor and shall not be re-employed to perform any of the Work under this Agreement.

ARTICLE 6. HACSB's Right to Stop Work. HACSB has the right to require Contractor to stop or suspend Work pursuant to the "Stop Work" provisions of the Additional Provisions.

ARTICLE 7. No Conflicts. HACSB acknowledges that Contractor has other business and personal interests, separate and apart from the services contemplated by this Agreement, and nothing in this Agreement is intended to preclude Contractor from devoting time and attention to such business and personal interests. HACSB further acknowledges that Contractor has the right to accept other engagements as long as said engagements do not represent a conflict of interest with respect to the Work or the obligations of Contractor to HACSB pursuant to this Agreement. In connection with Contractor's performance of the Work hereunder, Contractor represents that there exists no actual, potential or appearance of conflict arising out of Contractor's business and financial interests.

ARTICLE 8. Limit of Engagement. This Agreement does not and shall not be construed to create any partnership or agency whatsoever. Contractor shall not be deemed to be a partner, joint venture, agent or legal representative of HACSB for any purpose, nor shall Consultant have any authority or power to act for, or to undertake any obligation or responsibility on behalf of, HACSB or corporations affiliated with HACSB, other than as expressly herein provided. HACSB retains Contractor on an independent contractor basis and Contractor is not an employee of HACSB. Any additional personnel performing Work under this Agreement on behalf of Contractor shall not be employees of HACSB and shall at all times be under Contractor's exclusive direction and control.

ARTICLE 9. Responsibilities of HACSB. If information, data, or documentation necessary to facilitate Contractor's performance of the Work is required to be provided by HACSB, HACSB shall provide such information upon request by Contractor. It is Contractor's responsibility to determine if any such information is necessary in order to perform its obligations hereunder and to request such information from HACSB in a sufficient amount of time in order for Contractor to perform the Work hereunder.

ARTICLE 10. Additional Work.

- a. In the event that the parties mutually agree that additional and further work beyond that specified in the Statement of Work ("Additional Work") is required to be performed by Contractor, such Additional Work shall be memorialized in a Work Authorization executed by HACSB and Contractor. The Work Authorization shall include and specifically identify the types of services required to perform as part of the Additional Work, all significant material to be delivered to HACSB, the time schedule for completion of the Additional Work, and the price for such Additional Work.
- b. Nothing herein shall obligate HACSB to utilize Contractor to perform the Additional Work or in any way limit HACSB's rights to utilize third parties to perform or assist in performing the Additional Work. In no event shall Contractor commence performance of the Additional Work until it has received written consent executed by a duly authorized representative of HACSB.
- c. In the event that HACSB provides a Work Authorization for Additional Work, all of the terms and conditions of this Agreement shall apply to the performance of such Additional Work.

ARTICLE 11. Contractor's Obligation to Stop Work. Personnel resources will not be expended (at a cost to HACSB) on task accomplishment in excess of the schedule requirements set forth in "Exhibit A" unless the procedure below is followed:

- a. If, in the performance of the Work, Contractor determines that the Work to be performed under this Agreement cannot be accomplished within the estimated work hours, Contractor will immediately notify HACSB in writing of Contractor's estimate of the work hours which will be required to complete the Work. Upon receipt of such notification, HACSB may:
 - i. Authorize Contractor to expend the estimated additional work hours or service in excess of the original estimate necessary to accomplish the Work Authorization (such an authorization not unreasonably to be withheld); or
 - ii. Terminate this Agreement; or
 - iii. Alter the scope of the Work in order to define tasks that can be accomplished within the remaining estimated work hours.
- b. HACSB will notify Contractor in writing of its election within seven (7) calendar days after receipt of Contractor's notification. If notice of the election is given to proceed, Contractor may expend the estimated additional work hours or services, as memorialized in a Work Authorization signed by Contractor and HACSB. In the event that HACSB fails to notify Contractor within such seven (7) calendar day period, Contractor shall provide a second notice to HACSB requesting a determination. Contractor shall not proceed with the Work until such time as HACSB has made an election as to how it wishes to proceed, and a Work Authorization has been approved.

ARTICLE 12. Invoicing and Payment for Services. During the execution of each Milestone (as set forth in the Statement of Work) which involves the delivery to HACSB of identified Deliverables (as defined in the Statement of Work), Contractor may submit periodically to HACSB invoices reflecting a pro-rata cost of the Milestones, determined on the basis of the lesser of either:

- a. The number of Deliverables provided to HACSB divided by the total number of Deliverables required to be delivered to HACSB, less a ten percent (10%) withhold, less any amounts previously invoiced; or
- b. The number of work-hours expended by Contractor in the performance of the Work divided by the number of work hours scheduled for the Work, less a ten percent (10%) withhold, less any amounts

previously invoiced; provided that the Statement of Work may specify a withhold of more than ten percent (10%).

- c. For those Milestones which do not involve delivery to HACSB of identified Deliverables, but which are of a continuing nature, Contractor may submit invoices reflecting a pro-rata cost of the Milestone, less a ten percent (10%) withhold, less any amount previously invoiced. Actual progress payment amounts for such Milestones must be based on at least equivalent services rendered, and to the extent practicable, will be keyed to clearly identifiable stages of progress as reflected in written reports submitted with the invoices.
- d. Upon completion of a Milestone in accordance with the acceptance criteria set forth herein, the full charge for such Milestone, less amounts previously invoiced to HACSB, may be submitted for payment.
- e. In the event that Additional Work is performed pursuant to a Work Authorization, such Additional Work shall be paid by HACSB according to the same procedure set forth above with respect to the Work, unless a different method for payment is specified in such Work Authorization.
- f. Invoices prepared in accordance with this provision will not be submitted more frequently than monthly to HACSB.
- g. In the aggregate, invoices reflecting progress payments will not exceed ninety percent (90%) of the Agreement Price, with the balance to be invoiced upon completion of the Agreement, in accordance with the acceptance criteria set forth herein.
- h. No charge for transportation, delivery, express, parcel post, packing, cartage, insurance, license fees, permits, cost of bonds, or for any other purpose will be paid by HACSB unless expressly included and itemized in the Statement of Work or Work Authorization.
- i. Payments for all any and all invoices or other obligations are satisfied electronically through the Automated Clearing House (ACH) system. The Contractor hereby authorizes the HACSB to initiate payment electronically to any bank account maintained by the contractor wherever located. Contractor shall promptly comply with directions and accurately complete forms provided by HACSB required to process ACH payments.

ARTICLE 13. Return of HACSB Property. All reports, plans, designs, specifications, field data, construction documents, and other documents and instruments, including electronic files, but excluding Contractor's notes, relating to the Work shall be and remain the property of HACSB and shall be turned over to HACSB promptly upon the completion of the Work, or upon the earlier termination of this Agreement. Contractor hereby waives and assigns to HACSB all intellectual property or common law rights Contractor may develop in the Work. Contractor shall not use any trademarks owned by HACSB without HACSB's prior written authorization.

ARTICLE 14. Confidential Information. HACSB agrees to make available to Contractor information that may be needed to perform the Work. Such information may include information HACSB considers to be confidential. For purposes hereof, "Confidential Information" of HACSB means any nonpublic, proprietary information or technology used in HACSB's business, and any materials evidencing the same (specifically, including, without limitation, technical data or know-how relating to development plans, business plans, services, customers, markets, inventions (whether patentable or not), processes, designs, drawings, research, developments, strategies, marketing and/or financial information). Unless HACSB acknowledges that any such information provided under this Agreement is not Confidential Information, all information provided by HACSB to Contractor shall be considered to be Confidential Information. Unless approved in advance in writing or compelled to make such disclosure by a government agency, by court order, or by law, Contractor shall not disclose, transfer, distribute or allow access to any of HACSB's

Confidential Information to any third parties, except those individuals employed by Contractor and who are specifically authorized by Contractor to perform the Work contemplated in this Agreement.

ARTICLE 15. Indemnity; Hold Harmless. Contractor agrees to defend, save, indemnify and hold harmless HACSB and all its officers, employees, and agents, against any and all liabilities, claims, judgments, or demands, including demands arising from injuries or death of persons (Contractor's employees included) and damage to property, arising directly or indirectly out of the performance of the Work, the obligations herein undertaken or out of the operations conducted by Contractor, save and except claims or litigation to the extent arising through the active negligence or willful misconduct of HACSB. Contractor shall reimburse HACSB for any expenditures, including reasonable attorneys' fees, HACSB may incur arising out of any such claim or litigation, and, if requested by HACSB, Contractor shall defend any such suits at the sole cost and expense of Contractor with counsel selected by Contractor subject to HACSB's approval which shall not be unreasonably withheld. Contractor shall pay and satisfy any judgment, award or decree that may be rendered against HACSB or its officers, employees, and agents in any such suit, action or other legal proceeding.

ARTICLE 16. Compliance with Contract Documents. Contractor shall comply with all of the Contract Documents in connection with the performance of the Work hereunder. In the event of any conflict between this Agreement and the Contract Documents, the Contract Documents shall control. Contractor shall also comply with all agreements, representations, warranties, covenants, and certifications of Contractor made in connection with the procurement of this Agreement, provided that in the case of a conflict between the foregoing and the Contract Documents and this Agreement, the Contract Documents and this Agreement shall control.

ARTICLE 17. Assignment. Neither the Agreement, nor any part thereof, nor moneys due or to become due there under may be assigned by Contractor without the prior written approval of HACSB. This Agreement shall be binding on the successors and assigns of the parties.

ARTICLE 18. Rights and Remedies of HACSB for Default.

In the event any goods furnished or services provided by Contractor in the performance of the Work should fail to conform to the requirements herein, or to the sample submitted by Contractor, HACSB may reject the same, and it shall become the duty of Contractor to reclaim and remove the item promptly or to correct the performance of services, without expense to HACSB, and immediately replace all such rejected items with others conforming to the Agreement.

- a. In addition to any other rights and remedies HACSB may have, HACSB may require Contractor, at Contractor's expense, to ship goods via air freight or expedited routing to avoid or minimize actual or potential delay if the delay is the fault of Contractor.
- b. In the event of the termination of the Agreement, either in whole or in part, by reason of default or breach by Contractor, any loss or damage sustained by HACSB in procuring any items which Contractor agreed to supply shall be borne and paid for by Contractor.
- c. HACSB reserves the right to offset the reasonable cost of all damages caused to HACSB against any outstanding invoices or amounts owed to Contractor or to make a claim against Contractor therefore.

ARTICLE 19. Termination. In addition to the rights of Termination for Convenience of HACSB and Termination for Default set forth in the Contract Documents, HACSB may terminate this Agreement if Contractor should file a bankruptcy petition and/or be adjudged a bankrupt, or if Contractor should make a general assignment for the benefit of creditors, or if a receiver should be appointed on account of insolvency (as referenced in HUD Form 5370-C section 1 page 1). HACSB may serve written notice upon Contractor of its intention to terminate the Agreement. The notice shall contain the reasons for such intention to terminate the Agreement, and, unless within

ten (10) days after serving such notice, such violation shall cease and satisfactory arrangements for correction thereof be made, upon the expiration of the ten (10) days, the Agreement shall cease and terminate. In the event of any such termination, HACSB shall serve written notice thereof upon any surety and Contractor, and any such surety shall have the right to take over and perform Contractor's obligations pursuant to this Agreement; provided, however, that if such surety does not provide HACSB written notice of its intention to take over and perform the Work required under this Agreement within fifteen (15) days after receiving such written notice, or such surety does not commence performance thereof within thirty (30) days after providing such written notice to HACSB, HACSB shall have the right to perform all uncompleted portions of the Work and to prosecute the same to completion by contract or by any other method it deems advisable, for the account and at the expense of Contractor, and Contractor and its surety shall be liable to HACSB for any excess costs occasioned HACSB thereby and, in such event, HACSB may, without liability for doing so, take possession of and utilize in completing the Work, such materials, appliances, and other property belonging to Contractor as may be on the site of the Work and necessary for the performance of the Work.

ARTICLE 20. No Waiver. No waiver by the parties hereto of any default or breach of any term, condition or covenant of this Agreement shall be deemed to be a waiver of any subsequent default or breach of the same or any other term, condition or covenant contained herein.

ARTICLE 21. Modification. This written Agreement may not be later modified except by a further writing signed by HACSB and Contractor and no term of this Agreement may be waived, except by writing signed by the party waiving the benefit of such term. No oral understanding or agreement not incorporated in this Agreement is binding on any of the parties.

ARTICLE 22. Notices. All notices required pursuant to this Agreement shall be communicated in writing, and shall be delivered in person, by commercial courier providing proof of delivery, or by certified mail, return receipt requested. ***All notices sent pursuant to this Agreement shall be addressed as follows:***

If to HACSB:

Angie Lardapide, Procurement and Contracts Supervisor
Housing Authority of the County of San Bernardino
715 E. Brier Drive
San Bernardino, CA 92408-2841
alardapide@hacsb.com

If to Contractor:

Ian Britton, Managing Director
CBRE, Inc.
4141 Inland Empire Blvd., Suite 100
Ontario, CA 91764
ian.britton@cbre.com

Notices will be deemed effective upon receipt or rejection only.

ARTICLE 23. Complete Agreement. This written Agreement is the final, complete and exclusive statement and expression of the agreement between HACSB and Contractor and of all the terms of this Agreement and cannot be varied, contradicted, nor supplemented by evidence of any prior or contemporaneous oral or written agreements.

ARTICLE 24. Applicable Law/Venue. This Agreement shall be construed and interpreted in accordance with the internal laws of the State of California, with proper venue for any litigation in San Bernardino County, California.

ARTICLE 25. Severability; Headings. If any portion of this Agreement is held invalid or inoperative, the other portions of this Agreement shall be deemed valid and operative and so far as is reasonable and possible, effect shall be given to the intent manifested by the portion held invalid or inoperative. The section headings herein are for reference purposes only and are not intended in any way to describe, interpret, define or limit the extent or intent of this Agreement or of any part hereof.

ARTICLE 26. Interpretation. Should any provision of this Agreement require interpretation, it is agreed that the person or persons interpreting or construing the same shall not apply a presumption that the terms of this Agreement shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party who itself or through its agent or counsel prepared the same or caused

the same to be prepared; it being agreed that the agents and counsel of all of the parties have participated equally in the negotiation and preparation of this Agreement. The language in all parts of this Agreement shall be in all cases construed simply, fairly, equitably and reasonably, according to its plain meaning and not strictly for or against any of the parties.

ARTICLE 27. Counterparts. This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same Agreement. The parties shall be entitled to sign and transmit an electronic signature of this Agreement (whether by facsimile, PDF or other email transmission), which signature shall be binding on the party whose name is contained therein. Each party providing an electronic signature agrees to promptly execute and deliver to the other party an original signed Agreement upon request.

ARTICLE 28. Eight-Hour Law. Pursuant to the provisions of the California Labor Code, eight hours of labor shall constitute a legal day's work, and the time of service of any worker employed on the work shall be limited and restricted to eight hours during any one calendar day, and forty hours in any one calendar week, except when payment for overtime is made at not less than one and one-half the basic rate for all hours worked in excess of eight hours per day ("Eight-Hour Law"). Contractor shall forfeit to HACSB as a penalty, \$50.00 for each worker employed in the execution of this Agreement by him, or by any subcontractor under him, for each calendar day during which such workman is required or permitted to work more than eight hours in any calendar day and forty hours in any one calendar week without such compensation for overtime violation of the provisions of the California Labor Code, unless Contractor or the Work are not subject to the Eight-Hour Law.

ARTICLE 29. Subcontracting. Contractor shall not subcontract any portion of the Work required by this Agreement, except as expressly stated herein, without prior written approval of HACSB. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

ARTICLE 30. Attorney's Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and costs of such actions.

ARTICLE 31. Survival. All rights and obligations hereunder that by their nature are to continue after any expiration or termination of this Agreement, including, but not limited to, the indemnification and confidentiality obligations, shall survive any such expiration or termination.

ARTICLE 32. No Third Party Beneficiaries. Except as expressly stated herein or in the Contract Documents, there are no intended third party beneficiaries of any right or obligation assumed by the parties.

[END – SIGNATURES ON NEXT PAGE]

SIGNATURE PAGE TO
CONSULTING, SERVICES, AND NON-ROUTINE MAINTENANCE RELATED SERVICES AGREEMENT
(NON-CONSTRUCTION)
PC1419 – REAL ESTATE BROKERAGE SERVICES

IN WITNESS WHEREOF, HACSB and Contractor have entered into this Agreement as of the Effective

Date: _____

CBRE, INC.

By: _____ (Affix seal if a corporation)

Name: _____

Its: _____

CERTIFICATE OF CORPORATE AUTHORITY

I, _____, certify that I am the _____ of the corporation named as Contractor herein; that _____ who signed this Agreement on behalf of Contractor, was then _____ of said corporation; that said Contract was duly signed for and in behalf of said corporation and its governing body and is within the scope of its corporate powers.

By: _____

Name: _____

Its: _____

Date: _____

HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

By: _____

Name: Maria Razo

Its: Executive Director

Date: _____

Exhibit A – Scope of Work

Scope of Services:

The Brokerage Firm shall provide the following services:

- 1. Property Valuation and Market Analysis**
 - a. Conduct a comprehensive valuation of HACSB's real estate portfolio, including any property considered for sale.
 - b. Perform a comparative market analysis to determine competitive pricing strategies.
 - c. Provide detailed market insights and trends to guide HACSB's sales strategy.
- 2. Marketing and Promotion**
 - a. Develop and implement a marketing plan tailored to each property, leveraging multiple platforms, including but not limited to online listings, print advertising, and direct outreach.
 - b. Create professional marketing materials, including brochures, flyers, and online listings with high-quality photographs and property descriptions.
 - c. Coordinate and conduct property showings, open houses, and tours for potential buyers.
- 3. Buyer Identification and Negotiations**
 - a. Identify and screen potential buyers that meet HACSB's qualifications and objectives, subject to HACSB's final approval.
 - b. Present and review offers, advising HACSB on the best course of action.
 - c. Conduct negotiations on behalf of HACSB to secure the highest and best value for each property.
 - d. Facilitate and assist HACSB's legal counsel with counteroffers, amendments, and all necessary communications between HACSB and potential buyers.
- 4. Transaction Coordination and Closing Assistance**
 - a. Work with legal counsel, title companies, escrow agents, and other necessary parties to ensure a smooth transaction process.
 - b. Provide contract review of business terms and ensure compliance with all applicable regulations and HACSB policies with the exception of that which requires legal interpretation.
 - c. Assist in due diligence and address any issues that may arise before closing.
 - d. Facilitate closing and ensure timely execution of all necessary documents.
- 5. Regulatory Compliance and Reporting**
 - a. Assist HACSB's legal counsel regarding all transactions' compliance with applicable federal, state, and local laws and regulations governing public agency property sales.
 - b. Provide regular progress reports to HACSB, including updates on marketing efforts, potential buyer interest, and transaction timelines.
 - c. Maintain detailed records of all transactions and communications related to property sales.

Scope of Services – Fee Schedule:

Fee Simple Sale – Dispositions:

Dispositions for HACSB				
Purchase Price	CBRE Commission / Success Fee	Estimated Cooperating Broker Fee*	Total Fees with Cooperating Broker	Paid By
\$0 - \$5 M	3.00%	3.00%	6.00%	HACSB
\$5 M - \$10 M	2.50%	2.50%	5.00%	HACSB
\$10 M - \$15 M	2.00%	2.00%	4.00%	HACSB
\$15M or greater	1.50%	1.50%	3.00%	HACSB

*The estimated Cooperating Broker Fees are additional and transaction dependent

Consulting Fees/Additional Services:

Rate Schedule - 2025		
Name	Position	Hourly Rate
Brian Hutcherson	Project Lead	\$275
Nicolette Canzoneri	Deputy Project Lead	\$225
Erin Lee	Marketing	\$150
Eric Chen	Market Specialists - Multi-Family	\$275
Rachel Parsons	Market Specialists - Multi-Family	\$275
Derrek Ostrzyzek	Market Specialists - Multi-Family	\$275
Alberto Vela	Development & Construction Advisory	\$275
Ross Huber	Financial Analysis	\$225
Max Zabala	Development Analysis/Subconsultant	\$275

Exhibit B
GENERAL CONDITIONS FOR NON-CONSTRUCTION WORK
(HUD – 5370-C)

Document on Following Page

General Conditions for Non-Construction Contracts

Section I – (With or without Maintenance Work)

U.S. Department of Housing and Urban Development

Office of Public and Indian Housing

Office of Labor Relations

OMB Approval No. 2577-0157 (exp. 11/30/2023)

Public Reporting Burden for this collection of information is estimated to average one hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not conduct or sponsor, and an applicant is not required to respond to a collection of information unless it displays a currently valid OMB control number.

Applicability. This form HUD-5370-C has 2 Sections. These Sections must be inserted into non-construction contracts as described below:

- 1) **Non-construction contracts** (*without* maintenance) **greater than \$150,000 - use Section I;**
- 2) **Maintenance contracts** (including nonroutine maintenance as defined at 24 CFR 905.100) **greater than \$2,000 but not more than \$150,000 - use Section II;** and
- 3) **Maintenance contracts** (including nonroutine maintenance), **greater than \$150,000 – use Sections I and II.**

Section I - Clauses for All Non-Construction Contracts greater than \$150,000

1. Definitions

The following definitions are applicable to this contract:

- (a) "Authority or Housing Authority (HA)" means the Housing Authority.
- (b) "Contract" means the contract entered into between the Authority and the Contractor. It includes the contract form, the Certifications and Representations, these contract clauses, and the scope of work. It includes all formal changes to any of those documents by addendum, Change Order, or other modification.
- (c) "Contractor" means the person or other entity entering into the contract with the Authority to perform all of the work required under the contract.
- (d) "Day" means calendar days, unless otherwise stated.
- (e) "HUD" means the Secretary of Housing and Urban development, his delegates, successors, and assigns, and the officers and employees of the United States Department of Housing and Urban Development acting for and on behalf of the Secretary.

2. Changes

- (a) The HA may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this contract in the services to be performed or supplies to be delivered.
- (b) If any such change causes an increase or decrease in the hourly rate, the not-to-exceed amount of the contract, or the time required for performance of any part of the work under this contract, whether or not changed by the order, or otherwise affects the conditions of this contract, the HA shall make an equitable adjustment in the not-to-exceed amount, the hourly rate, the delivery schedule, or other affected terms, and shall modify the contract accordingly.
- (c) The Contractor must assert its right to an equitable adjustment under this clause within 30 days from the date of receipt of the written order. However, if the HA decides that the facts justify it, the HA may receive and act upon a

proposal submitted before final payment of the contract.

- (d) Failure to agree to any adjustment shall be a dispute under clause Disputes, herein. However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.
- (e) No services for which an additional cost or fee will be charged by the Contractor shall be furnished without the prior written consent of the HA.

3. Termination for Convenience and Default

- (a) The HA may terminate this contract in whole, or from time to time in part, for the HA's convenience or the failure of the Contractor to fulfill the contract obligations (default). The HA shall terminate by delivering to the Contractor a written Notice of Termination specifying the nature, extent, and effective date of the termination. Upon receipt of the notice, the Contractor shall: (i) immediately discontinue all services affected (unless the notice directs otherwise); and (ii) deliver to the HA all information, reports, papers, and other materials accumulated or generated in performing this contract, whether completed or in process.
- (b) If the termination is for the convenience of the HA, the HA shall be liable only for payment for services rendered before the effective date of the termination.
- (c) If the termination is due to the failure of the Contractor to fulfill its obligations under the contract (default), the HA may (i) require the Contractor to deliver to it, in the manner and to the extent directed by the HA, any work as described in subparagraph (a)(ii) above, and compensation be determined in accordance with the Changes clause, paragraph 2, above; (ii) take over the work and prosecute the same to completion by contract or otherwise, and the Contractor shall be liable for any additional cost incurred by the HA; (iii) withhold any payments to the Contractor, for the purpose of off-set or partial payment, as the case may be, of amounts owed to the HA by the Contractor.
- (d) If, after termination for failure to fulfill contract obligations (default), it is determined that the Contractor had not failed, the termination shall be deemed to have been effected for the convenience of the HA, and the Contractor shall be entitled to payment as described in paragraph (b) above.
- (e) Any disputes with regard to this clause are expressly made subject to the terms of clause titled Disputes herein.

4. Examination and Retention of Contractor's Records

- (a) The HA, HUD, or Comptroller General of the United States, or any of their duly authorized representatives shall, until 3 years after final payment under this contract, have access to and the right to examine any of the Contractor's directly pertinent books, documents, papers, or other records involving transactions related to this contract for the purpose of making audit, examination, excerpts, and transcriptions.

- (b) The Contractor agrees to include in first-tier subcontracts under this contract a clause substantially the same as paragraph (a) above. "Subcontract," as used in this clause, excludes purchase orders not exceeding \$10,000.
- (c) The periods of access and examination in paragraphs (a) and (b) above for records relating to:
 - (i) appeals under the clause titled Disputes;
 - (ii) litigation or settlement of claims arising from the performance of this contract; or,
 - (iii) costs and expenses of this contract to which the HA, HUD, or Comptroller General or any of their duly authorized representatives has taken exception shall continue until disposition of such appeals, litigation, claims, or exceptions.

5. Rights in Data (Ownership and Proprietary Interest)

The HA shall have exclusive ownership of, all proprietary interest in, and the right to full and exclusive possession of all information, materials and documents discovered or produced by Contractor pursuant to the terms of this Contract, including but not limited to reports, memoranda or letters concerning the research and reporting tasks of this Contract.

6. Energy Efficiency

The contractor shall comply with all mandatory standards and policies relating to energy efficiency which are contained in the energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub.L. 94-163) for the State in which the work under this contract is performed.

7. Disputes

- (a) All disputes arising under or relating to this contract, except for disputes arising under clauses contained in Section III, Labor Standards Provisions, including any claims for damages for the alleged breach thereof which are not disposed of by agreement, shall be resolved under this clause.
- (b) All claims by the Contractor shall be made in writing and submitted to the HA. A claim by the HA against the Contractor shall be subject to a written decision by the HA.
- (c) The HA shall, with reasonable promptness, but in no event in no more than 60 days, render a decision concerning any claim hereunder. Unless the Contractor, within 30 days after receipt of the HA's decision, shall notify the HA in writing that it takes exception to such decision, the decision shall be final and conclusive.
- (d) Provided the Contractor has (i) given the notice within the time stated in paragraph (c) above, and (ii) excepted its claim relating to such decision from the final release, and (iii) brought suit against the HA not later than one year after receipt of final payment, or if final payment has not been made, not later than one year after the Contractor has had a reasonable time to respond to a written request by the HA that it submit a final voucher and release, whichever is earlier, then the HA's decision shall not be final or conclusive, but the dispute shall be determined on the merits by a court of competent jurisdiction.
- (e) The Contractor shall proceed diligently with performance of this contract, pending final resolution of any request for relief, claim, appeal, or action arising under the contract, and comply with any decision of the HA.

8. Contract Termination; Debarment

A breach of these Contract clauses may be grounds for termination of the Contract and for debarment or denial of participation in HUD programs as a Contractor and a subcontractor as provided in 24 CFR Part 24.

9. Assignment of Contract

The Contractor shall not assign or transfer any interest in this contract; except that claims for monies due or to become due from the HA under the contract may be assigned to a bank, trust company, or other financial institution. If the Contractor is a partnership, this contract shall inure to the benefit of the surviving or remaining member(s) of such partnership approved by the HA.

10. Certificate and Release

Prior to final payment under this contract, or prior to settlement upon termination of this contract, and as a condition precedent thereto, the Contractor shall execute and deliver to the HA a certificate and release, in a form acceptable to the HA, of all claims against the HA by the Contractor under and by virtue of this contract, other than such claims, if any, as may be specifically excepted by the Contractor in stated amounts set forth therein.

11. Organizational Conflicts of Interest

- (a) The Contractor warrants that to the best of its knowledge and belief and except as otherwise disclosed, it does not have any organizational conflict of interest which is defined as a situation in which the nature of work under this contract and a contractor's organizational, financial, contractual or other interests are such that:
 - (i) Award of the contract may result in an unfair competitive advantage; or
 - (ii) The Contractor's objectivity in performing the contract work may be impaired.
- (b) The Contractor agrees that if after award it discovers an organizational conflict of interest with respect to this contract or any task/delivery order under the contract, he or she shall make an immediate and full disclosure in writing to the Contracting Officer which shall include a description of the action which the Contractor has taken or intends to take to eliminate or neutralize the conflict. The HA may, however, terminate the contract or task/delivery order for the convenience of the HA if it would be in the best interest of the HA.
- (c) In the event the Contractor was aware of an organizational conflict of interest before the award of this contract and intentionally did not disclose the conflict to the Contracting Officer, the HA may terminate the contract for default.
- (d) The terms of this clause shall be included in all subcontracts and consulting agreements wherein the work to be performed is similar to the service provided by the prime Contractor. The Contractor shall include in such subcontracts and consulting agreements any necessary provisions to eliminate or neutralize conflicts of interest.

12. Inspection and Acceptance

- (a) The HA has the right to review, require correction, if necessary, and accept the work products produced by the Contractor. Such review(s) shall be carried out within 30 days so as to not impede the work of the Contractor. Any

product of work shall be deemed accepted as submitted if the HA does not issue written comments and/or required corrections within 30 days from the date of receipt of such product from the Contractor.

- (b) The Contractor shall make any required corrections promptly at no additional charge and return a revised copy of the product to the HA within 7 days of notification or a later date if extended by the HA.
- (c) Failure by the Contractor to proceed with reasonable promptness to make necessary corrections shall be a default. If the Contractor's submission of corrected work remains unacceptable, the HA may terminate this contract (or the task order involved) or reduce the contract price or cost to reflect the reduced value of services received.

13. Interest of Members of Congress

No member of or delegate to the Congress of the United States of America or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit to arise there from, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

14. Interest of Members, Officers, or Employees and Former Members, Officers, or Employees

No member, officer, or employee of the HA, no member of the governing body of the locality in which the project is situated, no member of the governing body in which the HA was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the project, shall, during his or her tenure, or for one year thereafter, have any interest, direct or indirect, in this contract or the proceeds thereof.

15. Limitation on Payments to Influence Certain Federal Transactions

(a) Definitions. As used in this clause:

"Agency", as defined in 5 U.S.C. 552(f), includes Federal executive departments and agencies as well as independent regulatory commissions and Government corporations, as defined in 31 U.S.C. 9101(1).

"Covered Federal Action" means any of the following Federal actions:

- (i) The awarding of any Federal contract;
- (ii) The making of any Federal grant;
- (iii) The making of any Federal loan;
- (iv) The entering into of any cooperative agreement; and,
- (v) The extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

Covered Federal action does not include receiving from an agency a commitment providing for the United States to insure or guarantee a loan.

"Indian tribe" and "tribal organization" have the meaning provided in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450B). Alaskan Natives are included under the definitions of Indian tribes in that Act.

"Influencing or attempting to influence" means making, with the intent to influence, any communication to or appearance before an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any covered Federal action.

"Local government" means a unit of government in a State and, if chartered, established, or otherwise recognized by a State for the performance of a governmental duty, including a local public authority, a special district, an intrastate district, a council of governments, a sponsor group representative organization, and any other instrumentality of a local government.

"Officer or employee of an agency" includes the following individuals who are employed by an agency:

- (i) An individual who is appointed to a position in the Government under title 5, U.S.C., including a position under a temporary appointment;
- (ii) A member of the uniformed services as defined in section 202, title 18, U.S.C.;
- (iii) A special Government employee as defined in section 202, title 18, U.S.C.; and,
- (iv) An individual who is a member of a Federal advisory committee, as defined by the Federal Advisory Committee Act, title 5, appendix 2.

"Person" means an individual, corporation, company, association, authority, firm, partnership, society, State, and local government, regardless of whether such entity is operated for profit or not for profit. This term excludes an Indian tribe, tribal organization, or other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Recipient" includes all contractors, subcontractors at any tier, and subgrantees at any tier of the recipient of funds received in connection with a Federal contract, grant, loan, or cooperative agreement. The term excludes an Indian tribe, tribal organization, or any other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Regularly employed means, with respect to an officer or employee of a person requesting or receiving a Federal contract, grant, loan, or cooperative agreement, an officer or employee who is employed by such person for at least 130 working days within one year immediately preceding the date of the submission that initiates agency consideration of such person for receipt of such contract, grant, loan, or cooperative agreement. An officer or employee who is employed by such person for less than 130 working days within one year immediately preceding the date of submission that initiates agency consideration of such person shall be considered to be regularly employed as soon as he or she is employed by such person for 130 working days.

"State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, a territory or possession of the United States, an agency or instrumentality of a State, and a multi-State, regional, or interstate entity having governmental duties and powers.

(b) Prohibition.

- (i) Section 1352 of title 31, U.S.C. provides in part that no appropriated funds may be expended by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (ii) The prohibition does not apply as follows:

(1) Agency and legislative liaison by Own Employees.

(a) The prohibition on the use of appropriated funds, in paragraph (i) of this section, does not apply in the case of a payment of reasonable compensation made to an officer or employee of a person requesting or receiving a Federal contract, grant, loan, or cooperative agreement, if the payment is for agency and legislative activities not directly related to a covered Federal action.

(b) For purposes of paragraph (b)(i)(1)(a) of this clause, providing any information specifically requested by an agency or Congress is permitted at any time.

(c) The following agency and legislative liaison activities are permitted at any time only where they are not related to a specific solicitation for any covered Federal action:

(1) Discussing with an agency (including individual demonstrations) the qualities and characteristics of the person's products or services, conditions or terms of sale, and service capabilities; and,

(2) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use.

(d) The following agency and legislative liaison activities are permitted where they are prior to formal solicitation of any covered Federal action:

(1) Providing any information not specifically requested but necessary for an agency to make an informed decision about initiation of a covered Federal action;

(2) Technical discussions regarding the preparation of an unsolicited proposal prior to its official submission; and

(3) Capability presentations by persons seeking awards from an agency pursuant to the provisions of the Small Business Act, as amended by Public Law 95-507 and other subsequent amendments.

(e) Only those activities expressly authorized by subdivision (b)(ii)(1)(a) of this clause are permitted under this clause.

(2) Professional and technical services.

(a) The prohibition on the use of appropriated funds, in subparagraph (b)(i) of this clause, does not apply in the case of-

(i) A payment of reasonable compensation made to an officer or employee of a person requesting or receiving a covered Federal action or an extension, continuation, renewal, amendment, or modification of a covered Federal action, if payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action.

(ii) Any reasonable payment to a person, other than an officer or employee of a

person requesting or receiving a covered Federal action or an extension, continuation, renewal, amendment, or modification of a covered Federal action if the payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action. Persons other than officers or employees of a person requesting or receiving a covered Federal action include consultants and trade associations.

(b) For purposes of subdivision (b)(ii)(2)(a) of clause, "professional and technical services" shall be limited to advice and analysis directly applying any professional or technical discipline.

(c) Requirements imposed by or pursuant to law as a condition for receiving a covered Federal award include those required by law or regulation, or reasonably expected to be required by law or regulation, and any other requirements in the actual award documents.

(d) Only those services expressly authorized by subdivisions (b)(ii)(2)(a)(i) and (ii) of this section are permitted under this clause.

(iii) Selling activities by independent sales representatives.

(c) The prohibition on the use of appropriated funds, in subparagraph (b)(i) of this clause, does not apply to the following selling activities before an agency by independent sales representatives, provided such activities are prior to formal solicitation by an agency and are specifically limited to the merits of the matter:

(i) Discussing with an agency (including individual demonstration) the qualities and characteristics of the person's products or services, conditions or terms of sale, and service capabilities; and

(ii) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use.

(d) Agreement. In accepting any contract, grant, cooperative agreement, or loan resulting from this solicitation, the person submitting the offer agrees not to make any payment prohibited by this clause.

(e) Penalties. Any person who makes an expenditure prohibited under paragraph (b) of this clause shall be subject to civil penalties as provided for by 31 U.S.C. 1352. An imposition of a civil penalty does not prevent the Government from seeking any other remedy that may be applicable.

(f) Cost Allowability. Nothing in this clause is to be interpreted to make allowable or reasonable any costs which would be unallowable or unreasonable in accordance with Part 31 of the Federal Acquisition Regulation (FAR), or OMB Circulars dealing with cost allowability for recipients of assistance agreements. Conversely, costs made specifically unallowable by the requirements in this clause will not be made allowable under any of the provisions of FAR Part 31 or the relevant OMB Circulars.

16. Equal Employment Opportunity

During the performance of this contract, the

Contractor/Seller agrees as follows:

(a) The [contractor/seller] will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, disability, or national origin. The

[contractor/seller] will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation, gender identity, disability, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The [contractor/seller] agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

(b) The [contractor/seller] will, in all solicitations or advertisements for employees placed by or on behalf of the [contractor/seller], state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, disability, or national origin.

(c) The [contractor/seller] will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the [contractor/seller]'s legal duty to furnish information.

(d) The [contractor/seller] will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers' representative of the [contractor/seller]'s commitments under section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(e) The [contractor/seller] will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(f) The [contractor/seller] will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(g) In the event of the [contractor/seller]'s non-compliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the [contractor/seller] may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(g) In the event of the [contractor/seller]'s non-compliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the [contractor/seller] may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(h) The [contractor/seller] will include the provisions of paragraphs (a) through (h) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each sub[contractor/seller] or vendor. The [contractor/seller] will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event the [contractor/seller] becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the [contractor/seller] may request the United States to enter into such litigation to protect the interests of the United States.

17. Equal Opportunity for Workers with Disabilities

1. The [contractor/seller] will not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The [contractor/seller] agrees to take affirmative action to employ and advance in employment individuals with disabilities, and to treat qualified individuals without discrimination on the basis of their physical or mental disability in all employment practices, including the following:

- i. Recruitment, advertising, and job application procedures;
- ii. Hiring, upgrading, promotion, award of tenure, demotion, transfer, layoff, termination, right of return from layoff and rehiring;
- iii. Rates of pay or any other form of compensation and changes in compensation;
- iv. Job assignments, job classifications, organizational structures, position descriptions, lines of progression, and seniority lists;
- v. Leaves of absence, sick leave, or any other leave;
- vi. Fringe benefits available by virtue of employment, whether or not administered by the [contractor/seller];
- vii. Selection and financial support for training, including apprenticeship, professional meetings, conferences, and other related activities, and selection for leaves of absence to pursue training;
- viii. Activities sponsored by the [contractor/seller] including social or recreational programs; and
- ix. Any other term, condition, or privilege of employment.

2. The [contractor/seller] agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the act.

3. In the event of the [contractor/seller] noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the act.

4. The [contractor/seller] agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Director, Office of Federal Contract Compliance Programs, provided by or through the contracting officer. Such notices shall state the rights of applicants and employees as well as the [contractor/seller]'s obligation under the law to take affirmative action to employ and advance in employment qualified employees and applicants with disabilities.

The [contractor/seller] must ensure that applicants or employees with disabilities are provided the notice in a form that is accessible and understandable to the individual applicant or employee (e.g., providing Braille or large print versions of the notice, or posting a copy of the notice at a lower height for easy viewing by a person using a wheelchair). With respect to employees who do not work at a physical location of the [contractor/seller], a [contractor/seller] will satisfy its posting obligations by posting such notices in an electronic format, provided that the [contractor/seller] provides computers, or access to computers, that can access the electronic posting to such employees, or the [contractor/seller] has actual knowledge that such employees otherwise are able to access the electronically posted notices. Electronic notices for employees must be posted in a conspicuous location and format on the company's intranet or sent by electronic mail to employees. An electronic posting must be used by the [contractor/seller] to notify job applicants of their rights if the [contractor/seller] utilizes an electronic application process. Such electronic applicant notice must be conspicuously stored with, or as part of, the electronic application.

5. The [contractor/seller] will notify each labor organization or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the [contractor/seller] is bound by the terms of section 503 of the Rehabilitation Act of 1973, as amended, and is committed to take affirmative action to employ and advance in employment, and shall not discriminate against, individuals with physical or mental disabilities.

6. The [contractor/seller] will include the provisions of this clause in every subcontract or purchase order in excess of \$ 10,000, unless exempted by the rules, regulations, or orders of the Secretary issued pursuant to section 503 of the act, as amended, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the Director, Office of Federal Contract Compliance Programs may direct to enforce such provisions, including action for noncompliance.

7. The [contractor/seller] must, in all solicitations or advertisements for employees placed by or on behalf of the [contractor/seller], state that all qualified applicants will receive consideration for employment and will not be discriminated against on the basis of disability.

18. Dissemination or Disclosure of Information

No information or material shall be disseminated or disclosed to the general public, the news media, or any person or organization without prior express written approval by the HA.

19. Contractor's Status

It is understood that the Contractor is an independent contractor and is not to be considered an employee of the HA, or assume any right, privilege or duties of an employee, and shall save harmless the HA and its employees from claims suits, actions and costs of every description resulting from the Contractor's activities on behalf of the HA in connection with this Agreement.

20. Other Contractors

HA may undertake or award other contracts for additional work at or near the site(s) of the work under this contract. The contractor shall fully cooperate with the other contractors and with HA and HUD employees and shall carefully adapt scheduling and performing the work under this contract to accommodate the additional work, heeding any direction that may be provided by the Contracting Officer. The contractor shall not commit or permit any act that will interfere with the performance of work by any other contractor or HA employee.

21. Liens

The Contractor is prohibited from placing a lien on HA's property. This prohibition shall apply to all subcontractors.

22. Training and Employment Opportunities for Residents in the Project Area (Section 3, HUD Act of 1968; 24 CFR 135)

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

22. Procurement of Recovered Materials

- (a) In accordance with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, the Contractor shall procure items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of ₁₈

recovered materials practicable consistent with maintaining a satisfactory level of competition. The Contractor shall procure items designated in the EPA guidelines that contain the highest percentage of recovered materials practicable unless the Contractor determines that such items: (1) are not reasonably available in a reasonable period of time; (2) fail to meet reasonable performance standards, which shall be determined on the basis of the guidelines of the National Institute of Standards and Technology, if applicable to the item; or (3) are only available at an unreasonable price.

- (b) Paragraph (a) of this clause shall apply to items purchased under this contract where: (1) the Contractor purchases in excess of \$10,000 of the item under this contract; or (2) during the preceding Federal fiscal year, the Contractor: (i) purchased any amount of the items for use under a contract that was funded with Federal appropriations and was with a Federal agency or a State agency or agency of a political subdivision of a State; and (ii) purchased a total of in excess of \$10,000 of the item both under and outside that contract

Exhibit C
Additional General Provisions

Document on Following Page

ADDITIONAL GENERAL PROVISIONS

1. **DEFINITIONS:** The following terms shall be given the meaning shown, unless context requires otherwise or a unique meaning is otherwise specified.
 - a. **Business Entity** means any individual, business, partnership, joint venture, corporation, S-corporation, limited liability corporation, limited liability partnership, sole proprietorship, joint stock company, consortium, or other private legal entity recognized by statute.
 - b. **Contractor** means the Business Entity with whom the Housing Authority of the County of San Bernardino enters into this Agreement. Contractor shall be synonymous with "supplier", "vendor" or other similar term.
 - c. **Firm Price** means the Agreement requires the delivery of products or services at a specific price, fixed at the time of the Agreement and not subject to any adjustment on the basis of Contractor's cost experience in performing under the terms of the Agreement.
 - d. **HACSB** means the Housing Authority of the County of San Bernardino, its employees and authorized representatives, including without limitation any department, agency, or other unit of HACSB.
 - e. **Non-routine maintenance** means duties or tasks that ordinarily would be performed on a regular basis in the course of upkeep of property, but have become substantial in scope because they have been put off, and involve expenditures that would otherwise materially distort the level trend of maintenance expenses. Replacement of equipment and materials rendered unsatisfactory because of normal wear and tear by items of substantially the same kind does qualify, but reconstruction, substantial improvement in the quality or kind of original equipment and materials, or remodeling that alters the nature or type of housing units does not qualify.
2. **COMPLIANCE WITH STATUTES AND REGULATIONS:** Contractor warrants and certifies that in the performance of this Agreement, it will comply with all applicable statutes, rules, regulations and orders of the United States, the State of California and HACSB and agrees to indemnify HACSB against any loss, cost, damage or liability by reason of Contractor's violation of this provision.
3. **CONTRACTOR'S POWER AND AUTHORITY:** Contractor warrants that it has full power and authority to enter into and perform its obligations under this Agreement, and will hold HACSB harmless from and against any loss, cost, liability, and expense (including reasonable attorney fees) arising out of any breach of this Agreement. Further, Contractor agrees that it will not enter into any arrangement with any third party which might abridge any rights of HACSB under this Agreement.
4. **TRANSPORTATION COSTS AND OTHER FEES OR EXPENSES:** No charge for delivery, express, parcel post, packing, cartage, insurance, license fees, permits, cost of bonds, or for any other purpose will be paid by HACSB unless expressly included and itemized in the Agreement.
 - a. Contractor must strictly follow Agreement requirements regarding Free on Board (F.O.B.), freight terms and routing instructions. HACSB may permit use of an alternate carrier at no additional cost to HACSB with advance written authorization of HACSB.
 - b. If "prepay and add" is selected, supporting freight bills are required when over \$50, unless an exact freight charge is approved by HACSB and a waiver is granted in writing and in advance of shipping.
 - c. On "F.O.B. Shipping Point" transactions, should any shipments under the Agreement be received by HACSB in a damaged condition and any related freight loss and damage claims filed against the carrier or carriers be wholly or partially declined by the carrier or carriers with the inference that damage was the result of the act of the shipper such as inadequate packaging or loading or some inherent defect in the equipment and/or material, contractor, on request of HACSB, shall at Contractor's own expense assist HACSB in establishing carrier liability by supplying evidence that the equipment and/or material was properly constructed, manufactured, packaged, and secured to withstand normal transportation conditions.
5. **TIME IS OF THE ESSENCE:** Time is of the essence in this Agreement.

6. **DELIVERY:** Contractor shall strictly adhere to the delivery and completion schedules specified in the Agreement. Time, if stated as a number of days, shall mean calendar days unless otherwise specified. The quantities specified herein are the only quantities required. If Contractor delivers in excess of the quantities specified herein, HACSB shall not be required to make any payment for the excess goods, and may return them to Contractor, at Contractor's expense, or utilize any other rights available to HACSB at law or in equity.
7. **SUBSTITUTIONS:** Substitution of goods may not be tendered, without advance written consent of HACSB. Contractor shall not use any specification in lieu of those contained in the Agreement, without written consent of HACSB.
8. **INSPECTION, ACCEPTANCE AND REJECTION:**
- a. Contractor and its subcontractors will provide and maintain a quality assurance system acceptable to HACSB covering goods and services under this Agreement and will tender to HACSB only those goods that have been inspected and found to conform to the requirements of this Agreement. Contractor will keep records evidencing inspections and their result, and will make these records available to HACSB during performance of the Work and for three years after final payment. Contractor shall permit HACSB to review procedures, practices, processes and related documents to determine the acceptability of Contractor's quality assurance system or other business practices related to performance of the Work.
 - b. All goods may be subject to inspection and test by HACSB or its authorized representatives.
 - c. Contractor and its subcontractors shall provide all reasonable facilities for the safety and convenience of inspectors at no additional cost to HACSB. Contractor shall furnish to inspectors all information and data as may be reasonably required to perform their inspection.
 - d. All goods to be delivered hereunder may be subject to final inspection, test and acceptance by HACSB at destination, notwithstanding any payment or inspection at source.
 - e. HACSB shall give written notice of rejection of goods delivered or services performed hereunder within a reasonable time after receipt of such goods or performance of such services. Such notice of rejection will state the respects in which the goods do not substantially conform to their specifications. If HACSB does not provide such notice of rejection within thirty (30) days, unless otherwise specified in the Statement of Work, of delivery, such goods and services will be deemed to have been accepted. Acceptance by HACSB will be final and irreversible, except as it relates to latent defects, fraud, and gross mistakes amounting to fraud. Acceptance shall not be construed to waive any warranty rights that HACSB might have at law or by express reservation in this Agreement with respect to any nonconformity.
9. **SAMPLES:**
- a. Samples of items may be required by HACSB for inspection and specification testing and must be furnished free of expense to HACSB. The samples furnished must be identical in all respects to the products bid and/or specified in the Agreement.
 - b. Samples, if not destroyed by tests, may, upon request made at the time the sample is furnished, be returned at Contractor's expense.
10. **WARRANTY:** Unless otherwise specified, the warranties contained in this Agreement begin after acceptance has occurred.
- a. Contractor warrants that goods and services furnished hereunder will conform to the requirements of this Agreement (including all descriptions, specifications and drawings made a part hereof), and such goods will be merchantable, fit for their intended purposes, free from all defects in materials and workmanship and to the extent not manufactured pursuant to detailed designs furnished by HACSB, free from defects in design. HACSB's approval of designs or specifications furnished by Contractor shall not relieve Contractor of its obligations under this warranty.
 - b. All warranties, including special warranties specified elsewhere herein, shall inure to HACSB, its successors, assigns, customer agencies and users of the goods or services.
11. **SAFETY AND ACCIDENT PREVENTION:** In performing the Work under this Agreement on HACSB premises, Contractor shall conform to any specific safety requirements contained in the Agreement or as required by law or regulation. Contractor shall take any additional precautions as HACSB may reasonably require for safety and accident prevention purposes. Any violation of such rules and requirements, unless

promptly corrected, shall be grounds for termination of this Agreement in accordance with the default provisions hereof.

12. **ACCIDENT PREVENTION:** Precaution shall be exercised at all times for the protection of persons (including employees) and property. The safety provisions of applicable laws, building and construction codes shall be observed. Machinery, equipment, and other hazards shall be guarded or eliminated in accordance with the safety provisions issued by the Industrial Accident Commission of the State of California.
13. **INSURANCE:** Contractor shall not commence Work under this Agreement until all insurance required under this paragraph has been obtained and such insurance has been approved by HACSB, nor shall Contractor allow any subcontractor to commence work on a subcontract until all similar insurance required of the subcontractor has been so obtained and approved. Contractor shall furnish HACSB with satisfactory proof of the carriage of insurance required, and the Commercial General Liability policy shall include coverage for the insurable contractual liability assumed by Contractor pursuant to this Agreement. Contractor shall provide HACSB with thirty (30) days' written notice of any pending change in the limits of liability or of any cancellation or modification of the policy. All insurance required hereunder shall be issued by a California admitted insurance carrier.

The insurance required to be carried by Contractor hereunder shall include:

- a. Worker's Compensation Insurance and Employer's Liability Insurance. Contractor shall take out and maintain during the entire term of this Agreement, Workers' Compensation Insurance and Employer's Liability Insurance for all of employees of Contractor employed at the site of the project and, in case any work is sublet, Contractor shall require the subcontractor similarly to provide Workers' Compensation Insurance and Employer's Liability Insurance for all of the latter's employees.
- b. Commercial General Liability Insurance. Contractor, at its own cost and expense, shall maintain personal injury liability and property damage insurance for the entire term of this Agreement in the amount of Two Million and No/100 Dollars (\$2,000,000.00) per occurrence and \$3,000,000 general aggregate; HACSB shall be included as Additional Insured on an attached endorsement. Such coverage shall include protection against claims arising from, and damage to property resulting from, Contractor's activities contemplated under this Agreement. Such insurance shall be with insurers and under forms of policies reasonably satisfactory in all respects to HACSB and Contractor shall provide notice to HACSB at least thirty (30) days prior to cancellation or material change. The following endorsements shall be attached to the policy:

Policy shall cover on an "occurrence" basis. Policy must cover personal injuries as well as bodily injuries.

Broad form property damage endorsement must be attached. HACSB is to be included as an additional insured included on an attached endorsement for any contracts of insurance under this paragraph b to the extent of loss attributable to Contractor's negligence. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code. The policies of insurance shall be considered primary insurance before any policies of insurance maintained by HACSB but only to the extent of losses attributable to Contractor's negligence. Contractor shall be named as an insured with respect to such general liability insurance policy.

- c. Automobile Liability. Contractor, at its own cost and expense, shall maintain automobile insurance for the period covered by the Contract in the amount of One Million and No/100 Dollars (\$1,000,000.00) combined single limit coverage. Contractor shall be included as an additional insured with respect to such automobile liability insurance policy to the extent of losses attributable to Contractor's negligence.
- d. Errors and Omissions Liability: \$1,000,000 per claim and \$3,000,000 aggregate or:
14. **FORCE MAJEURE:** Contractor shall be excused for performing the Work hereunder in the event that Contractor is unable to perform the Work for one of the following reasons:
- a. Acts of God or of the public enemy, and
- b. Acts of the federal, state or local government in either its sovereign or contractual capacity.

Such delay shall be for the period of time that Contractor is delayed from performing the Work as a direct

result of one of the foregoing reasons. Contractor shall provide HACSB notice within three (3) days of any such force majeure event.

15. CONTRACTOR'S LIABILITY FOR INJURY TO PERSONS OR DAMAGE TO PROPERTY:

- a. Contractor shall be liable for damages arising out of injury to the person and/or damage to the property of HACSB, employees of HACSB, persons designated by HACSB for training, or any other person(s) other than agents or employees of Contractor, designated by HACSB for any purpose, prior to, during, or subsequent to delivery, installation, acceptance, and use of the goods either at Contractor's site or at HACSB's place of business, provided that the injury or damage was caused by the fault or negligence of Contractor.
- b. Contractor shall not be liable for damages arising out of or caused by an alteration or an attachment not made or installed by Contractor, or for damage to alterations or attachments that may result from the normal operation and maintenance of the goods provided by Contractor during the Agreement.

16. INVOICES: Unless otherwise specified, invoices shall be sent to the address set forth herein. Invoices shall be submitted in triplicate and shall include the contract number; release order number (if applicable); item number; unit price, extended item price and invoice total amount. The State of California and other sales tax and/or use tax shall be itemized separately and added to each invoice as applicable.

17. REQUIRED PAYMENT DATE: Payment will be made in accordance with the provisions of the Agreement for work completed through the date of invoice. HACSB will pay properly submitted, undisputed invoices not more than thirty (30) days after (i) the date of acceptance of goods or performance of services; or (ii) receipt of an undisputed invoice, whichever is later.

18. TAXES: HACSB will only pay for any state or local sales or use taxes on the services rendered or goods supplied to HACSB pursuant to this Agreement.

19. NEWLY MANUFACTURED GOODS: All goods furnished under this contract shall be newly manufactured goods; used or reconditioned goods are prohibited, unless otherwise specified.

20. NEWS RELEASES: Unless otherwise exempted, news releases pertaining to this Agreement shall not be made without prior written approval of HACSB.

21. PATENT, COPYRIGHT and TRADE SECRET INDEMNITY:

- a. Contractor shall hold HACSB, its officers, agents and employees, harmless from liability of any nature or kind, including costs and expenses, for infringement or use of any copyrighted or uncopyrighted composition, secret process, patented or unpatented invention, article or appliance furnished or used in connection with the Agreement.
- b. Contractor may be required to furnish a bond to HACSB against any and all loss, damage, costs, expenses, claims and liability for patent, copyright and trade secret infringement.
- c. Contractor, at its own expense, shall defend any action brought against HACSB to the extent that such action is based upon a claim that the goods or software supplied by Contractor or the operation of such goods pursuant to a current version of Contractor supplied operating software infringes a United States patent or copyright or violates a trade secret. Contractor shall pay those costs and damages finally awarded against HACSB in any such action. Such defense and payment shall be conditioned on the following:
 - i. That Contractor shall be notified within a reasonable time in writing by HACSB of any notice of such claim; and,
 - ii. That Contractor shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise, provided, however, that when principles of government or public law are involved, HACSB shall have the option to participate in such action at its own expense.
- d. Should the goods or software, or the operation thereof, become, or in Contractor's opinion are likely to become, the subject of a claim of infringement of a United States patent or copyright or a trade secret, HACSB shall permit Contractor at its option and expense either to procure for HACSB the right to continue using the goods or software, or to replace or modify the same so that they become non-infringing. If none of these options can reasonably be taken, or if the use of such goods or software by HACSB shall be prevented by injunction, Contractor agrees to take back such goods or software and make every reasonable effort to assist HACSB in procuring substitute goods or

software. If, in the sole opinion of HACSB, the return of such infringing goods or software makes the retention of other goods or software acquired from Contractor under this Agreement impractical, HACSB shall then have the option of terminating such Agreement, or applicable portions thereof, without penalty or termination charge. Contractor agrees to take back such goods or software and refund any sums HACSB has paid Contractor.

- e. Contractor shall have no liability to HACSB under any provision of this clause with respect to any claim of patent, copyright or trade secret infringement which is based upon:
 - i. The combination or utilization of goods furnished hereunder with equipment or devices not made or furnished by Contractor; or,
 - ii. The operation of equipment furnished by Contractor under the control of any operating software other than, or in addition to, the current version of Contractor-supplied operating software; or
 - iii. The modification by HACSB of the equipment furnished hereunder or of the software; or
 - iv. The combination or utilization of software furnished hereunder with non-Contractor supplied software.
- f. Contractor certifies that it has appropriate systems and controls in place to ensure that HACSB funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.
- g. The foregoing states the entire liability of Contractor to HACSB with respect to infringement of patents, copyrights or trade secrets.

22. STOP WORK:

- a. HACSB may, at any time, by written Stop Work order ("Stop Work Order") to Contractor, require Contractor to stop all, or any part, of the Work called for by this Agreement for a period up to ninety (90) days after the Stop Work Order is delivered to Contractor, and for any further period to which the parties may agree. The Stop Work Order shall be specifically identified as such and shall indicate it is issued under this clause. Upon receipt of the Stop Work Order, Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the Stop Work Order during the period of work stoppage. Within a period of ninety (90) days after a Stop Work Order is delivered to Contractor, or within any extension of that period to which the parties shall have agreed, HACSB shall either:
 - i. Cancel the Stop Work Order; or
 - ii. Terminate the Work covered by the Stop Work Order as provided for in the termination for default or the voluntary termination provision of this Agreement.
 - iii. If a Stop Work Order issued under this clause is canceled or the period of the Stop Work Order or any extension thereof expires, Contractor shall resume work. HACSB shall make an equitable adjustment in the delivery schedule, the price, or both, and the Agreement shall be modified, in writing, accordingly, if:
 - 1. The Stop Work Order results in an increase in the time required for, or in Contractor's cost properly allocable to the performance of any part of this Agreement; and
 - 2. Contractor asserts its right to an equitable adjustment within thirty (30) days after the end of the period of work stoppage; provided that if HACSB decides the facts justify the action, HACSB may receive and act upon a proposal submitted at any time before final payment under this Agreement.
- b. If a Stop Work Order is not canceled and the Work covered by the Stop Work Order is terminated in accordance with the provision entitled Voluntary Termination, HACSB shall allow reasonable costs resulting from the Stop Work Order in arriving at the termination settlement.
- c. HACSB shall not be liable to Contractor for loss of profits because of a Stop Work Order issued under this clause.

23. COVENANT AGAINST GRATUITIES: Contractor warrants that it complies with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR Part 3), and that no gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by Contractor, or

any agent or representative of Contractor, to any officer or employee of HACSB with a view toward securing the Agreement or securing favorable treatment with respect to any determinations concerning the performance of the Agreement. For breach or violation of this warranty, HACSB shall have the right to terminate the Agreement, either in whole or in part, and any loss or damage sustained by HACSB in procuring on the open market any items which Contractor agreed to supply shall be borne and paid for by Contractor. The rights and remedies of HACSB provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or in equity.

- 24. COMPLIANCE WITH DAVIS-BACON ACT:** For construction agreements in excess of \$2,000, Contractor certifies that it complies with the Davis-Bacon Act (40 U.S.C. 276a to 276a-7) as supplemented by Department of Labor regulations (29 CFR Part 3). Unless otherwise indicated in the Statement of Work, Contractors of HACSB are required, pursuant to 24 CFR 85.36(h)(5), to pay Davis-Bacon wage rates for all "construction contracts and related subcontracts in excess of \$2000," which means, for such jobs, the wage rates paid must be equal to or exceed the listed applicable Davis-Bacon wage rate. Compliance with this clause also means that Contractor may be subject to completing certain reports and to audits by HACSB and the Department of Housing and Urban Development. Such reports and information relating to compliance can be obtained at the Internet website: <http://www.gpo.gov/davisbacon/>. Contractor shall include the wage provisions of this clause in all subcontracts to perform work under this Agreement.

HACSB shall have the right to audit Contractor, at any time, in order to ensure compliance with the requirements of this Section. In connection therewith, Contractor agrees to maintain accurate books and records in connection with the Work, and all payments made or received by Contractor pursuant to this Agreement, and to provide such information to HACSB, within five (5) business days of any request by HACSB. In addition, Contractor shall provide, upon two (2) business days request, information to HACSB of each and every employee retained by Contractor in connection with the Work, and shall permit HACSB to interview any such employees, contractors or subcontractors. Contractor agrees that all maintenance laborers and mechanics employed by it in connection with the performance of the Work shall be paid unconditionally and not less often than semi-monthly, and without subsequent deduction (except as otherwise provided by law or regulations), the full amount of wages due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Housing and Urban Development. Such laborers and mechanics shall be paid the appropriate wage rate on the wage determination for the classification of work actually performed, without regard to skill. Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein; provided, that Contractor's payroll records accurately set forth the time spent in each classification in which the work is performed. The wage determination, including any additional classifications and wage rates approved by HUD shall be posted at all times by Contractor and its subcontractors at the site of the Work in a prominent and accessible place where it can be easily seen by the workers.

- 25. CALIFORNIA PREVAILING WAGE (IF AGREEMENT PRICE IS LESS THAN \$2,000):** In the event the Agreement Price is less than \$2,000, Contractor agrees to comply with all prevailing rate requirements of the California Labor Code. HACSB shall have the right to audit and inspect Contractor's books and records, and interview Contractor's employees, contractors and subcontractors, all according to the same provisions set forth in Section 26 above.
- 26. EQUAL EMPLOYMENT OPPORTUNITY:** For all construction agreements in excess of \$10,000, Contractor certifies its compliance with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR Chapter 60).

27. NONDISCRIMINATION CLAUSE:

- a. During the performance of this Agreement, Contractor and its subcontractors shall not unlawfully discriminate, harass or allow harassment, against any employee or applicant for employment because of sex, sexual orientation, race, color, ancestry, religious creed, national origin, disability (including HIV and AIDS), medical condition (cancer), age, marital status, and denial of family care leave. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12990 et seq.) and the applicable regulations

promulgated thereunder (California Code of Regulations, Title 2, Section 7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

- b. Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.
- 28. NATIONAL LABOR RELATIONS BOARD CERTIFICATION:** Contractor swears under penalty of perjury that no more than one final, unappealable finding of contempt of court by a federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of the National Labor Relations Board. This provision is required by, and shall be construed in accordance with, Public Contract Code Section 10296.
- 29. DRUG-FREE WORKPLACE CERTIFICATION:** Contractor certifies under penalty of perjury under the laws of the State of California that Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350 et seq.) and will provide a drug-free workplace by taking the following actions:
- a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355(a).
 - b. Establish a Drug-Free Awareness Program as required by Government Code Section 8355(b) to inform employees about all of the following:
 - i. the dangers of drug abuse in the workplace;
 - ii. the person's or organization's policy of maintaining a drug-free workplace;
 - iii. any available counseling, rehabilitation and employee assistance programs; and,
 - iv. penalties that may be imposed upon employees for drug abuse violations.
 - c. Provide, as required by Government Code Section 8355(c), that every employee who works on the proposed or resulting agreement:
 - i. will receive a copy of the company's drug-free policy statement; and,
 - ii. will agree to abide by the terms of the company's statement as a condition of employment on the agreement.
- 30. RECYCLING:** Contractor shall certify in writing under penalty of perjury, compliance with Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to HACSB regardless of whether the product meets the requirements of Section 12209.
- 31. COMPLIANCE WITH CONTRACT WORK HOURS AND SAFETY STANDARDS ACT:** For agreements in excess of \$2,000, and in excess of \$2500 for other agreements which involve the employment of mechanics or laborers, Contractor certifies that it complies with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR Part 5).
- 32. CHILD SUPPORT COMPLIANCE ACT:** For any contract in excess of \$100,000, Contractor acknowledges in accordance with Public Contract Code Section 7110, that:
- a. Contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable State of California and Federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with Section 5200) of Part 5 of Division 9 of the Family Code; and
 - b. Contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
- 33. ELECTRONIC WASTE RECYCLING ACT OF 2003:** Contractor certifies that it complies with the requirements of the Electronic Waste Recycling Act of 2003, Chapter 8.5, Part 3 of Division 30, commencing with Section 42460 of the Public Resources Code, relating to hazardous and solid waste. Contractor shall

maintain documentation and provide reasonable access to its records and documents that evidence compliance.

34. **ENVIRONMENTAL REGULATIONS:** For agreements in excess of \$100,000, Contractor certifies that it complies with the requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (3 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 C.F.R. part 15).
35. **USE TAX COLLECTION:** In accordance with PCC Section 10295.1, Contractor certifies that it complies with the requirements of Section 7101 of the Revenue and Taxation Code. Contractor further certifies that it will immediately advise HACSB of any change in its retailer's seller's permit or certification of registration or applicable affiliate's seller's permit or certificate of registration as described in subdivision (a) of PCC Section 10295.1.
36. **DOMESTIC PARTNERS:** For agreements over \$100,000 executed or amended after January 1, 2007, Contractor certifies that Contractor is in compliance with Public Contract Code Section 10295.3.

Exhibit D

Work Authorization

Schedule Dates:

Start Date: October 15, 2025

Completion Date: October 14, 2027

Total Contract Cost: Per Fee Schedule Located in Exhibit A

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Schedule Requirements – Statement of Work (“Exhibit A”)

General Conditions for Non-construction work (“Exhibit B”)

Additional General Provisions (“Exhibit C”)

Work Authorization (“Exhibit D”)

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

October 14, 2025

FROM

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

SUBJECT

Contract Amendment with Reliant Asset Management Solutions for Inspection Services and PBV Independent Entity Services

RECOMMENDATION(S)

1. Approve Amendment No. 2 to the contract PC1336, effective December 1, 2025, for Inspection Services and PBV independent Entity Services with Reliant Asset Management Solutions, exercising the first option year to extend the contract through November 30, 2026, and increasing the compensation by \$396,177 for a total amount not to exceed \$1,242,114 for such option year.
2. Authorize and direct the Executive Director to execute and deliver the contract amendment to Reliant Asset Management Solution and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.
(Presenter: Maria Razo, Executive Director, 332-6305)

(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.

FINANCIAL IMPACT

The total contract amount is not expected to exceed \$1,242,114 and is funded by the Housing Services department's operating budgets. The first option year is included in the adopted FY 2026 budget.

BACKGROUND INFORMATION

Housing authorities are required to conduct inspections of all subsidized units to ensure they are decent, safe, and sanitary and meet the standards required by HUD. A third-party vendor conducts housing inspections for all assisted units prior to initial occupancy and annually or biannually thereafter. All Reliant inspectors are trained and certified to perform these inspections. HUD also requires that Housing Authorities ensure that rents charged by landlords to Housing Services program participants are reasonable. Therefore, Reliant inspectors must compare the rent for the assisted unit to rents for similar unassisted units in the marketplace, as well as compare the rent to rents for similar units on the premises. This process is called rent reasonableness because it ensures that the rents are fair and reasonable for the area. Inspectors also use rent reasonableness to negotiate rents with the various landlords as required.

PROCUREMENT

On July 31, 2023, HACSB issued a Request for Proposal (RFP) PC1336 for Inspection Services and Project Based Voucher Independent Entity Services, which resulted in the receipt of two proposals. Outreach efforts included email invitations to six vendors posting on the agency's

Contract Amendment with Reliant Asset Management Solutions for Inspection Services and
Project Based Voucher Independent Entity Services
October 14, 2025

electronic bidding software, PlanetBids.com. The proposals were evaluated per the requirements of the Request for Proposal (RFP) in which Reliant Asset Management Solutions (RAMS) was considered the most responsive and qualified to provide this service to HACSB.

Based on the responses for these services, which were solicited to an adequate number of sources and in accordance with Title 2 Code of Federal Regulations Part 200, staff recommended awarding a contract for Inspection Services to Reliant Asset Management Solutions for a total of \$845,937.00 for a two-year base period through November 30, 2025.

On July 1, 2024, HACSB approved Amendment #1 to update the number of estimated units inspected with no additional funds required or added.

ITEM ATTACHMENTS

- Contract Amendment – CON-BOC-10142025-INSPECTION SERVICES

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on September 26, 2025, 2025.



**AMENDMENT #2 TO CONTRACT FOR INSPECTION SERVICES AND PBV INDEPENDENT
ENTITY SERVICES
(PC1336)**

BETWEEN

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

And

RELIANT ASSET MANAGEMENT SOLUTIONS (RAMS)

This Amendment No. 2 ("Second Amendment"), dated December 1, 2025 ("Effective Date"), to Agreement for Inspection Services and PBV Independent Entity Services (PC1336), is entered into by and between the Housing Authority of the County of San Bernardino, a California public body, ("Authority") and Reliant Asset Management Solutions (RAMS) ("Contractor").

RECITALS

WHEREAS, the Authority and Contractor entered into that certain Consulting, Services, and Non-Routine Maintenance Related Services Agreement (Non-Construction), dated December 1, 2023, relating to Inspection Services ("Agreement") with a total price of \$845,937.00;

WHEREAS, the Authority and Contractor entered into Amendment No. 1 to the Agreement to update the number of estimated units inspected.

WHEREAS, the Authority and Contractor now wish to enter into this Second Amendment to the Agreement to exercise the first option year through November 30, 2026, and increase the contract by \$396,177 for a total amount not-to-exceed \$1,242,114.

OPERATIVE PROVISIONS

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

Section 1. Article 3 of the Agreement is hereby amended to extend the term for one (1) year and expiring on November 30, 2026. 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 Second Agreement, all provisions of the Agreement, as amended, shall remain unchanged and in full force and effect. From and after the date of this Second Amendment, whenever the term "Agreement" appears in the Agreement, it shall mean the Agreement, as amended by this Second Amendment.

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 Second Amendment as provided herein. Each party represents and warrants to the other that the Agreement, as amended by this Second Amendment, is currently an effective, valid, and binding obligation.

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

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

Section 6. Authorization. The persons executing this Second 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 Second Amendment, such party is formally bound to the provisions of this Second Amendment, and (iv) the entering into this Second 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 Reliant Asset Management Solutions (RAMS) hereby execute this Second Amendment.

**RELIANT ASSET MANAGEMENT
SOLUTIONS (RAMS)**

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

By: _____

By: _____

Name: _____

Name: Maria Razo

Title: _____

Title: Executive Director

Date: _____

Date: _____

Exhibit A-1

Schedule Dates:

Effective Date: December 1, 2025

Completion Date: November 30, 2026

Total Agreement Cost: Not to exceed \$1,242,114.00

Original Agreement Amount Not to Exceed	\$845,937.00
Net Change Orders Previously Approved	\$0.00
Net Change Order Previously Approved – Amendment #1	\$0.00
Net Change Order – Amendment #2	\$396,177.24
Agreement Value as Amended Not to Exceed	\$1,242,114.00

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

October 14, 2025

FROM

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

SUBJECT

Contract Amendment No. 4 with SafeRock for Security Services

RECOMMENDATION(S)

1. Approve Amendment No. 4 to contract PC1344 for security services with SafeRock to exercise the second option year and increase the contract by \$64,947.96 for a total amount not-to-exceed \$414,513.00 through October 28, 2026.
2. Authorize and direct the Executive Director to execute and deliver Amendment No. 4 to SafeRock, upon consultation with Legal Counsel, and 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.

FINANCIAL IMPACT

Approval of Amendment No. 4 will increase the current contract by \$64,947.96 for a total contract amount not to exceed \$414,513.00, which is funded by the Housing Authority of the County of San Bernardino's property operations budget.

BACKGROUND INFORMATION

HACSB entered into Contract PC1344 with SafeRock for armed security services at the Arrowhead Grove site and the Housing Programs Office (HPO) in San Bernardino on October 29, 2023, in the amount of \$174,782.52.

Subsequent amendments include:

- Amendment No. 1: Exercised the first option year and increased the contract by \$174,782.52 (Total: \$349,565.04).
- Amendment No. 2: Added 24-hour security patrol services for the Waterman Gardens property.
- Amendment No. 3: Removed the Arrowhead Grove site effective May 18, 2025.
- Amendment No. 4: Exercises the final option year, increases compensation by \$64,947.96 (Total: \$414,513.00), and officially discontinues the Waterman Gardens/Arrowhead Grove additional patrol services effective May 31, 2025.

PROCUREMENT

HACSB previously issued a Request for Proposal PC1344 for Security Services on September 1, 2023. Outreach efforts included newspaper ads, PlanetBids postings, and agency website listings. 10 proposals were received in response to the RFP. Proposals were evaluated based on experience, qualifications, cost, and ownership. SafeRock was deemed the most responsive and qualified to provide these services.

Contract Amendment No.4 with SafeRock for Security Services
October 14, 2025

The original contract fell below HACSB's small purchase threshold, allowing the Executive Director to execute the agreement in accordance with the agency's Procurement Policy.

ITEM ATTACHMENTS

- Contract – Amendment No. 4 of PC1344 Security Services (SafeRock)

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on September 26, 2025.



**AMENDMENT #4 TO CONTRACT FOR SECURITY SERVICES
(PC1344)**

BETWEEN

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

and

SAFEROCK

This Amendment No. 4 ("Fourth Amendment"), dated October 29, 2025 ("Effective Date"), to Agreement for Security Services (PC1344), is entered into by and between the Housing Authority of the County of San Bernardino, a California public body, ("Authority") and SafeRock ("Contractor").

RECITALS

WHEREAS, the Authority and Contractor entered into that certain Consulting, Services, and Non-Routine Maintenance Related Services Agreement (Non-Construction), dated October 29, 2023 relating to Security Services ("Agreement") with a total price of \$174,782.52;

WHEREAS, the Authority and Contractor entered into the First Amendment to the Agreement to exercise the first option year through October 28, 2025 and increase the contract compensation by \$174,782.52 for a total amount not-to-exceed \$349,565.04;

WHEREAS, the Authority and Contractor entered into the Second Amendment to the Agreement to add additional security patrol services for the Waterman Gardens/Arrowhead Grove property of 24 hours per day at a rate of \$9,916.00 per month until discontinued, with the service reviewed and monitored by Authority on a month-to-month basis as needed effective February 13, 2025;

WHEREAS, the Authority and Contractor entered into the Third Amendment to the Agreement to remove standard patrol services from the Waterman Gardens/Arrowhead Grove site effective May 18, 2025;

WHEREAS, the Authority and Contractor now wish to enter into this Fourth Amendment to the Agreement to exercise the final option year through October 28, 2026, and increase the contract compensation by \$64,947.96 for a total amount not-to-exceed \$414,513.00. The additional security patrol services of 24 hours per day for the Waterman Gardens/Arrowhead Grove property, as outlined in the Second Amendment, were discontinued effective May 31, 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. Article 3 of the Agreement is hereby amended to extend the term for an additional one (1) year expiring on October 28, 2026. 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 Fourth Agreement, 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 this Fourth Amendment.

Section 4. Affirmation of Agreement; Warranty Re Absence of Defaults. Authority and Contractor 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 as 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.

Contractor 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 Contractor that, as of the date of this Fourth Amendment, Contractor 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) entering into this Fourth Amendment does not violate any provision of any other agreement to which said party is bound.

IN WITNESS WHEREOF, the Housing Authority of the County of San Bernardino and SafeRock hereby execute this Fourth Amendment.

SAFEROCK

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

By: _____

By: _____

Name: _____

Name: Maria Razo

Title: _____

Title: Executive Director

Date: _____

Date: _____

Exhibit A-1

Schedule Dates:

Effective Date: October 29, 2025

Completion Date: October 28, 2026

Total Agreement Cost: Not to exceed \$414,513.00

Original Agreement Amount Not to Exceed	\$174,782.52
Net Change Order – Amendment #1 Previously Approved	\$174,782.52
Net Change Order – Amendment #2 Previously Approved	\$0.00
Net Change Order – Amendment #3 Previously Approved	\$0.00
Net Change Order – Amendment #4	\$64,947.96
Agreement Value as Amended Not to Exceed	\$414,513.00

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

October 14, 2025

FROM

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

SUBJECT

Contract with Harshwal & Company, LLP for Financial Audit Services

RECOMMENDATION(S)

1. Approve Contract PC1433, effective October 15, 2025, with Harshwal & Company, LLP for financial audit services in an amount not to exceed \$168,560 for a two-year base period through October 14, 2027, with options to extend the contract up to three single or multiple year extensions through October 14, 2030.
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 #3: To pursue continued financial stability, monitoring, and accountability as stewards of limited funding.

FINANCIAL IMPACT

The amount is not to exceed \$168,560 for the two-year base period and is funded by the Housing Authority of the County of San Bernardino's (HACSB) operations budget. The amount for Fiscal Year Ending 2026 is included in the budget and additional years will be included in subsequent fiscal year budgets.

BACKGROUND INFORMATION

HACSB is required to have a third-party independent financial audit conducted each fiscal year. The audited financial statements are used to provide financial information to various reporting entities such as the United States Department of Housing and Urban Development (HUD) and other regulatory and funding institutions. Financial audit services shall be conducted in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. The financial statements are to be prepared by the auditor in accordance with Generally Accepted Accounting Principles (GAAP) and within HUD's timetable for submission. Approval of this item will provide HACSB with the financial auditing services needed to comply with such requirements and have third party review of the agency's accounting practices on an annual basis.

PROCUREMENT

HACSB previously issued a Request for Proposal (RFP) PC1433 on May 8, 2025, for Financial Audit Services which resulted in the receipt of eight proposals. Outreach efforts included email invitations via PlanetBids, our eBidding website to 10 vendors and posting on the agency website. The proposals were evaluated per the requirements of the RFP in which Harshwal & Company,

Contract with Harshwal & Company, LLP for Financial Audit Services
October 14, 2025

LLP was deemed reasonably priced, considered responsive, and determined qualified to provide this service to HACSB.

Evaluation Scores:

<u>Contractors Name:</u>	<u>Location:</u>	<u>Score:</u>
Harshwal & Company, LLP	San Diego, CA	501
Clifton Larson Allen, LLP	Irvine, CA	500
Berman Hopkins CPA's and Associates, LLP	Melbourne, FL	490
Cohn Reznick, LLP	Sacramento, CA	490
Smith Marion & Co.	Redlands, CA	485
Macias Gini & O'Connell, LLP	Los Angeles, CA	474
Sotomayor & Associates, LLP	Westlake Village, CA	410
Vasquez & Company, LLP	Glendale, CA	413

Based on the responses for these services, which were solicited to an adequate number of sources and in accordance with Title 2 Code of Federal Regulations Part 200, staff recommends awarding contracts for financial audit services to Harshwal & Company, LLP and authorize and direct the Executive Director to execute and deliver the contracts and amendments to Harshwal & Company, LLP and, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction.

ITEM ATTACHMENTS

- Contract – CON-BOC-10142025-FINANCIAL AUDIT SERVICES

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on September 26, 2025.

THIS CONSULTING, SERVICES, AND NON-ROUTINE MAINTENANCE RELATED SERVICES AGREEMENT (NON-CONSTRUCTION) ("Agreement") (**PC1433**) is made as of the **15th day of October, 2025** ("Effective Date") by and between **Harshwal & Company, LLP** ("Contractor"), a California Corporation (*if applicable*) and the Housing Authority of the County of San Bernardino, a California public entity ("HACSB").

RECITALS

WHEREAS, HACSB is a public entity in San Bernardino County, State of California, committed to provide affordable and safe public housing for low and moderate income families; and

WHEREAS, Contractor has offered to provide certain services to HACSB, and HACSB wishes to retain Contractor for the provision of such services.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the foregoing Recitals, which Recitals are incorporated herein by this reference, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and for the mutual covenants contained herein, Contractor and HACSB hereby agree as follows:

ARTICLE 1. Statement of Work. Contractor shall furnish all labor, materials, tools, equipment, and supervision to perform all work required in the Statement of Work set forth on Exhibit "A", attached hereto and incorporated herein by reference ("Work"). In connection with its performance of the Work, Contractor shall comply with all of the Contract Documents (as hereinafter defined).

ARTICLE 2. Contract Documents. This Agreement incorporates by reference all of the following documents ("Contract Documents"):

1. General Conditions for Non-Construction Contracts Section I – (with or without Maintenance Work) (Form HUD 5370), attached hereto as Exhibit "B" and incorporated herein by reference.
2. Additional General Provisions, attached hereto as Exhibit "C" and incorporated herein by reference ("Additional Provisions").
Work Authorization, attached hereto as Exhibit "D" and incorporated herein by reference.
3. All applicable Federal, State, and Local laws, ordinances and regulations related to this Agreement shall be incorporated herein by reference. This Agreement is funded by the U. S. Department of Housing and Urban Development, and is subject to all regulations and requirements for agreements funded by HUD. Federal Regulations may be found at <http://www.gpoaccess.gov>. State of California regulations may be found at <http://www.leginfo.ca.gov>. For laws the County of San Bernardino, go to <http://www.sblawlibrary.org>.

ARTICLE 3. Term; Time of Completion. Contractor shall commence work under this agreement for a two year **base period**, beginning on or about **October 15, 2025** and expiring on **October 14, 2027** unless for any reason funds which have been appropriated for the provision of these services are no longer available, or until such time as terminated per the terms of the agreement in accordance with contract provisions in Article 19, which term may be extended **for single or multiple year extension options in HACSB's discretion for a maximum of three (3) years**. Contractor shall not commence work prior to the date of issuance by HACSB of a work authorization in the form set forth on Exhibit "D", attached hereto and incorporated herein by reference ("Work Authorization"). HACSB shall have the option to extend the engagement up to three single or multiple year terms. The optional years shall be exercised by written amendments executed by each party with board approval for additional funding on option years if needed. Option years will begin on or about **October 15, 2027** and expire no later than **October 14, 2030**. Following issuance of a Work Authorization, Contractor shall timely complete the Work in accordance with the schedule requirements specified in Exhibit "A", and within the term of this Agreement.

ARTICLE 4. Price. Unless otherwise specified in the Statement of Work, HACSB agrees to pay Contractor a not-to-exceed amount of **\$168,560** for the provision of work per the fee schedule **for the two (2) base year contract period.** Details defined in Exhibit A – Scope of Services – Fee Schedule. Price as set forth herein, is in consideration for and provides full and complete compensation for the Work and the performance by Contractor of all of its obligations hereunder. Terms are defined in the Additional Provisions, and includes a guarantee of task completion.

ARTICLE 5. Performance of Work. Contractor shall perform its duties on premises approved by HACSB, during HACSB's regular work days and normal work hours and warrants that it shall perform the Work in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances. Contractor acknowledges that HACSB has the right to review the Work performed by Contractor and may, in its discretion, reject the Work, or any part thereof, as set forth in the Additional Provisions. In the event HACSB rejects any or all of the Work, at HACSB's election: (a) Contractor shall promptly correct any such deficiencies in the Work, or (b) the deficient Work shall be stricken from this Agreement and Contractor shall not be paid for such portion of the Work. Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Work assigned to them. Finally, Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Work and that such licenses and approvals shall be maintained throughout the term of this Agreement. Any employee of Contractor or its subcontractors who is determined by HACSB to be uncooperative, incompetent, a threat to the adequate or timely completion of the Work, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Work in a manner acceptable to HACSB, shall be promptly removed from the Work by the Contractor and shall not be re-employed to perform any of the Work under this Agreement.

ARTICLE 6. HACSB's Right to Stop Work. HACSB has the right to require Contractor to stop or suspend Work pursuant to the "Stop Work" provisions of the Additional Provisions.

ARTICLE 7. No Conflicts. HACSB acknowledges that Contractor has other business and personal interests, separate and apart from the services contemplated by this Agreement, and nothing in this Agreement is intended to preclude Contractor from devoting time and attention to such business and personal interests. HACSB further acknowledges that Contractor has the right to accept other engagements as long as said engagements do not represent a conflict of interest with respect to the Work or the obligations of Contractor to HACSB pursuant to this Agreement. In connection with Contractor's performance of the Work hereunder, Contractor represents that there exists no actual, potential or appearance of conflict arising out of Contractor's business and financial interests.

ARTICLE 8. Limit of Engagement. This Agreement does not and shall not be construed to create any partnership or agency whatsoever. Contractor shall not be deemed to be a partner, joint venture, agent or legal representative of HACSB for any purpose, nor shall Consultant have any authority or power to act for, or to undertake any obligation or responsibility on behalf of, HACSB or corporations affiliated with HACSB, other than as expressly herein provided. HACSB retains Contractor on an independent contractor basis and Contractor is not an employee of HACSB. Any additional personnel performing Work under this Agreement on behalf of Contractor shall not be employees of HACSB and shall at all times be under Contractor's exclusive direction and control.

ARTICLE 9. Responsibilities of HACSB. If information, data, or documentation necessary to facilitate Contractor's performance of the Work is required to be provided by HACSB, HACSB shall provide such information upon request by Contractor. It is Contractor's responsibility to determine if any such information is necessary in order to perform its obligations hereunder and to request such information from HACSB in a sufficient amount of time in order for Contractor to perform the Work hereunder.

ARTICLE 10. Additional Work.

- a. In the event that the parties mutually agree that additional and further work beyond that specified in the Statement of Work ("Additional Work") is required to be performed by Contractor, such Additional Work shall be memorialized in a Work Authorization executed by HACSB and Contractor. The Work Authorization shall include and specifically identify the types of services required to perform as part of the Additional Work, all significant material to be delivered to HACSB, the time schedule for completion of the Additional Work, and the price for such Additional Work.
- b. Nothing herein shall obligate HACSB to utilize Contractor to perform the Additional Work or in any way limit HACSB's rights to utilize third parties to perform or assist in performing the Additional Work. In no event shall Contractor commence performance of the Additional Work until it has received written consent executed by a duly authorized representative of HACSB.
- c. In the event that HACSB provides a Work Authorization for Additional Work, all of the terms and conditions of this Agreement shall apply to the performance of such Additional Work.

ARTICLE 11. Contractor's Obligation to Stop Work. Personnel resources will not be expended (at a cost to HACSB) on task accomplishment in excess of the schedule requirements set forth in "Exhibit A" unless the procedure below is followed:

- a. If, in the performance of the Work, Contractor determines that the Work to be performed under this Agreement cannot be accomplished within the estimated work hours, Contractor will immediately notify HACSB in writing of Contractor's estimate of the work hours which will be required to complete the Work. Upon receipt of such notification, HACSB may:
 - i. Authorize Contractor to expend the estimated additional work hours or service in excess of the original estimate necessary to accomplish the Work Authorization (such an authorization not unreasonably to be withheld); or
 - ii. Terminate this Agreement; or
 - iii. Alter the scope of the Work in order to define tasks that can be accomplished within the remaining estimated work hours.
- b. HACSB will notify Contractor in writing of its election within seven (7) calendar days after receipt of Contractor's notification. If notice of the election is given to proceed, Contractor may expend the estimated additional work hours or services, as memorialized in a Work Authorization signed by Contractor and HACSB. In the event that HACSB fails to notify Contractor within such seven (7) calendar day period, Contractor shall provide a second notice to HACSB requesting a determination. Contractor shall not proceed with the Work until such time as HACSB has made an election as to how it wishes to proceed, and a Work Authorization has been approved.

ARTICLE 12. Invoicing and Payment for Services. During the execution of each Milestone (as set forth in the Statement of Work) which involves the delivery to HACSB of identified Deliverables (as defined in the Statement of Work), Contractor may submit periodically to HACSB invoices reflecting a pro-rata cost of the Milestones, determined on the basis of the lesser of either:

- a. The number of Deliverables provided to HACSB divided by the total number of Deliverables required to be delivered to HACSB, less a ten percent (10%) withhold, less any amounts previously invoiced; or
- b. The number of work-hours expended by Contractor in the performance of the Work divided by the number of work hours scheduled for the Work, less a ten percent (10%) withhold, less any amounts

previously invoiced; provided that the Statement of Work may specify a withhold of more than ten percent (10%).

- c. For those Milestones which do not involve delivery to HACSB of identified Deliverables, but which are of a continuing nature, Contractor may submit invoices reflecting a pro-rata cost of the Milestone, less a ten percent (10%) withhold, less any amount previously invoiced. Actual progress payment amounts for such Milestones must be based on at least equivalent services rendered, and to the extent practicable, will be keyed to clearly identifiable stages of progress as reflected in written reports submitted with the invoices.
- d. Upon completion of a Milestone in accordance with the acceptance criteria set forth herein, the full charge for such Milestone, less amounts previously invoiced to HACSB, may be submitted for payment.
- e. In the event that Additional Work is performed pursuant to a Work Authorization, such Additional Work shall be paid by HACSB according to the same procedure set forth above with respect to the Work, unless a different method for payment is specified in such Work Authorization.
- f. Invoices prepared in accordance with this provision will not be submitted more frequently than monthly to HACSB.
- g. In the aggregate, invoices reflecting progress payments will not exceed ninety percent (90%) of the Agreement Price, with the balance to be invoiced upon completion of the Agreement, in accordance with the acceptance criteria set forth herein.
- h. No charge for transportation, delivery, express, parcel post, packing, cartage, insurance, license fees, permits, cost of bonds, or for any other purpose will be paid by HACSB unless expressly included and itemized in the Statement of Work or Work Authorization.
- i. Payments for all any and all invoices or other obligations are satisfied electronically through the Automated Clearing House (ACH) system. The Contractor hereby authorizes the HACSB to initiate payment electronically to any bank account maintained by the contractor wherever located. Contractor shall promptly comply with directions and accurately complete forms provided by HACSB required to process ACH payments.

ARTICLE 13. Return of HACSB Property. All reports, plans, designs, specifications, field data, construction documents, and other documents and instruments, including electronic files, but excluding Contractor's notes, relating to the Work shall be and remain the property of HACSB and shall be turned over to HACSB promptly upon the completion of the Work, or upon the earlier termination of this Agreement. Contractor hereby waives and assigns to HACSB all intellectual property or common law rights Contractor may develop in the Work. Contractor shall not use any trademarks owned by HACSB without HACSB's prior written authorization.

ARTICLE 14. Confidential Information. HACSB agrees to make available to Contractor information that may be needed to perform the Work. Such information may include information HACSB considers to be confidential. For purposes hereof, "Confidential Information" of HACSB means any nonpublic, proprietary information or technology used in HACSB's business, and any materials evidencing the same (specifically, including, without limitation, technical data or know-how relating to development plans, business plans, services, customers, markets, inventions (whether patentable or not), processes, designs, drawings, research, developments, strategies, marketing and/or financial information). Unless HACSB acknowledges that any such information provided under this Agreement is not Confidential Information, all information provided by HACSB to Contractor shall be considered to be Confidential Information. Unless approved in advance in writing or compelled to make such disclosure by a government agency, by court order, or by law, Contractor shall not disclose, transfer, distribute or allow access to any of HACSB's

Confidential Information to any third parties, except those individuals employed by Contractor and who are specifically authorized by Contractor to perform the Work contemplated in this Agreement.

ARTICLE 15. Indemnity; Hold Harmless. Contractor agrees to defend, save, indemnify and hold harmless HACSB and all its officers, employees, and agents, against any and all liabilities, claims, judgments, or demands, including demands arising from injuries or death of persons (Contractor's employees included) and damage to property, arising directly or indirectly out of the performance of the Work, the obligations herein undertaken or out of the operations conducted by Contractor, save and except claims or litigation to the extent arising through the active negligence or willful misconduct of HACSB. Contractor shall reimburse HACSB for any expenditures, including reasonable attorneys' fees, HACSB may incur arising out of any such claim or litigation, and, if requested by HACSB, Contractor shall defend any such suits at the sole cost and expense of Contractor with counsel selected by HACSB. Contractor shall pay and satisfy any judgment, award or decree that may be rendered against HACSB or its officers, employees, and agents in any such suit, action or other legal proceeding.

ARTICLE 16. Compliance with Contract Documents. Contractor shall comply with all of the Contract Documents in connection with the performance of the Work hereunder. In the event of any conflict between this Agreement and the Contract Documents, the Contract Documents shall control. Contractor shall also comply with all agreements, representations, warranties, covenants, and certifications of Contractor made in connection with the procurement of this Agreement, provided that in the case of a conflict between the foregoing and the Contract Documents and this Agreement, the Contract Documents and this Agreement shall control.

ARTICLE 17. Assignment. Neither the Agreement, nor any part thereof, nor moneys due or to become due there under may be assigned by Contractor without the prior written approval of HACSB. This Agreement shall be binding on the successors and assigns of the parties.

ARTICLE 18. Rights and Remedies of HACSB for Default.

In the event any goods furnished or services provided by Contractor in the performance of the Work should fail to conform to the requirements herein, or to the sample submitted by Contractor, HACSB may reject the same, and it shall become the duty of Contractor to reclaim and remove the item promptly or to correct the performance of services, without expense to HACSB, and immediately replace all such rejected items with others conforming to the Agreement.

- a. In addition to any other rights and remedies HACSB may have, HACSB may require Contractor, at Contractor's expense, to ship goods via air freight or expedited routing to avoid or minimize actual or potential delay if the delay is the fault of Contractor.
- b. In the event of the termination of the Agreement, either in whole or in part, by reason of default or breach by Contractor, any loss or damage sustained by HACSB in procuring any items which Contractor agreed to supply shall be borne and paid for by Contractor.
- c. HACSB reserves the right to offset the reasonable cost of all damages caused to HACSB against any outstanding invoices or amounts owed to Contractor or to make a claim against Contractor therefore.

ARTICLE 19. Termination. In addition to the rights of Termination for Convenience of HACSB and Termination for Default set forth in the Contract Documents, HACSB may terminate this Agreement if Contractor should file a bankruptcy petition and/or be adjudged a bankrupt, or if Contractor should make a general assignment for the benefit of creditors, or if a receiver should be appointed on account of insolvency (as referenced in HUD Form 5370-C section 1 page 1). HACSB may serve written notice upon Contractor of its intention to terminate the Agreement. The notice shall contain the reasons for such intention to terminate the Agreement, and, unless within ten (10) days after serving such notice, such violation shall cease and satisfactory arrangements for correction

thereof be made, upon the expiration of the ten (10) days, the Agreement shall cease and terminate. In the event of any such termination, HACSB shall serve written notice thereof upon any surety and Contractor, and any such surety shall have the right to take over and perform Contractor's obligations pursuant to this Agreement; provided, however, that if such surety does not provide HACSB written notice of its intention to take over and perform the Work required under this Agreement within fifteen (15) days after receiving such written notice, or such surety does not commence performance thereof within thirty (30) days after providing such written notice to HACSB, HACSB shall have the right to perform all uncompleted portions of the Work and to prosecute the same to completion by contract or by any other method it deems advisable, for the account and at the expense of Contractor, and Contractor and its surety shall be liable to HACSB for any excess costs occasioned HACSB thereby and, in such event, HACSB may, without liability for doing so, take possession of and utilize in completing the Work, such materials, appliances, and other property belonging to Contractor as may be on the site of the Work and necessary for the performance of the Work.

ARTICLE 20. No Waiver. No waiver by the parties hereto of any default or breach of any term, condition or covenant of this Agreement shall be deemed to be a waiver of any subsequent default or breach of the same or any other term, condition or covenant contained herein.

ARTICLE 21. Modification. This written Agreement may not be later modified except by a further writing signed by HACSB and Contractor and no term of this Agreement may be waived, except by writing signed by the party waiving the benefit of such term. No oral understanding or agreement not incorporated in this Agreement is binding on any of the parties.

ARTICLE 22. Notices. All notices required pursuant to this Agreement shall be communicated in writing, and shall be delivered in person, by commercial courier providing proof of delivery, or by certified mail, return receipt requested. ***All notices sent pursuant to this Agreement shall be addressed as follows:***

If to HACSB:

Angie Lardapide, Procurement and Contracts Supervisor
Housing Authority of the County of San Bernardino
715 E. Brier Drive
San Bernardino, CA 92408-2841
alardapide@hacsb.com

If to Contractor:

Sanwar Harshwal
Harshwal & Company, LLP
11405 W. Bernardo Court, Suite A
San Diego, CA 92127
info@harshwal.com

Notices will be deemed effective upon receipt or rejection only.

ARTICLE 23. Complete Agreement. This written Agreement is the final, complete and exclusive statement and expression of the agreement between HACSB and Contractor and of all the terms of this Agreement and cannot be varied, contradicted, nor supplemented by evidence of any prior or contemporaneous oral or written agreements.

ARTICLE 24. Applicable Law/Venue. This Agreement shall be construed and interpreted in accordance with the internal laws of the State of California, with proper venue for any litigation in San Bernardino County, California.

ARTICLE 25. Severability; Headings. If any portion of this Agreement is held invalid or inoperative, the other portions of this Agreement shall be deemed valid and operative and so far as is reasonable and possible, effect shall be given to the intent manifested by the portion held invalid or inoperative. The section headings herein are for reference purposes only and are not intended in any way to describe, interpret, define or limit the extent or intent of this Agreement or of any part hereof.

ARTICLE 26. Interpretation. Should any provision of this Agreement require interpretation, it is agreed that the person or persons interpreting or construing the same shall not apply a presumption that the terms of this Agreement shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party who itself or through its agent or counsel prepared the same or caused the same to be prepared; it being agreed that the agents and counsel of all of the parties have participated equally in

the negotiation and preparation of this Agreement. The language in all parts of this Agreement shall be in all cases construed simply, fairly, equitably and reasonably, according to its plain meaning and not strictly for or against any of the parties.

ARTICLE 27. Counterparts. This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same Agreement. The parties shall be entitled to sign and transmit an electronic signature of this Agreement (whether by facsimile, PDF or other email transmission), which signature shall be binding on the party whose name is contained therein. Each party providing an electronic signature agrees to promptly execute and deliver to the other party an original signed Agreement upon request.

ARTICLE 28. Eight-Hour Law. Pursuant to the provisions of the California Labor Code, eight hours of labor shall constitute a legal day's work, and the time of service of any worker employed on the work shall be limited and restricted to eight hours during any one calendar day, and forty hours in any one calendar week, except when payment for overtime is made at not less than one and one-half the basic rate for all hours worked in excess of eight hours per day ("Eight-Hour Law"). Contractor shall forfeit to HACSB as a penalty, \$50.00 for each worker employed in the execution of this Agreement by him, or by any subcontractor under him, for each calendar day during which such workman is required or permitted to work more than eight hours in any calendar day and forty hours in any one calendar week without such compensation for overtime violation of the provisions of the California Labor Code, unless Contractor or the Work are not subject to the Eight-Hour Law.

ARTICLE 29. Subcontracting. Contractor shall not subcontract any portion of the Work required by this Agreement, except as expressly stated herein, without prior written approval of HACSB. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

ARTICLE 30. Attorney's Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and costs of such actions.

ARTICLE 31. Survival. All rights and obligations hereunder that by their nature are to continue after any expiration or termination of this Agreement, including, but not limited to, the indemnification and confidentiality obligations, shall survive any such expiration or termination.

ARTICLE 32. No Third Party Beneficiaries. Except as expressly stated herein or in the Contract Documents, there are no intended third party beneficiaries of any right or obligation assumed by the parties.

[END – SIGNATURES ON NEXT PAGE]

SIGNATURE PAGE TO
CONSULTING, SERVICES, AND NON-ROUTINE MAINTENANCE RELATED SERVICES AGREEMENT
(NON-CONSTRUCTION)
PC1433 – FINANCIAL AUDIT SERVICES

IN WITNESS WHEREOF, HACSB and Contractor have entered into this Agreement as of the Effective

Date: _____

Harshwal & Company, LLP

By: _____ (Affix seal if a corporation)

Name: _____

Its: _____

CERTIFICATE OF CORPORATE AUTHORITY

I, _____, certify that I am the _____ of the corporation named as Contractor herein; that _____ who signed this Agreement on behalf of Contractor, was then _____ of said corporation; that said Contract was duly signed for and in behalf of said corporation and its governing body and is within the scope of its corporate powers.

By: _____

Name: _____

Its: _____

Date: _____

HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

By: _____

Name: Maria Razo

Its: Executive Director

Date: _____

Exhibit A – Scope of Work

The audit shall be conducted in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. The audit and financial statements shall meet the requirements of federal single audit regulations as prescribed by OMB Circular A-133, Audits of States, Local Governments and Nonprofit Organizations, OMB Circular A-128, Audit for State and Local Governments, GASB-34 Basic Financial Statement's and Management's Discussion and Analysis for State and Local Governments and the U.S. Department of Housing and Urban Development's Public and Indian Housing Compliance Supplement. The financial statements are to be prepared by the auditor in accordance with Generally Accepted Accounting Principles (GAAP) and HUD's timetable for submission. This includes assistance with electronically submitting Financial Data Schedules (FDS) via the internet as required by the Real Estate Assessment Center (REAC).

1. **FINANCIAL STATEMENTS**-Provide audit services for a single audit and an audit of the Authority's financial statements ending September 30, 2025 and September 30, 2026, with an option to renew for the fiscal year ending September 30, 2027, the fiscal year ending September 30, 2028, and the fiscal year ending September 30, 2029; performed in accordance with Section "Audit Standards" above. The statement should include the following:

Basic Financial Statements

- Statement of Net Position
- Statement of Revenues, Expenses and Changes in Net Position
- Statement of Cash Flows
- Notes to Basic Financial Statements

Required Supplementary Information (Other than MD&A)

- Schedule of Changes in Net Pension Liability and Related Ratios
- Schedule of Pension Plan Contributions
- Schedule of Changes in Net OPEB Liability and Related Ratios
- Schedule of OPEB Plan Contributions

Other Supplementary Information

- Combining Schedule of Program Net Position by fund/program/funding
- Combining Schedule of Program Revenues, Expenses and Changes in Net Position by fund/program/funding
- Schedule of Expenditures of Federal Awards
- Statement of Certification of Actual Capital Fund Grant Costs – Completed for The Year.
- Schedule of Public Housing Capital Funds Grants

- Financial Data Schedule
 - Entity Wide Balance Sheet
 - Entity Wide Revenue and Expense Summary
- Supplementary Data Required by the California Department of Housing and Community Development
- Housing Authority Successor Agency Supplemental Information
- **Combining Schedule of Cash Flows - AOP Portfolio**

Report on Compliance with Applicable Laws, Regulations and Grant agreements for:

- Housing Choice Voucher Program
- Low Income Public Housing Program
- Rental Assistance Demonstration (RAD) program.
- Capital Fund Program
- Continuum of Care (Shelter Plus Care), VASH, Mainstream, and HOPWA Programs
- Locally owned units, locally managed units, and local funds

The above procedures should be performed in accordance with OMB Circular A-133 and the Public and Indian Housing Compliance Supplement.

- Report on Internal Controls in accordance with OMB Circular, A-133.
2. **FINANCIAL STATEMENTS**-A financial statement and compliance audit of Yucaipa Terrace Project for fiscal years ending September 30, 2025 and September 30, 2026, with an option to renew for the fiscal year ending September 30, 2027, the fiscal year ending September 30, 2028, and the fiscal year ending September 30, 2029 with a due date of 90 days after the project's fiscal year ending date. The audit must be performed in accordance with "Audited Financial Statements Handbook for Multifamily Rental Housing" published by the California Department of Housing and Community Development California Housing Finance Agency
 3. **ATTESTATION**-Attestation and compilation by auditors on Financial Data System (FDS) data as to its "fair presentation in relation to audited basic financial statements" in accordance with Government Auditing standards.
 4. **ADDITIONAL SERVICES**-If the need for other audit services arises concerning the fiscal year under audit, HACSB expects to be able to negotiate with the selected auditor to obtain the additional services needed.
 6. **REPORTS**
 - A. One PDF and 12 bound copies of each audit opinion, financial statements and compliance report shall be submitted to the Executive Director within **240 days**. It is anticipated that financial records will be closed and ready for audit by December 15 of each year. The Single Audit Act stipulates a submission requirement of no later than nine (9) months after the end of the audit period and REAC stipulates a

submission due date of nine (9) months after the end of the fiscal year. However, the Authority requires that the audit report shall be submitted within **240 days** after the closing of the HACSB's fiscal year end, but no later than May 30th of each year.

- B. Preparation of the Data Collection Form for submission to the Federal Audit Clearinghouse.
- C. Any other reports as requested by the Housing Authority and as required by HUD's Uniform Financial Reporting Standards (UFRS) for Public Housing Authority. These reports may include, but are not limited to, the following:

Reports required by the Housing Authority
Housing Authority Successor Agency Supplemental Financials

Reports required by HUD
FDS-Unaudited
FDS Audited
Data Collection Form

- D. The auditor will be expected to provide a letter to the Executive Director on the non-reportable conditions and immaterial instances of noncompliance. This letter will also include general recommendations on observations made during the audit that could be helpful to the management of the Authority.
- E. The auditor will be expected to attend a meeting with the Executive Director and Deputy Executive Director to present the audit report and review the management letter.

7. AUDITOR RESPONSIBILITIES

- A. Independent Auditors' Report on the Schedules of Actual Modernization Cost Certificate for completed and uncompleted Capital Fund Grants(s). Note that this item is issued separately.
- B. Preparation of a Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organization.
- C. Independent Auditors' Management Letter to the Executive Director concerning minor findings noted that were not material in nature during tests of internal control structures, policies, and procedures.
- D. Auditors shall perform audit tests of private firms at their management office sites, and their home office location, and at Housing Services Management Offices/Public Housing Management Offices. HACSB currently uses one private property management company. All files related to the properties that the management company maintains are kept in one location. The auditors would visit the offices of the property management company during the interim testing and the year-end testing.
- E. Auditor shall assist in draft preparation of the Management Discussion and Analysis (MD&A) and audit the HACSB completed MD&A.

- F. The auditor shall provide 12 Bound copies of the final audit report.
- G. The Auditor agrees to adhere to the following audit engagement schedule:
- H. Audit fieldwork shall start no later than January 15 of each year. HACSB will have all books closed and ready for audit within 75 days after the fiscal year end. HACSB will provide the audit lead sheets along with supporting documentation.
- I. The auditor shall prepare an audit schedule to include when specific HACSB and private firm sites will be visited for audit tests, and a schedule of when specific Administration Offices' staff will be interviewed. These schedules shall be prepared within 60 calendar days prior to the start of any field work.
- J. After each HACSB site visit, the Auditor shall conduct an exit discussion with the site supervisor to discuss audit results. The site supervisor and Executive Director also be provided with a written summary of any noted findings or audit issues after each site visit.
- K. The Auditor shall immediately review with the Executive Director any material findings or audit issues that are noted during the audit. The Auditor shall provide a monthly status review of audit progress during the audit fieldwork.
- L. Audit fieldwork shall be completed on or before March 1 of each year. The auditor will provide by April 1st a draft audit report to the Director of Business Services. Within 5 working days of HACSB's final draft approval, which will be no later than May 30th, the auditor shall provide the following documents for transmission with the audited FDS: Independent Auditor's Report, top-level financial statements, notes to basic financial statements, Auditor Reports on Compliance, Internal Control and Schedule of Expenditures of Federal Awards.
- M. The Auditor shall conduct an audit exit discussion with the Executive Director and Deputy Executive Director within 10 workdays after issuance of the draft audit report. The Auditor may be requested to attend a Board of Commissioners meeting to discuss material audit issues.
- N. The Auditor shall perform their on-line review, compilation, and submittal into the HUD Real Estate Assessment Center (REAC) financial assessment system within 2 days prior to the FDS deadline.
- O. The final audit report shall be issued within the Audited FDS submission, after HUD REAC approves the audit FDS.
- P. The Authority understands that generally accepted auditing standards require that the Auditor obtain a letter of representation from the Authority prior to completion of the audit and submission of the Audit Report. This letter requires that the Executive Director and Finance Manager provide the Auditor with assurance based on knowledge and belief as to matters concerning the accounting records, operations and matters contained within the financial statements. The delay in providing this assurance will extend the date of completion of the audit.

- Q. The Authority may, before or during the conduct of the audit, request changes in the scopes of the services of the Auditor to be performed under this contract. Such changes, including any increase or decrease in the amount of the Auditor's report, which are mutually agreed upon by and between the Authority and the Auditor, shall be incorporated into written amendments to the contract.
- R. The books of account and financial records to be audited are maintained and are located at the Authority's Administration Offices at 715 East Brier Drive, San Bernardino, California. These books and records will be made available to the Auditor by the Authority during normal business hours. Non-financial records required for compliance testing are maintained at various management offices throughout the County. Financial records of property management firms that manage our public housing units are maintained at their corporate/home office.
- S. If the Auditor ascertains the Authority's books and records are not in a sufficiently satisfactory condition for performing an audit, the Auditor shall disclose this deficiency to the Authority.
- T. The Auditor must be a Certified Public Accountant, licensed by the State of California and must meet any legal requirements concerning registration in the State of California.

Scope of Services – Fee Schedule:

<u>Year</u>	<u>Fiscal Year Ending</u>	<u>Cost for Audit Services</u>
Base Year 1	September 30, 2025	\$ <u>82,225.00</u>
Base Year 2	September 30, 2026	\$ <u>86,335.00</u>
Option Year 1	September 30, 2027	\$ <u>90,650.00</u>
Option Year 2	September 30, 2028	\$ <u>95,185.00</u>
Option Year 3	September 30, 2029	\$ <u>99,945.00</u>
	Grand Total	\$ <u>454,340.00</u>

Exhibit B
GENERAL CONDITIONS FOR NON-CONSTRUCTION WORK
(HUD – 5370-C)

Document on Following Page

General Conditions for Non-Construction Contracts

Section I – (With or without Maintenance Work)

U.S. Department of Housing and Urban Development

Office of Public and Indian Housing

Office of Labor Relations

OMB Approval No. 2577-0157 (exp. 11/30/2023)

Public Reporting Burden for this collection of information is estimated to average one hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not conduct or sponsor, and an applicant is not required to respond to a collection of information unless it displays a currently valid OMB control number.

Applicability. This form HUD-5370-C has 2 Sections. These Sections must be inserted into non-construction contracts as described below:

- 1) **Non-construction contracts** (*without* maintenance) **greater than \$150,000 - use Section I;**
- 2) **Maintenance contracts** (including nonroutine maintenance as defined at 24 CFR 905.100) **greater than \$2,000 but not more than \$150,000 - use Section II;** and
- 3) **Maintenance contracts** (including nonroutine maintenance), **greater than \$150,000 – use Sections I and II.**

Section I - Clauses for All Non-Construction Contracts greater than \$150,000

1. Definitions

The following definitions are applicable to this contract:

- (a) "Authority or Housing Authority (HA)" means the Housing Authority.
- (b) "Contract" means the contract entered into between the Authority and the Contractor. It includes the contract form, the Certifications and Representations, these contract clauses, and the scope of work. It includes all formal changes to any of those documents by addendum, Change Order, or other modification.
- (c) "Contractor" means the person or other entity entering into the contract with the Authority to perform all of the work required under the contract.
- (d) "Day" means calendar days, unless otherwise stated.
- (e) "HUD" means the Secretary of Housing and Urban development, his delegates, successors, and assigns, and the officers and employees of the United States Department of Housing and Urban Development acting for and on behalf of the Secretary.

2. Changes

- (a) The HA may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this contract in the services to be performed or supplies to be delivered.
- (b) If any such change causes an increase or decrease in the hourly rate, the not-to-exceed amount of the contract, or the time required for performance of any part of the work under this contract, whether or not changed by the order, or otherwise affects the conditions of this contract, the HA shall make an equitable adjustment in the not-to-exceed amount, the hourly rate, the delivery schedule, or other affected terms, and shall modify the contract accordingly.
- (c) The Contractor must assert its right to an equitable adjustment under this clause within 30 days from the date of receipt of the written order. However, if the HA decides that the facts justify it, the HA may receive and act upon a

proposal submitted before final payment of the contract.

- (d) Failure to agree to any adjustment shall be a dispute under clause Disputes, herein. However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.
- (e) No services for which an additional cost or fee will be charged by the Contractor shall be furnished without the prior written consent of the HA.

3. Termination for Convenience and Default

- (a) The HA may terminate this contract in whole, or from time to time in part, for the HA's convenience or the failure of the Contractor to fulfill the contract obligations (default). The HA shall terminate by delivering to the Contractor a written Notice of Termination specifying the nature, extent, and effective date of the termination. Upon receipt of the notice, the Contractor shall: (i) immediately discontinue all services affected (unless the notice directs otherwise); and (ii) deliver to the HA all information, reports, papers, and other materials accumulated or generated in performing this contract, whether completed or in process.
- (b) If the termination is for the convenience of the HA, the HA shall be liable only for payment for services rendered before the effective date of the termination.
- (c) If the termination is due to the failure of the Contractor to fulfill its obligations under the contract (default), the HA may (i) require the Contractor to deliver to it, in the manner and to the extent directed by the HA, any work as described in subparagraph (a)(ii) above, and compensation be determined in accordance with the Changes clause, paragraph 2, above; (ii) take over the work and prosecute the same to completion by contract or otherwise, and the Contractor shall be liable for any additional cost incurred by the HA; (iii) withhold any payments to the Contractor, for the purpose of off-set or partial payment, as the case may be, of amounts owed to the HA by the Contractor.
- (d) If, after termination for failure to fulfill contract obligations (default), it is determined that the Contractor had not failed, the termination shall be deemed to have been effected for the convenience of the HA, and the Contractor shall be entitled to payment as described in paragraph (b) above.
- (e) Any disputes with regard to this clause are expressly made subject to the terms of clause titled Disputes herein.

4. Examination and Retention of Contractor's Records

- (a) The HA, HUD, or Comptroller General of the United States, or any of their duly authorized representatives shall, until 3 years after final payment under this contract, have access to and the right to examine any of the Contractor's directly pertinent books, documents, papers, or other records involving transactions related to this contract for the purpose of making audit, examination, excerpts, and transcriptions.

- (b) The Contractor agrees to include in first-tier subcontracts under this contract a clause substantially the same as paragraph (a) above. "Subcontract," as used in this clause, excludes purchase orders not exceeding \$10,000.
- (c) The periods of access and examination in paragraphs (a) and (b) above for records relating to:
 - (i) appeals under the clause titled Disputes;
 - (ii) litigation or settlement of claims arising from the performance of this contract; or,
 - (iii) costs and expenses of this contract to which the HA, HUD, or Comptroller General or any of their duly authorized representatives has taken exception shall continue until disposition of such appeals, litigation, claims, or exceptions.

5. Rights in Data (Ownership and Proprietary Interest)

The HA shall have exclusive ownership of, all proprietary interest in, and the right to full and exclusive possession of all information, materials and documents discovered or produced by Contractor pursuant to the terms of this Contract, including but not limited to reports, memoranda or letters concerning the research and reporting tasks of this Contract.

6. Energy Efficiency

The contractor shall comply with all mandatory standards and policies relating to energy efficiency which are contained in the energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub.L. 94-163) for the State in which the work under this contract is performed.

7. Disputes

- (a) All disputes arising under or relating to this contract, except for disputes arising under clauses contained in Section III, Labor Standards Provisions, including any claims for damages for the alleged breach thereof which are not disposed of by agreement, shall be resolved under this clause.
- (b) All claims by the Contractor shall be made in writing and submitted to the HA. A claim by the HA against the Contractor shall be subject to a written decision by the HA.
- (c) The HA shall, with reasonable promptness, but in no event in no more than 60 days, render a decision concerning any claim hereunder. Unless the Contractor, within 30 days after receipt of the HA's decision, shall notify the HA in writing that it takes exception to such decision, the decision shall be final and conclusive.
- (d) Provided the Contractor has (i) given the notice within the time stated in paragraph (c) above, and (ii) excepted its claim relating to such decision from the final release, and (iii) brought suit against the HA not later than one year after receipt of final payment, or if final payment has not been made, not later than one year after the Contractor has had a reasonable time to respond to a written request by the HA that it submit a final voucher and release, whichever is earlier, then the HA's decision shall not be final or conclusive, but the dispute shall be determined on the merits by a court of competent jurisdiction.
- (e) The Contractor shall proceed diligently with performance of this contract, pending final resolution of any request for relief, claim, appeal, or action arising under the contract, and comply with any decision of the HA.

8. Contract Termination; Debarment

A breach of these Contract clauses may be grounds for termination of the Contract and for debarment or denial of participation in HUD programs as a Contractor and a subcontractor as provided in 24 CFR Part 24.

9. Assignment of Contract

The Contractor shall not assign or transfer any interest in this contract; except that claims for monies due or to become due from the HA under the contract may be assigned to a bank, trust company, or other financial institution. If the Contractor is a partnership, this contract shall inure to the benefit of the surviving or remaining member(s) of such partnership approved by the HA.

10. Certificate and Release

Prior to final payment under this contract, or prior to settlement upon termination of this contract, and as a condition precedent thereto, the Contractor shall execute and deliver to the HA a certificate and release, in a form acceptable to the HA, of all claims against the HA by the Contractor under and by virtue of this contract, other than such claims, if any, as may be specifically excepted by the Contractor in stated amounts set forth therein.

11. Organizational Conflicts of Interest

- (a) The Contractor warrants that to the best of its knowledge and belief and except as otherwise disclosed, it does not have any organizational conflict of interest which is defined as a situation in which the nature of work under this contract and a contractor's organizational, financial, contractual or other interests are such that:
 - (i) Award of the contract may result in an unfair competitive advantage; or
 - (ii) The Contractor's objectivity in performing the contract work may be impaired.
- (b) The Contractor agrees that if after award it discovers an organizational conflict of interest with respect to this contract or any task/delivery order under the contract, he or she shall make an immediate and full disclosure in writing to the Contracting Officer which shall include a description of the action which the Contractor has taken or intends to take to eliminate or neutralize the conflict. The HA may, however, terminate the contract or task/delivery order for the convenience of the HA if it would be in the best interest of the HA.
- (c) In the event the Contractor was aware of an organizational conflict of interest before the award of this contract and intentionally did not disclose the conflict to the Contracting Officer, the HA may terminate the contract for default.
- (d) The terms of this clause shall be included in all subcontracts and consulting agreements wherein the work to be performed is similar to the service provided by the prime Contractor. The Contractor shall include in such subcontracts and consulting agreements any necessary provisions to eliminate or neutralize conflicts of interest.

12. Inspection and Acceptance

- (a) The HA has the right to review, require correction, if necessary, and accept the work products produced by the Contractor. Such review(s) shall be carried out within 30 days so as to not impede the work of the Contractor. Any

product of work shall be deemed accepted as submitted if the HA does not issue written comments and/or required corrections within 30 days from the date of receipt of such product from the Contractor.

- (b) The Contractor shall make any required corrections promptly at no additional charge and return a revised copy of the product to the HA within 7 days of notification or a later date if extended by the HA.
- (c) Failure by the Contractor to proceed with reasonable promptness to make necessary corrections shall be a default. If the Contractor's submission of corrected work remains unacceptable, the HA may terminate this contract (or the task order involved) or reduce the contract price or cost to reflect the reduced value of services received.

13. Interest of Members of Congress

No member of or delegate to the Congress of the United States of America or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit to arise there from, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

14. Interest of Members, Officers, or Employees and Former Members, Officers, or Employees

No member, officer, or employee of the HA, no member of the governing body of the locality in which the project is situated, no member of the governing body in which the HA was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the project, shall, during his or her tenure, or for one year thereafter, have any interest, direct or indirect, in this contract or the proceeds thereof.

15. Limitation on Payments to Influence Certain Federal Transactions

(a) Definitions. As used in this clause:

"Agency", as defined in 5 U.S.C. 552(f), includes Federal executive departments and agencies as well as independent regulatory commissions and Government corporations, as defined in 31 U.S.C. 9101(1).

"Covered Federal Action" means any of the following Federal actions:

- (i) The awarding of any Federal contract;
- (ii) The making of any Federal grant;
- (iii) The making of any Federal loan;
- (iv) The entering into of any cooperative agreement; and,
- (v) The extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

Covered Federal action does not include receiving from an agency a commitment providing for the United States to insure or guarantee a loan.

"Indian tribe" and "tribal organization" have the meaning provided in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450B). Alaskan Natives are included under the definitions of Indian tribes in that Act.

"Influencing or attempting to influence" means making, with the intent to influence, any communication to or appearance before an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any covered Federal action.

"Local government" means a unit of government in a State and, if chartered, established, or otherwise recognized by a State for the performance of a governmental duty, including a local public authority, a special district, an intrastate district, a council of governments, a sponsor group representative organization, and any other instrumentality of a local government.

"Officer or employee of an agency" includes the following individuals who are employed by an agency:

- (i) An individual who is appointed to a position in the Government under title 5, U.S.C., including a position under a temporary appointment;
- (ii) A member of the uniformed services as defined in section 202, title 18, U.S.C.;
- (iii) A special Government employee as defined in section 202, title 18, U.S.C.; and,
- (iv) An individual who is a member of a Federal advisory committee, as defined by the Federal Advisory Committee Act, title 5, appendix 2.

"Person" means an individual, corporation, company, association, authority, firm, partnership, society, State, and local government, regardless of whether such entity is operated for profit or not for profit. This term excludes an Indian tribe, tribal organization, or other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Recipient" includes all contractors, subcontractors at any tier, and subgrantees at any tier of the recipient of funds received in connection with a Federal contract, grant, loan, or cooperative agreement. The term excludes an Indian tribe, tribal organization, or any other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Regularly employed means, with respect to an officer or employee of a person requesting or receiving a Federal contract, grant, loan, or cooperative agreement, an officer or employee who is employed by such person for at least 130 working days within one year immediately preceding the date of the submission that initiates agency consideration of such person for receipt of such contract, grant, loan, or cooperative agreement. An officer or employee who is employed by such person for less than 130 working days within one year immediately preceding the date of submission that initiates agency consideration of such person shall be considered to be regularly employed as soon as he or she is employed by such person for 130 working days.

"State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, a territory or possession of the United States, an agency or instrumentality of a State, and a multi-State, regional, or interstate entity having governmental duties and powers.

(b) Prohibition.

- (i) Section 1352 of title 31, U.S.C. provides in part that no appropriated funds may be expended by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (ii) The prohibition does not apply as follows:

(1) Agency and legislative liaison by Own Employees.

(a) The prohibition on the use of appropriated funds, in paragraph (i) of this section, does not apply in the case of a payment of reasonable compensation made to an officer or employee of a person requesting or receiving a Federal contract, grant, loan, or cooperative agreement, if the payment is for agency and legislative activities not directly related to a covered Federal action.

(b) For purposes of paragraph (b)(i)(1)(a) of this clause, providing any information specifically requested by an agency or Congress is permitted at any time.

(c) The following agency and legislative liaison activities are permitted at any time only where they are not related to a specific solicitation for any covered Federal action:

(1) Discussing with an agency (including individual demonstrations) the qualities and characteristics of the person's products or services, conditions or terms of sale, and service capabilities; and,

(2) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use.

(d) The following agency and legislative liaison activities are permitted where they are prior to formal solicitation of any covered Federal action:

(1) Providing any information not specifically requested but necessary for an agency to make an informed decision about initiation of a covered Federal action;

(2) Technical discussions regarding the preparation of an unsolicited proposal prior to its official submission; and

(3) Capability presentations by persons seeking awards from an agency pursuant to the provisions of the Small Business Act, as amended by Public Law 95-507 and other subsequent amendments.

(e) Only those activities expressly authorized by subdivision (b)(ii)(1)(a) of this clause are permitted under this clause.

(2) Professional and technical services.

(a) The prohibition on the use of appropriated funds, in subparagraph (b)(i) of this clause, does not apply in the case of-

(i) A payment of reasonable compensation made to an officer or employee of a person requesting or receiving a covered Federal action or an extension, continuation, renewal, amendment, or modification of a covered Federal action, if payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action.

(ii) Any reasonable payment to a person, other than an officer or employee of a

person requesting or receiving a covered Federal action or an extension, continuation, renewal, amendment, or modification of a covered Federal action if the payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action. Persons other than officers or employees of a person requesting or receiving a covered Federal action include consultants and trade associations.

(b) For purposes of subdivision (b)(ii)(2)(a) of clause, "professional and technical services" shall be limited to advice and analysis directly applying any professional or technical discipline.

(c) Requirements imposed by or pursuant to law as a condition for receiving a covered Federal award include those required by law or regulation, or reasonably expected to be required by law or regulation, and any other requirements in the actual award documents.

(d) Only those services expressly authorized by subdivisions (b)(ii)(2)(a)(i) and (ii) of this section are permitted under this clause.

(iii) Selling activities by independent sales representatives.

(c) The prohibition on the use of appropriated funds, in subparagraph (b)(i) of this clause, does not apply to the following selling activities before an agency by independent sales representatives, provided such activities are prior to formal solicitation by an agency and are specifically limited to the merits of the matter:

(i) Discussing with an agency (including individual demonstration) the qualities and characteristics of the person's products or services, conditions or terms of sale, and service capabilities; and

(ii) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use.

(d) Agreement. In accepting any contract, grant, cooperative agreement, or loan resulting from this solicitation, the person submitting the offer agrees not to make any payment prohibited by this clause.

(e) Penalties. Any person who makes an expenditure prohibited under paragraph (b) of this clause shall be subject to civil penalties as provided for by 31 U.S.C. 1352. An imposition of a civil penalty does not prevent the Government from seeking any other remedy that may be applicable.

(f) Cost Allowability. Nothing in this clause is to be interpreted to make allowable or reasonable any costs which would be unallowable or unreasonable in accordance with Part 31 of the Federal Acquisition Regulation (FAR), or OMB Circulars dealing with cost allowability for recipients of assistance agreements. Conversely, costs made specifically unallowable by the requirements in this clause will not be made allowable under any of the provisions of FAR Part 31 or the relevant OMB Circulars.

16. Equal Employment Opportunity

During the performance of this contract, the

Contractor/Seller agrees as follows:

(a) The [contractor/seller] will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, disability, or national origin. The

[contractor/seller] will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation, gender identity, disability, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The [contractor/seller] agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

(b) The [contractor/seller] will, in all solicitations or advertisements for employees placed by or on behalf of the [contractor/seller], state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, disability, or national origin.

(c) The [contractor/seller] will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the [contractor/seller]'s legal duty to furnish information.

(d) The [contractor/seller] will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers' representative of the [contractor/seller]'s commitments under section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(e) The [contractor/seller] will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(f) The [contractor/seller] will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(g) In the event of the [contractor/seller]'s non-compliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the [contractor/seller] may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(g) In the event of the [contractor/seller]'s non-compliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the [contractor/seller] may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(h) The [contractor/seller] will include the provisions of paragraphs (a) through (h) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each sub[contractor/seller] or vendor. The [contractor/seller] will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event the [contractor/seller] becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the [contractor/seller] may request the United States to enter into such litigation to protect the interests of the United States.

17. Equal Opportunity for Workers with Disabilities

1. The [contractor/seller] will not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The [contractor/seller] agrees to take affirmative action to employ and advance in employment individuals with disabilities, and to treat qualified individuals without discrimination on the basis of their physical or mental disability in all employment practices, including the following:

- i. Recruitment, advertising, and job application procedures;
- ii. Hiring, upgrading, promotion, award of tenure, demotion, transfer, layoff, termination, right of return from layoff and rehiring;
- iii. Rates of pay or any other form of compensation and changes in compensation;
- iv. Job assignments, job classifications, organizational structures, position descriptions, lines of progression, and seniority lists;
- v. Leaves of absence, sick leave, or any other leave;
- vi. Fringe benefits available by virtue of employment, whether or not administered by the [contractor/seller];
- vii. Selection and financial support for training, including apprenticeship, professional meetings, conferences, and other related activities, and selection for leaves of absence to pursue training;
- viii. Activities sponsored by the [contractor/seller] including social or recreational programs; and
- ix. Any other term, condition, or privilege of employment.

2. The [contractor/seller] agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the act.

3. In the event of the [contractor/seller] noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the act.

4. The [contractor/seller] agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Director, Office of Federal Contract Compliance Programs, provided by or through the contracting officer. Such notices shall state the rights of applicants and employees as well as the [contractor/seller]'s obligation under the law to take affirmative action to employ and advance in employment qualified employees and applicants with disabilities.

The [contractor/seller] must ensure that applicants or employees with disabilities are provided the notice in a form that is accessible and understandable to the individual applicant or employee (e.g., providing Braille or large print versions of the notice, or posting a copy of the notice at a lower height for easy viewing by a person using a wheelchair). With respect to employees who do not work at a physical location of the [contractor/seller], a [contractor/seller] will satisfy its posting obligations by posting such notices in an electronic format, provided that the [contractor/seller] provides computers, or access to computers, that can access the electronic posting to such employees, or the [contractor/seller] has actual knowledge that such employees otherwise are able to access the electronically posted notices. Electronic notices for employees must be posted in a conspicuous location and format on the company's intranet or sent by electronic mail to employees. An electronic posting must be used by the [contractor/seller] to notify job applicants of their rights if the [contractor/seller] utilizes an electronic application process. Such electronic applicant notice must be conspicuously stored with, or as part of, the electronic application.

5. The [contractor/seller] will notify each labor organization or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the [contractor/seller] is bound by the terms of section 503 of the Rehabilitation Act of 1973, as amended, and is committed to take affirmative action to employ and advance in employment, and shall not discriminate against, individuals with physical or mental disabilities.

6. The [contractor/seller] will include the provisions of this clause in every subcontract or purchase order in excess of \$ 10,000, unless exempted by the rules, regulations, or orders of the Secretary issued pursuant to section 503 of the act, as amended, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the Director, Office of Federal Contract Compliance Programs may direct to enforce such provisions, including action for noncompliance.

7. The [contractor/seller] must, in all solicitations or advertisements for employees placed by or on behalf of the [contractor/seller], state that all qualified applicants will receive consideration for employment and will not be discriminated against on the basis of disability.

18. Dissemination or Disclosure of Information

No information or material shall be disseminated or disclosed to the general public, the news media, or any person or organization without prior express written approval by the HA.

19. Contractor's Status

It is understood that the Contractor is an independent contractor and is not to be considered an employee of the HA, or assume any right, privilege or duties of an employee, and shall save harmless the HA and its employees from claims suits, actions and costs of every description resulting from the Contractor's activities on behalf of the HA in connection with this Agreement.

20. Other Contractors

HA may undertake or award other contracts for additional work at or near the site(s) of the work under this contract. The contractor shall fully cooperate with the other contractors and with HA and HUD employees and shall carefully adapt scheduling and performing the work under this contract to accommodate the additional work, heeding any direction that may be provided by the Contracting Officer. The contractor shall not commit or permit any act that will interfere with the performance of work by any other contractor or HA employee.

21. Liens

The Contractor is prohibited from placing a lien on HA's property. This prohibition shall apply to all subcontractors.

22. Training and Employment Opportunities for Residents in the Project Area (Section 3, HUD Act of 1968; 24 CFR 135)

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

22. Procurement of Recovered Materials

- (a) In accordance with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, the Contractor shall procure items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of

recovered materials practicable consistent with maintaining a satisfactory level of competition. The Contractor shall procure items designated in the EPA guidelines that contain the highest percentage of recovered materials practicable unless the Contractor determines that such items: (1) are not reasonably available in a reasonable period of time; (2) fail to meet reasonable performance standards, which shall be determined on the basis of the guidelines of the National Institute of Standards and Technology, if applicable to the item; or (3) are only available at an unreasonable price.

- (b) Paragraph (a) of this clause shall apply to items purchased under this contract where: (1) the Contractor purchases in excess of \$10,000 of the item under this contract; or (2) during the preceding Federal fiscal year, the Contractor: (i) purchased any amount of the items for use under a contract that was funded with Federal appropriations and was with a Federal agency or a State agency or agency of a political subdivision of a State; and (ii) purchased a total of in excess of \$10,000 of the item both under and outside that contract

Exhibit C
Additional General Provisions

Document on Following Page

ADDITIONAL GENERAL PROVISIONS

1. **DEFINITIONS:** The following terms shall be given the meaning shown, unless context requires otherwise or a unique meaning is otherwise specified.
 - a. **Business Entity** means any individual, business, partnership, joint venture, corporation, S-corporation, limited liability corporation, limited liability partnership, sole proprietorship, joint stock company, consortium, or other private legal entity recognized by statute.
 - b. **Contractor** means the Business Entity with whom the Housing Authority of the County of San Bernardino enters into this Agreement. Contractor shall be synonymous with "supplier", "vendor" or other similar term.
 - c. **Firm Price** means the Agreement requires the delivery of products or services at a specific price, fixed at the time of the Agreement and not subject to any adjustment on the basis of Contractor's cost experience in performing under the terms of the Agreement.
 - d. **HACSB** means the Housing Authority of the County of San Bernardino, its employees and authorized representatives, including without limitation any department, agency, or other unit of HACSB.
 - e. **Non-routine maintenance** means duties or tasks that ordinarily would be performed on a regular basis in the course of upkeep of property, but have become substantial in scope because they have been put off, and involve expenditures that would otherwise materially distort the level trend of maintenance expenses. Replacement of equipment and materials rendered unsatisfactory because of normal wear and tear by items of substantially the same kind does qualify, but reconstruction, substantial improvement in the quality or kind of original equipment and materials, or remodeling that alters the nature or type of housing units does not qualify.
2. **COMPLIANCE WITH STATUTES AND REGULATIONS:** Contractor warrants and certifies that in the performance of this Agreement, it will comply with all applicable statutes, rules, regulations and orders of the United States, the State of California and HACSB and agrees to indemnify HACSB against any loss, cost, damage or liability by reason of Contractor's violation of this provision.
3. **CONTRACTOR'S POWER AND AUTHORITY:** Contractor warrants that it has full power and authority to enter into and perform its obligations under this Agreement, and will hold HACSB harmless from and against any loss, cost, liability, and expense (including reasonable attorney fees) arising out of any breach of this Agreement. Further, Contractor agrees that it will not enter into any arrangement with any third party which might abridge any rights of HACSB under this Agreement.
4. **TRANSPORTATION COSTS AND OTHER FEES OR EXPENSES:** No charge for delivery, express, parcel post, packing, cartage, insurance, license fees, permits, cost of bonds, or for any other purpose will be paid by HACSB unless expressly included and itemized in the Agreement.
 - a. Contractor must strictly follow Agreement requirements regarding Free on Board (F.O.B.), freight terms and routing instructions. HACSB may permit use of an alternate carrier at no additional cost to HACSB with advance written authorization of HACSB.
 - b. If "prepay and add" is selected, supporting freight bills are required when over \$50, unless an exact freight charge is approved by HACSB and a waiver is granted in writing and in advance of shipping.
 - c. On "F.O.B. Shipping Point" transactions, should any shipments under the Agreement be received by HACSB in a damaged condition and any related freight loss and damage claims filed against the carrier or carriers be wholly or partially declined by the carrier or carriers with the inference that damage was the result of the act of the shipper such as inadequate packaging or loading or some inherent defect in the equipment and/or material, contractor, on request of HACSB, shall at Contractor's own expense assist HACSB in establishing carrier liability by supplying evidence that the equipment and/or material was properly constructed, manufactured, packaged, and secured to withstand normal transportation conditions.
5. **TIME IS OF THE ESSENCE:** Time is of the essence in this Agreement.
6. **DELIVERY:** Contractor shall strictly adhere to the delivery and completion schedules specified in the Agreement. Time, if stated as a number of days, shall mean calendar days unless otherwise specified. The quantities specified herein are the only quantities required. If Contractor delivers in excess of the quantities

specified herein, HACSB shall not be required to make any payment for the excess goods, and may return them to Contractor, at Contractor's expense, or utilize any other rights available to HACSB at law or in equity.

7. **SUBSTITUTIONS:** Substitution of goods may not be tendered, without advance written consent of HACSB. Contractor shall not use any specification in lieu of those contained in the Agreement, without written consent of HACSB.

8. **INSPECTION, ACCEPTANCE AND REJECTION:**

- a. Contractor and its subcontractors will provide and maintain a quality assurance system acceptable to HACSB covering goods and services under this Agreement and will tender to HACSB only those goods that have been inspected and found to conform to the requirements of this Agreement. Contractor will keep records evidencing inspections and their result, and will make these records available to HACSB during performance of the Work and for three years after final payment. Contractor shall permit HACSB to review procedures, practices, processes and related documents to determine the acceptability of Contractor's quality assurance system or other business practices related to performance of the Work.
- b. All goods may be subject to inspection and test by HACSB or its authorized representatives.
- c. Contractor and its subcontractors shall provide all reasonable facilities for the safety and convenience of inspectors at no additional cost to HACSB. Contractor shall furnish to inspectors all information and data as may be reasonably required to perform their inspection.
- d. All goods to be delivered hereunder may be subject to final inspection, test and acceptance by HACSB at destination, notwithstanding any payment or inspection at source.
- e. HACSB shall give written notice of rejection of goods delivered or services performed hereunder within a reasonable time after receipt of such goods or performance of such services. Such notice of rejection will state the respects in which the goods do not substantially conform to their specifications. If HACSB does not provide such notice of rejection within thirty (30) days, unless otherwise specified in the Statement of Work, of delivery, such goods and services will be deemed to have been accepted. Acceptance by HACSB will be final and irreversible, except as it relates to latent defects, fraud, and gross mistakes amounting to fraud. Acceptance shall not be construed to waive any warranty rights that HACSB might have at law or by express reservation in this Agreement with respect to any nonconformity.

9. **SAMPLES:**

- a. Samples of items may be required by HACSB for inspection and specification testing and must be furnished free of expense to HACSB. The samples furnished must be identical in all respects to the products bid and/or specified in the Agreement.
- b. Samples, if not destroyed by tests, may, upon request made at the time the sample is furnished, be returned at Contractor's expense.

10. **WARRANTY:** Unless otherwise specified, the warranties contained in this Agreement begin after acceptance has occurred.

- a. Contractor warrants that goods and services furnished hereunder will conform to the requirements of this Agreement (including all descriptions, specifications and drawings made a part hereof), and such goods will be merchantable, fit for their intended purposes, free from all defects in materials and workmanship and to the extent not manufactured pursuant to detailed designs furnished by HACSB, free from defects in design. HACSB's approval of designs or specifications furnished by Contractor shall not relieve Contractor of its obligations under this warranty.
- b. All warranties, including special warranties specified elsewhere herein, shall inure to HACSB, its successors, assigns, customer agencies and users of the goods or services.

11. **SAFETY AND ACCIDENT PREVENTION:** In performing the Work under this Agreement on HACSB premises, Contractor shall conform to any specific safety requirements contained in the Agreement or as required by law or regulation. Contractor shall take any additional precautions as HACSB may reasonably require for safety and accident prevention purposes. Any violation of such rules and requirements, unless promptly corrected, shall be grounds for termination of this Agreement in accordance with the default provisions hereof.

12. **ACCIDENT PREVENTION:** Precaution shall be exercised at all times for the protection of persons (including employees) and property. The safety provisions of applicable laws, building and construction codes shall be observed. Machinery, equipment, and other hazards shall be guarded or eliminated in accordance with the safety provisions issued by the Industrial Accident Commission of the State of California.
13. **INSURANCE:** Contractor shall not commence Work under this Agreement until all insurance required under this paragraph has been obtained and such insurance has been approved by HACSB, nor shall Contractor allow any subcontractor to commence work on a subcontract until all similar insurance required of the subcontractor has been so obtained and approved. Contractor shall furnish HACSB with satisfactory proof of the carriage of insurance required, and there shall be a specific contractual liability endorsement extending Contractor's coverage to include the contractual liability assumed by Contractor pursuant to this Agreement. Any policy of insurance required of Contractor under this Agreement shall also contain an endorsement providing that thirty (30) days' notice must be given in writing to HACSB of any pending change in the limits of liability or of any cancellation or modification of the policy. All insurance required hereunder shall be issued by a California admitted insurance carrier.

The insurance required to be carried by Contractor hereunder shall include:

- a. Compensation Insurance and Employer's Liability Insurance. Contractor shall take out and maintain during the entire term of this Agreement, Workers' Compensation Insurance and Employer's Liability Insurance for all of employees employed at the site of the project and, in case any work is sublet, Contractor shall require the subcontractor similarly to provide Workers' Compensation Insurance and Employer's Liability Insurance for all of the latter's employees unless such employees are covered by the protection afforded by Contractor.

In signing this Agreement, Contractor makes the following certification, required by Section 1861 of the Labor Code:

"I am aware of the provision of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract."

- b. Commercial General Liability Insurance. Contractor, at its own cost and expense, shall maintain personal injury liability and property damage insurance for the entire term of this Agreement in the amount of Two Million and No/100 Dollars (\$2,000,000.00) per occurrence and not less than \$3,000,000 general aggregate; HACSB listed as Additional Insured on an attached endorsement. Such coverage shall include, but shall not be limited to, protection against claims arising from, and damage to property resulting from, activities contemplated under this Agreement. Such insurance shall be with insurers and under forms of policies satisfactory in all respects to HACSB and shall provide that notice must be given to HACSB at least thirty (30) days prior to cancellation or material change. The following endorsements shall be attached to the policy:

Policy shall cover on an "occurrence" basis. Policy must cover personal injuries as well as bodily injuries. Exclusion of contractual liability must be eliminated from personal injury endorsement.

Broad form property damage endorsement must be attached. HACSB is to be named as an additional insured included on an attached endorsement for any contracts of insurance under this paragraph b. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code. The policies of insurance shall be considered primary insurance before any policies of insurance maintained by HACSB. Contractor shall be named as an additional insured with respect to such general liability insurance policy.

- c. Automobile Liability. Contractor, at its own cost and expense, shall maintain automobile insurance for the period covered by the Contract in the amount of One Million and No/100 Dollars (\$1,000,000.00) combined single limit coverage. Contractor shall be named as an additional insured with respect to such automobile liability insurance policy.
- d. Errors and Omissions Liability: \$1,000,000; combined single limit bodily and property damage liability per occurrence and \$3,000,000 aggregate or:
- e. Professional Liability: \$1,000,000 per occurrence and aggregate.

- f. Worker's Compensation. A state approved Workers Compensation and Employers Liability Insurance policy providing benefits as required by law with employer's liability limits no less than One Million and No/100 Dollars (\$1,000,000) per accident or disease, which covers all employees of the contractor and each and every contractor.
14. **FORCE MAJEURE:** Contractor shall be excused for performing the Work hereunder in the event that Contractor is unable to perform the Work for one of the following reasons:
- a. Acts of God or of the public enemy, and
 - b. Acts of the federal, state or local government in either its sovereign or contractual capacity.
- Such delay shall be for the period of time that Contractor is delayed from performing the Work as a direct result of one of the foregoing reasons. Contractor shall provide HACSB notice within three (3) days of any such force majeure event.
15. **CONTRACTOR'S LIABILITY FOR INJURY TO PERSONS OR DAMAGE TO PROPERTY:**
- a. Contractor shall be liable for damages arising out of injury to the person and/or damage to the property of HACSB, employees of HACSB, persons designated by HACSB for training, or any other person(s) other than agents or employees of Contractor, designated by HACSB for any purpose, prior to, during, or subsequent to delivery, installation, acceptance, and use of the goods either at Contractor's site or at HACSB's place of business, provided that the injury or damage was caused by the fault or negligence of Contractor.
 - b. Contractor shall not be liable for damages arising out of or caused by an alteration or an attachment not made or installed by Contractor, or for damage to alterations or attachments that may result from the normal operation and maintenance of the goods provided by Contractor during the Agreement.
16. **INVOICES:** Unless otherwise specified, invoices shall be sent to the address set forth herein. Invoices shall be submitted in triplicate and shall include the contract number; release order number (if applicable); item number; unit price, extended item price and invoice total amount. The State of California and other sales tax and/or use tax shall be itemized separately and added to each invoice as applicable.
17. **REQUIRED PAYMENT DATE:** Payment will be made in accordance with the provisions of the Agreement for work completed through the date of invoice. HACSB will pay properly submitted, undisputed invoices not more than thirty (30) days after (i) the date of acceptance of goods or performance of services; or (ii) receipt of an undisputed invoice, whichever is later.
18. **TAXES:** HACSB will only pay for any state or local sales or use taxes on the services rendered or goods supplied to HACSB pursuant to this Agreement.
19. **NEWLY MANUFACTURED GOODS:** All goods furnished under this contract shall be newly manufactured goods; used or reconditioned goods are prohibited, unless otherwise specified.
20. **NEWS RELEASES:** Unless otherwise exempted, news releases pertaining to this Agreement shall not be made without prior written approval of HACSB.
21. **PATENT, COPYRIGHT and TRADE SECRET INDEMNITY:**
- a. Contractor shall hold HACSB, its officers, agents and employees, harmless from liability of any nature or kind, including costs and expenses, for infringement or use of any copyrighted or uncopyrighted composition, secret process, patented or unpatented invention, article or appliance furnished or used in connection with the Agreement.
 - b. Contractor may be required to furnish a bond to HACSB against any and all loss, damage, costs, expenses, claims and liability for patent, copyright and trade secret infringement.
 - c. Contractor, at its own expense, shall defend any action brought against HACSB to the extent that such action is based upon a claim that the goods or software supplied by Contractor or the operation of such goods pursuant to a current version of Contractor supplied operating software infringes a United States patent or copyright or violates a trade secret. Contractor shall pay those costs and damages finally awarded against HACSB in any such action. Such defense and payment shall be conditioned on the following:
 - i. That Contractor shall be notified within a reasonable time in writing by HACSB of any notice of such claim; and,

- ii. That Contractor shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise, provided, however, that when principles of government or public law are involved, HACSB shall have the option to participate in such action at its own expense.
- d. Should the goods or software, or the operation thereof, become, or in Contractor's opinion are likely to become, the subject of a claim of infringement of a United States patent or copyright or a trade secret, HACSB shall permit Contractor at its option and expense either to procure for HACSB the right to continue using the goods or software, or to replace or modify the same so that they become non-infringing. If none of these options can reasonably be taken, or if the use of such goods or software by HACSB shall be prevented by injunction, Contractor agrees to take back such goods or software and make every reasonable effort to assist HACSB in procuring substitute goods or software. If, in the sole opinion of HACSB, the return of such infringing goods or software makes the retention of other goods or software acquired from Contractor under this Agreement impractical, HACSB shall then have the option of terminating such Agreement, or applicable portions thereof, without penalty or termination charge. Contractor agrees to take back such goods or software and refund any sums HACSB has paid Contractor.
- e. Contractor shall have no liability to HACSB under any provision of this clause with respect to any claim of patent, copyright or trade secret infringement which is based upon:
 - i. The combination or utilization of goods furnished hereunder with equipment or devices not made or furnished by Contractor; or,
 - ii. The operation of equipment furnished by Contractor under the control of any operating software other than, or in addition to, the current version of Contractor-supplied operating software; or
 - iii. The modification by HACSB of the equipment furnished hereunder or of the software; or
 - iv. The combination or utilization of software furnished hereunder with non-Contractor supplied software.
- f. Contractor certifies that it has appropriate systems and controls in place to ensure that HACSB funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.
- g. The foregoing states the entire liability of Contractor to HACSB with respect to infringement of patents, copyrights or trade secrets.

22. STOP WORK:

- a. HACSB may, at any time, by written Stop Work order ("Stop Work Order") to Contractor, require Contractor to stop all, or any part, of the Work called for by this Agreement for a period up to ninety (90) days after the Stop Work Order is delivered to Contractor, and for any further period to which the parties may agree. The Stop Work Order shall be specifically identified as such and shall indicate it is issued under this clause. Upon receipt of the Stop Work Order, Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the Stop Work Order during the period of work stoppage. Within a period of ninety (90) days after a Stop Work Order is delivered to Contractor, or within any extension of that period to which the parties shall have agreed, HACSB shall either:
 - i. Cancel the Stop Work Order; or
 - ii. Terminate the Work covered by the Stop Work Order as provided for in the termination for default or the voluntary termination provision of this Agreement.
 - iii. If a Stop Work Order issued under this clause is canceled or the period of the Stop Work Order or any extension thereof expires, Contractor shall resume work. HACSB shall make an equitable adjustment in the delivery schedule, the price, or both, and the Agreement shall be modified, in writing, accordingly, if:
 - 1. The Stop Work Order results in an increase in the time required for, or in Contractor's cost properly allocable to the performance of any part of this Agreement; and
 - 2. Contractor asserts its right to an equitable adjustment within thirty (30) days after the end of the period of work stoppage; provided that if HACSB decides the facts

justify the action, HACSB may receive and act upon a proposal submitted at any time before final payment under this Agreement.

- b. If a Stop Work Order is not canceled and the Work covered by the Stop Work Order is terminated in accordance with the provision entitled Voluntary Termination, HACSB shall allow reasonable costs resulting from the Stop Work Order in arriving at the termination settlement.
- c. HACSB shall not be liable to Contractor for loss of profits because of a Stop Work Order issued under this clause.

23. COVENANT AGAINST GRATUITIES: Contractor warrants that it complies with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR Part 3), and that no gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by Contractor, or any agent or representative of Contractor, to any officer or employee of HACSB with a view toward securing the Agreement or securing favorable treatment with respect to any determinations concerning the performance of the Agreement. For breach or violation of this warranty, HACSB shall have the right to terminate the Agreement, either in whole or in part, and any loss or damage sustained by HACSB in procuring on the open market any items which Contractor agreed to supply shall be borne and paid for by Contractor. The rights and remedies of HACSB provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or in equity.

24. COMPLIANCE WITH DAVIS-BACON ACT: For construction agreements in excess of \$2,000, Contractor certifies that it complies with the Davis-Bacon Act (40 U.S.C. 276a to 276a-7) as supplemented by Department of Labor regulations (29 CFR Part 3). Unless otherwise indicated in the Statement of Work, Contractors of HACSB are required, pursuant to 24 CFR 85.36(h)(5), to pay Davis-Bacon wage rates for all "construction contracts and related subcontracts in excess of \$2000," which means, for such jobs, the wage rates paid must be equal to or exceed the listed applicable Davis-Bacon wage rate. Compliance with this clause also means that Contractor may be subject to completing certain reports and to audits by HACSB and the Department of Housing and Urban Development. Such reports and information relating to compliance can be obtained at the Internet website: <http://www.gpo.gov/davisbacon/>. Contractor shall include the wage provisions of this clause in all subcontracts to perform work under this Agreement.

HACSB shall have the right to audit Contractor, at any time, in order to ensure compliance with the requirements of this Section. In connection therewith, Contractor agrees to maintain accurate books and records in connection with the Work, and all payments made or received by Contractor pursuant to this Agreement, and to provide such information to HACSB, within five (5) business days of any request by HACSB. In addition, Contractor shall provide, upon two (2) business days request, information to HACSB of each and every employee retained by Contractor in connection with the Work, and shall permit HACSB to interview any such employees, contractors or subcontractors. Contractor agrees that all maintenance laborers and mechanics employed by it in connection with the performance of the Work shall be paid unconditionally and not less often than semi-monthly, and without subsequent deduction (except as otherwise provided by law or regulations), the full amount of wages due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Housing and Urban Development. Such laborers and mechanics shall be paid the appropriate wage rate on the wage determination for the classification of work actually performed, without regard to skill. Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein; provided, that Contractor's payroll records accurately set forth the time spent in each classification in which the work is performed. The wage determination, including any additional classifications and wage rates approved by HUD shall be posted at all times by Contractor and its subcontractors at the site of the Work in a prominent and accessible place where it can be easily seen by the workers.

25. CALIFORNIA PREVAILING WAGE (IF AGREEMENT PRICE IS LESS THAN \$2,000): In the event the Agreement Price is less than \$2,000, Contractor agrees to comply with all prevailing rate requirements of the California Labor Code. HACSB shall have the right to audit and inspect Contractor's books and records, and interview Contractor's employees, contractors and subcontractors, all according to the same provisions set forth in Section 26 above.

26. EQUAL EMPLOYMENT OPPORTUNITY: For all construction agreements in excess of \$10,000, Contractor certifies its compliance with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR Chapter 60).

27. NONDISCRIMINATION CLAUSE:

- a. During the performance of this Agreement, Contractor and its subcontractors shall not unlawfully discriminate, harass or allow harassment, against any employee or applicant for employment because of sex, sexual orientation, race, color, ancestry, religious creed, national origin, disability (including HIV and AIDS), medical condition (cancer), age, marital status, and denial of family care leave. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12990 et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
- b. Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

28. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: Contractor swears under penalty of perjury that no more than one final, unappealable finding of contempt of court by a federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of the National Labor Relations Board. This provision is required by, and shall be construed in accordance with, Public Contract Code Section 10296.

29. DRUG-FREE WORKPLACE CERTIFICATION: Contractor certifies under penalty of perjury under the laws of the State of California that Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350 et seq.) and will provide a drug-free workplace by taking the following actions:

- a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355(a).
- b. Establish a Drug-Free Awareness Program as required by Government Code Section 8355(b) to inform employees about all of the following:
 - i. the dangers of drug abuse in the workplace;
 - ii. the person's or organization's policy of maintaining a drug-free workplace;
 - iii. any available counseling, rehabilitation and employee assistance programs; and,
 - iv. penalties that may be imposed upon employees for drug abuse violations.
- c. Provide, as required by Government Code Section 8355(c), that every employee who works on the proposed or resulting agreement:
 - i. will receive a copy of the company's drug-free policy statement; and,
 - ii. will agree to abide by the terms of the company's statement as a condition of employment on the agreement.

30. RECYCLING: Contractor shall certify in writing under penalty of perjury, compliance with Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to HACSB regardless of whether the product meets the requirements of Section 12209.

31. COMPLIANCE WITH CONTRACT WORK HOURS AND SAFETY STANDARDS ACT: For agreements in excess of \$2,000, and in excess of \$2500 for other agreements which involve the employment of mechanics or laborers, Contractor certifies that it complies with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR Part 5).

32. CHILD SUPPORT COMPLIANCE ACT: For any contract in excess of \$100,000, Contractor acknowledges in accordance with Public Contract Code Section 7110, that:

- a. Contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable State of California and Federal laws relating to child and family support

enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with Section 5200) of Part 5 of Division 9 of the Family Code; and

- b. Contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
- 33. ELECTRONIC WASTE RECYCLING ACT OF 2003:** Contractor certifies that it complies with the requirements of the Electronic Waste Recycling Act of 2003, Chapter 8.5, Part 3 of Division 30, commencing with Section 42460 of the Public Resources Code, relating to hazardous and solid waste. Contractor shall maintain documentation and provide reasonable access to its records and documents that evidence compliance.
- 34. ENVIRONMENTAL REGULATIONS:** For agreements in excess of \$100,000, Contractor certifies that it complies with the requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (3 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 C.F.R. part 15).
- 35. USE TAX COLLECTION:** In accordance with PCC Section 10295.1, Contractor certifies that it complies with the requirements of Section 7101 of the Revenue and Taxation Code. Contractor further certifies that it will immediately advise HACSB of any change in its retailer's seller's permit or certification of registration or applicable affiliate's seller's permit or certificate of registration as described in subdivision (a) of PCC Section 10295.1.
- 36. DOMESTIC PARTNERS:** For agreements over \$100,000 executed or amended after January 1, 2007, Contractor certifies that Contractor is in compliance with Public Contract Code Section 10295.3.

Exhibit D

Work Authorization

Schedule Dates:

Start Date: October 15, 2025

Completion Date: October 14, 2027

Total Contract Cost: \$168,560.00 per Fee Schedule Located in Exhibit A

Schedule Requirements – Statement of Work (“Exhibit A”)

General Conditions for Non-construction work (“Exhibit B”)

Additional General Provisions (“Exhibit C”)

Work Authorization (“Exhibit D”)

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

October 14, 2025

FROM

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

SUBJECT

Increase in Contract Amount for Managed Cybersecurity Solution Services with Technology Integration Group

RECOMMENDATION(S)

Approve Amendment No. 1 to increase the contract amount for Managed Cybersecurity Solution Services with Technology Integration Group by \$484,674.00 for continued Cybersecurity Services (PC1364) under a cooperative agreement with TIPS RFP 230105, for a total amount not to exceed \$724,674.00 through May 31, 2028.

(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

The total contract amount is not expected to exceed \$724,674.00 for the term ending May 31, 2028. Funding for this agreement is provided through the Housing Authority of the County of San Bernardino's (HACSB) operating budget for Information Technology Services. The amount for FY 2025 is included in the current budget and will be incorporated into subsequent fiscal year budgets for the duration of the contract.

BACKGROUND INFORMATION

On January 22, 2024, HACSB entered into an agreement with Technology Integration Group for Managed Cybersecurity Solution Services. The original contract term runs through May 31, 2028, with an initial value of \$240,000.00. This agreement was executed under TIPS RFP 230105 for Technology Solutions, Products, and Services, which enables HACSB to procure cybersecurity services efficiently and at competitive pricing.

After 18 months of service, recurring costs and expanded support needs have exceeded initial estimates, resulting in the exhaustion of allocated funds. These additional services include enhanced protection software, which increases licensing, maintenance, and support costs; replacement of a discontinued mobile device management system; replacement of a decommissioned system; and strengthened cybersecurity monitoring and threat response capabilities.

Specifically, unanticipated infrastructure and licensing costs under the Technology Integration Group (TIG) contract include the expansion of the Nutanix server cluster, which increased

Increase in Contract Amount for Managed Cybersecurity Solution Services with Technology Integration Group
October 14, 2025

licensing, maintenance, and support expenses by approximately \$82,000; the discontinuation of Cisco Meraki's free Mobile Device Management (MDM) license tier, adding roughly \$3,000 in annual recurring costs for HACSB's iPads; the decommissioning of the Cisco DNA Center solution due to repeated outages, resulting in a cost of about \$18,000; and the deployment of CrowdStrike's Managed Detection and Response (MDR) solution, increasing costs by over \$50,000 to bolster cybersecurity monitoring and threat response.

To ensure continued delivery of cybersecurity services, HACSB is increasing the contract amount by \$484,674.00, for a total revised not-to-exceed value of \$724,674.00. This adjustment ensures uninterrupted service and allows HACSB to meet its ongoing security and operational needs.

PROCUREMENT

The Technology Integration Group agreement is consistent with the requirements of 2 CFR §200.317 through §200.326 and follows the U.S. Department of Housing and Urban Development's procurement standards. HACSB has determined that increasing the existing agreement is the most efficient and cost-effective approach to maintaining critical services without interruption.

Utilizing TIPS RFP 230105 cooperative agreement streamlines procurement by providing competitively solicited contracts, ensuring cost efficiency and expedited access to vetted vendors. Leveraging TIPS enables HACSB to bypass lengthy solicitations while maintaining compliance and securing best-value solutions for technology-related needs.

ITEM ATTACHMENTS

- Contract – PC1364 Amendment 1

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on September 26, 2025.



**AMENDMENT #1 TO CONTRACT FOR MANAGED CYBERSECURITY SOLUTION SERVICES
(PC1364)**

BETWEEN

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

and

TECHNOLOGY INTEGRATION GROUP

This Amendment No. 1 ("First Amendment"), dated October 28, 2025 ("Effective Date"), to Agreement for Managed Cybersecurity Solution Services (PC1364), is entered into by and between the Housing Authority of the County of San Bernardino, a California public body, ("Authority") and Technology Integration Group ("Contractor").

RECITALS

WHEREAS, the Authority and Contractor entered into that certain Consulting, Services, and Non-Routine Maintenance Related Services Agreement (Non-Construction), dated January 22, 2024, relating to Managed Cybersecurity Solution Services ("Agreement") with a total price of \$240,000.00.

WHEREAS, the Authority and Contractor now wish to enter into this First Amendment to increase the compensation payable to Contractor by \$484,674.00 for a total amount not to exceed \$724,674.00.

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 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 2. 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 3. Affirmation of Agreement; Warranty Re Absence of Defaults. Authority and Contractor 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.

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

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

Section 5. 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 First Amendment 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.

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IN WITNESS WHEREOF, the Housing Authority of the County of San Bernardino and Technology Integration Group hereby execute this First Amendment.

Technology Integration Group

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

By: _____

By: _____

Name: _____

Name: Maria Razo

Title: _____

Title: Executive Director

Date: _____

Date: _____

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Exhibit A-1

Schedule Dates:

Effective Date: October 28, 2025

Completion Date: May 31, 2028

Total Agreement Cost: Not to exceed \$724,674.00

Original Agreement Amount Not to Exceed	\$240,000.00
Net Change Order – Amendment #1	\$484,674.00
Amended Agreement Value Not to Exceed	\$724,674.00

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

October 14, 2025

FROM

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

SUBJECT

Meeting Minutes for the Meeting Held on September 9, 2025

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 September 9, 2025.

(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 September 9, 2025, and attached are the meeting minutes for review and recommended approval by the Board.

ITEM ATTACHMENTS

- Attachment - Meeting Minutes for September 9, 2025

PROCUREMENT

Not applicable

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on September 26, 2025.

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS
OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO
September 9, 2025**

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 3:00 p.m. on September 9, 2025.

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 Johnson
Commissioner Thomas
Commissioner Khan

Also in attendance were Maria Razo, Executive Director; Rishad Mitha, Deputy Executive Director; Kristin Maithonis, Director of Housing Services; Jesse Diaz, Director of Business Services; Nicole Beydler, Director of Policy and Communications; Angie Lardapide, Procurement and Contracts Supervisor; Lucy Leslie, Director of Housing Communities; John Moore, Director of Development; Shamira Shirley, Management Analyst; Renee Kangas, Sr. Management Analyst; Armando Salazar, Management Analyst; Edgar Sedano, Real Estate Services Specialist; George Silva, Family Empowerment Services Manager; Garrett Dalton, Information Technology Manager; and Daisy Villalobos, Data Specialist

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 September 9, 2025, 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, Maria Razo, provided the Executive Director's Report.

Discussion amongst the Board of Commissioners took place regarding the Executive Director's Report for September 9, 2025.

5) Board Building Presentation for September 9, 2025

Discussion calendar item number 5, to receive the board building presentation for September 9, 2025, regarding an overview of the Housing Authority of the County of San Bernardino's FY 2025-2026 strategic plan goals.

Executive Director, Maria Razo, provided the presentation to the Board.

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

6) Approval of Amendment No. 5 to Employment Agreement between the Housing Authority of the County of San Bernardino and Executive Director Maria Razo.

Discussion calendar item number 6, to approve Amendment No. 5 to Employment Agreement between the Housing Authority of the County of San Bernardino and Executive Director Maria Razo, was requested.

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

Ayes

Chair Cooper

Vice-Chair MacDuff

Commissioner Johnson

Commissioner Thomas

Commissioner Khan

Nays

7) Adoption of Resolution No. 218 related to the Valencia Grove Phase II transaction: Authorizing the implementation of the Restore-Rebuild transaction at Valencia Grove Phase II and authorizing execution of the Housing Assistance Payments (HAP) contract with Redlands Valencia Grove II Associates, LLC following the conversion of the property under the Rental Assistance Demonstration (RAD) program.

Discussion calendar item number 7, to adopt Resolution No. 218 related to the Valencia Grove Phase II transaction: Authorizing the implementation of the Restore-Rebuild transaction at Valencia Grove Phase II and authorizing execution of the Housing Assistance Payments (HAP) contract with Redlands Valencia Grove II Associates, LLC following the conversion of the property under the Rental Assistance Demonstration (RAD) program.

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

Ayes

Chair Cooper

Vice-Chair MacDuff

Commissioner Johnson

Commissioner Thomas

Commissioner Khan

Nays

8) Adoption of Resolution No. 219 to do the following related to the Arrowhead Grove Phase IV transaction:

a. Approve documents related to the lease of the land (the "Lease Documents") including:

i. Ground Lease Agreement to be executed by and between HACSB and Arrowhead Grove Phase 4, LP (the "Partnership")

ii. Ground Lease Loan from HACSB to Arrowhead Grove Phase 4, LP and documents ancillary to the Ground Lease Loan Agreement including:

1. Promissory Note to be executed by the Partnership

2. Deed of Trust to be executed by the Partnership

iii. Subordination Agreement to be executed by and among HACSB, the Partnership and Capital One National Association ("Capital One")

iv. Bond Regulatory Agreement and Declaration of Restrictive Covenants to be executed by and between California Statewide Communities Development Authority ("CSCDA") and the Partnership, to be acknowledged by HACSB as ground lessor

b. Approve documents required by the U.S. Department of Housing and Urban Development ("HUD") for the Mixed-Finance closing (the "Mixed-Finance Documents") including:

i. Mixed-Finance Amendment to Annual Contributions Contract to be executed by and between HACSB and HUD.

ii. Declaration of Restrictive Covenants to be executed by and among HACSB, the Partnership, and HUD.

iii. Regulatory and Operating Agreement to be executed by and between HACSB and the Partnership.

iv. HUD Certifications and Assurances (HUD 50161) to be executed by HACSB.

c. Approve documents related to the development of the land (the "Development Documents") including:

i. Second Amended and Restated Reciprocal Easement Agreement to be executed by HACSB and acknowledge to by all of the Waterman Gardens limited partnerships.

ii. Partial Assignment and Assumption of City Development Agreement to be executed by and among HACSB, the City of San Bernardino (the "City") and the Partnership.

iii. Subordination of the City Development Agreement to the Declaration of Restrictive Covenants and the Regulatory and Operating Agreement to be executed by and among HACSB, the Partnership, HUD, and the City as applicable.

iv. Temporary License and Construction Agreement to be executed by and between HACSB and National Community Renaissance of California ("CORE").

v. Joint Development Agreement to be executed by and between HACSB and CORE.

d. Approve documents related to the ownership entity to be executed by HACSB and Waterman Affordable 4 LLC (the "Partnership Documents") including

i. Limited Partnership Agreement to be executed by the partners of the Partnership.

ii. Purchase Option and Right of First Refusal and Memorandum to be executed by and among the Partnership, CORE and HACSB.

iii. Development Fee Agreement to be executed by and among CORE, HACSB, and the Partnership.

e. Authorize the Executive Director of the Housing Authority of the County of San Bernardino, upon consultation with Legal Counsel, to execute and deliver the Lease Documents, Mixed-Finance Documents, Development Documents, Partnership Documents, and other ancillary documents necessary to carry out and close the transaction including but not limited with escrow instructions, certifications, and affidavits (the "Ancillary Documents").

Discussion calendar item number 8, to adopt Resolution No. 219 to approve the listed items related to the Arrowhead Grove Phase IV transaction.

Commissioner Johnson moved to approve discussion calendar item number 8, as recommended by staff and Commissioner Thomas seconded the motion. Upon roll call vote, the Ayes and Nays were as follows:

Ayes

Chair Cooper

Vice-Chair MacDuff

Commissioner Johnson

Commissioner Thomas

Commissioner Khan

Nays

9) Adoption of Resolution No. 220 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 October 1, 2025.

Discussion calendar item number 9, to adopt Resolution No. 220 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 October 1, 2025.

Commissioner Khan moved to approve discussion calendar item number 9, as recommended by staff and Commissioner Thomas seconded the motion. Upon the roll call vote, the Ayes and Nays were as follows:

Ayes

Chair Cooper

Vice-Chair MacDuff

Commissioner Thomas

Commissioner Khan

Nays

Abstain

Commissioner Johnson

10, 11, 12 and 13) Consent Calendar

Approval of the consent calendar including agenda items number 10-13 was requested.

Commissioner MacDuff moved to approve consent calendar agenda items number 10-13:

10) 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 August 12, 2025.

11) Approve and file agency-wide financial statements through May 2025.

12) Approve the expense of vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month of June 2025.

13) Adopt Resolution No. 221 approving FY 2025-2026 Utility Allowance Schedules for the Housing Choice Voucher and Public Housing programs effective October 1, 2025.

The motion was duly seconded by Commissioner Thomas.

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

Ayes

Chair Cooper

Vice-Chair MacDuff

Commissioner Thomas

Commissioner Khan

Nays

Abstain

Commissioner Johnson (item #13)

There being no other business, Commissioner Johnson moved for the regular meeting of Tuesday, September 9, 2025, to be adjourned, and which motion was duly seconded by Commissioner Thomas. There being no objection to the call for adjournment, the meeting was adjourned by unanimous consent at 4:24 p.m.

Beau Cooper, Chair

Cassie MacDuff, Vice Chair

Mohammad Khan

Michael Thomas

Tim Johnson

Sid Jain (absent)

Sylvia Miller (absent)

Minutes of the Regular Meeting of the Board of Commissioners of the Housing Authority of the
County of San Bernardino for September 9, 2025

Page 6

Attest:

Secretary

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

October 14, 2025

FROM

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

SUBJECT

Agency-Wide Financial Statements Through June 2025

RECOMMENDATION(S)

Approve and file agency-wide financial statements through June 2025.
(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) fiscal year-to-date agency-wide net gain through June 2025 is \$9,246,906. The significant variances of the budget are as follows:

The HCV program received \$10.7 million more in Housing Assistance Payment (HAP) funding from HUD when compared to the budgeted amount. This is due to significant growth in inbound portability leasing with no absorption and due to an increase in the per unit costs, which creates a proportionate increase in the revenue needed to pay for the related higher housing assistance payment costs.

- Based on the 2024 annual reconciliation performed by HUD, HACSB received \$6.5 million in HAP subsidy. Per HUD's guideline, prior year funds are recognized as revenue when received. This is contrary to Generally Accepted Accounting Principles (GAAP) but is acceptable and an allowable practice for all housing authorities.
- The tenant income was \$2.7 million higher than the budgeted amount, mostly due to an increase in rental income. This rental income increase is due to rent increases in the authority owned portfolio and the percentage of tenant income change in the Housing Choice Voucher program.
- Physical needs work was \$2.3 million less than budgeted. This amount is reflected in the extraordinary maintenance line on the financial statements, and the variance is due to some projects not commencing due to staff shortages. Health and Safety items continue to get priority attention.
- Depreciation expenses are not budgeted and amount to \$3.6 million. This is not a cash transaction and is based on the accrual accounting procedures required by GAAP that reduce the value of fixed assets over time. Non-cash transactions like depreciation are required under GAAP as they affect an agency's financial statements without impacting its cash flow.

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 2026 for FY 2025.

Financial Summary	FY 2025 YTD
Revenues	\$201,540,245
Expenses	\$(188,716,565)
Operating Net Income/(Loss)	\$12,823,680
Operating Transfers/Non-Operating Items	\$(3,576,774)
Net Income/(Loss)	\$9,246,906

BACKGROUND INFORMATION

HACSB is the largest provider of affordable housing in San Bernardino County, administering multiple housing programs, including the Housing Choice Voucher (HCV) program and owns and operates a multi-family portfolio. The HCV program provides tenant-based subsidies, enabling low-income families to afford safe, quality housing in the private market, complementing our portfolio of physical units. The FFY 2024-25 budget and financial operations align with HACSB's vision, mission, Strategic Plan, and MTW Annual Plans, supporting affordable housing and community development across the county. 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 the best practice to apprise HACSB's Board of Commissioners on the agency's financial position, HACSB is presenting the financial statements monthly.

PROCUREMENT

Not applicable.

ITEM ATTACHMENTS

- Attachment – Consolidated Budget to Actuals 6.2025

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on September 26, 2025.

HACSB Budget Comparison

Period = Oct 2024-Jun 2025

	YTD Actual	YTD Budget	Variance	% Var	Annual
INCOME					
TENANT INCOME					
Total Rental Income	27,824,636	25,309,703	2,514,933	9.94	33,745,895
Total Other Tenant Income	649,687	447,205	202,482	45.28	595,147
NET TENANT INCOME	28,474,323	25,756,908	2,717,415	10.55	34,341,043
GRANT INCOME					
TOTAL GRANT INCOME	166,337,671	147,683,384	18,654,287	12.63	196,976,041
OTHER INCOME					
TOTAL OTHER INCOME	6,728,251	7,090,648	-362,397	-5.11	9,007,913
TOTAL INCOME	201,540,245	180,530,941	21,009,305	11.64	240,324,996
EXPENSES					
GRANT EXPENSES					
TOTAL GRANT EXPENSES	8,912,166	7,484,985	-1,427,181	-19.07	10,044,842
ADMINISTRATIVE					
Total Administrative Salaries	13,030,039	13,828,137	798,098	5.77	18,659,130
Total Legal Expense	475,695	486,502	10,807	2.22	648,657
Total Other Admin Expenses	5,648,428	6,281,904	633,475	10.08	8,444,201
Total Miscellaneous Admin Expenses	2,410,225	2,564,926	154,701	6.03	3,097,127
TOTAL ADMINISTRATIVE EXPENSES	21,564,386	23,161,468	1,597,082	6.90	30,849,115
TENANT SERVICES					
TOTAL TENANT SERVICES EXPENSES	69,293	137,031	67,739	49.43	179,867
UTILITIES					
TOTAL UTILITY EXPENSES	3,462,172	3,618,887	156,715	4.33	4,839,943
MAINTENANCE AND OPERATIONS					
Total General Maint Expense	3,125,062	2,963,098	-161,964	-5.47	3,982,483
Total Materials	1,110,926	865,004	-245,922	-28.43	1,152,934
Total Contract Costs	3,979,530	3,417,452	-562,078	-16.45	4,558,556
TOTAL MAINTENANCE EXPENSES	8,215,518	7,245,554	-969,964	-13.39	9,693,972
GENERAL EXPENSES					
TOTAL GENERAL EXPENSES	2,117,244	1,835,435	-281,809	-15.35	2,394,281
EXTRAORDINARY MAINTENANCE EXPENSES					
TOTAL EXTRAORDINARY MAINTENANCE EXPENSES	2,910,395	5,206,536	2,296,141	44.10	6,583,396
HOUSING ASSISTANCE PAYMENTS					
TOTAL HOUSING ASSISTANCE PAYMENTS	139,904,355	135,117,005	-4,787,350	-3.54	180,156,007
FINANCING EXPENSE					
TOTAL FINANCING EXPENSES	1,561,037	1,563,251	2,214	0.14	2,087,990
TOTAL OPERATING EXPENSES	188,716,565	185,370,152	-3,346,413	-1.81	246,829,414
OPERATING NET INCOME	12,823,680	-4,839,212	17,662,892	365.00	-6,504,418
NET OPERATING TRANSFER IN/OUT	0	0	0	N/A	0
NON-OPERATING ITEMS					
TOTAL NON-OPERATING ITEMS	3,576,774	0	-3,576,774	N/A	0
NET INCOME	9,246,906	-4,839,212	14,086,118	291.08	-6,504,418

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

October 14, 2025

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 July 2025

RECOMMENDATION(S)

Approve the expense of uncollectable vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month of July 2025.

(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 July 31, 2025, is \$121,256.70. The Housing Authority of the County of San Bernardino (HACSB) projects and anticipates collection losses in its annual budget. The true expense is reported after board approval.

SUMMARY FOR HACSB- Authority Owned Properties		
PROPERTY	NO. VACATED	TOTAL
402 - Summit Place	1	-
407 - Sunset Pointe	3	14,427.50
408 - Sunrise Vista	6	6,873.00
409 - Andalusia	2	13,904.00
420 - Desert View	1	95.00
423 - Mesa Gardens	1	1,073.00
430000- Canyon Villa	1	15,973.00
437 - Sunset Gardens	0	-
467 – Hillcrest	1	3,943.17
481130 Maplewood	1	848.00
481150- Redlands	1	13,083.00
481151- 9th St	1	3,045.00
481160-Chino	1	24,849.00
481172 Big Horn	1	-
490 - Northport	1	(164.27)
Concessions Write Off	0	-
TOTAL RENT WRITE OFF	22	97,949.40
Miscellaneous Charges		2,977.75
Maintenance Charges		27,971.85
Legal Charges		15,886.70
Security Deposits Applied		(23,529.00)
NET TOTAL WRITE OFF		121,256.70

Vacated Tenant Accounts for the Authority Owned Portfolio to be Written Off as Collection Loss
for the Month of July 2025
October 14, 2025

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, the 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 (July 1 – July 31, 2025) are primarily for voluntary move-outs and evictions.

PROCUREMENT

Not applicable

ITEM ATTACHMENTS

- Attachment – AOP Vacated Accounts

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on September 26, 2025.

Housing Authority County of San Bernardino

Month End: 07/31/25

COLLECTION WRITE-OFFS - Authority Owned Portfolio

Item #	Last Name	First Name	ID No.	REASON	MONTHLY RENT	UNPAID RENT (*)	CONC. REVERSAL	UNPAID MISC (*)	MAINT. FEES	LEGAL FEES	TOTAL OWED	LESS DEPOSIT	NET DUE
402 - Summit Place													
1	H	M		V	1,687.00	-			662.00		662.00	600.00	62.00
					TOTALS:	-	-	-	662.00	-	662.00	600.00	62.00
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	N/A	N/A	N/A	N/A	N/A		N/A	N/A		06/26/25		

407 - Sunset Pointe														
	2	W	Q						(825.00)			(825.00)		(825.00)
	3	M	K		V	1,315.00	716.50			1,101.00		1,817.50	1,200.00	617.50
	4	W	T		E	1,365.00	6,852.00		225.00	1,369.00	1,500.00	9,946.00	1,200.00	8,746.00
	5	M	M		E	1,400.00	6,859.00		525.00	655.00	1,500.00	9,539.00	800.00	8,739.00
TOTALS:						14,427.50		-	(75.00)	3,125.00	3,000.00	20,477.50	3,200.00	17,277.50
Item #	Type of Notice		Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date		Vacate Date		
2	Adjustment to previous month write off													
3	Intent to Vacate		N/A	N/A	N/A	N/A	N/A		N/A	N/A		07/23/25		
4	30 day Notice to Pay		04/11/25	Posted	04/24/25	06/12/25	N		N/A	N/A		07/24/25		
5	30 day Notice to Pay		04/07/25	Posted	04/23/24	05/14/25	N		N/A	07/15/25		07/15/25		

408 - Sunrise Vista													
6	W	E				(1,400.00)					(1,400.00)		(1,400.00)
7	B	K		S	1,050.00	630.00		125.00	1,482.50		2,237.50	1,050.00	1,187.50
8	B	J		E	997.00	3,490.00			1,490.48	1,500.00	6,480.48	897.00	5,583.48
9	B	L		S	1,069.00	548.00			1,606.00		2,154.00	1,050.00	1,104.00
10	S	C		V	1,400.00	1,380.00		75.00	1,515.00		2,970.00	600.00	2,370.00
11	R	D		S	1,200.00	320.00		650.00	1,565.00		2,535.00	750.00	1,785.00
12	G	H		S	1,069.00	1,905.00		99.79	1,504.00		3,508.79	1,000.00	2,508.79
											-		-
					TOTALS:	6,873.00	-	949.79	9,162.98	1,500.00	18,485.77	5,347.00	13,138.77
Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date		Vacate Date		
6	Adjustment to previous month write off												
7	Skip	N/A	N/A	N/A	N/A	N/A		N/A	N/A		07/18/25		
8	3 Day to Quit	05/09/25	Hand	05/15/25	05/19/25	N/A		N/A	07/15/25		07/15/25		
9	Skip	N/A	N/A	N/A	N/A	N/A		N/A	N/A		07/28/25		
10	Intent to Vacate	N/A	N/A	N/A	N/A	N/A		N/A	N/A		07/17/25		
11	Skip	N/A	N/A	N/A	N/A	N/A		N/A	N/A		07/08/25		
12	Skip	N/A	N/A	N/A	N/A	N/A		N/A	N/A		07/10/25		

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

Housing Authority County of San Bernardino

Month End: 07/31/25

COLLECTION WRITE-OFFS - Authority Owned Portfolio

409 - Andalusia												
13	B	K		E	1,795.00	5,565.00		702.96	(4,681.46)	(4,681.46)		(4,681.46)
14	T	C		E	2,338.00	8,339.00		150.00	398.00	1,771.78	1,795.00	6,642.74
15	T	K		E					453.00	3,023.00	11,965.00	9,627.00
TOTALS:					13,904.00	-	852.96	(3,830.46)	4,794.78	15,721.28	4,133.00	11,588.28
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	
13	Collection on bad debt											
14	3 day notice to pay	04/08/25	Posted	04/22/25	04/24/25	N		N/A	7/3/2025		07/03/25	
15	3 day notice to pay	04/08/25	Posted	04/22/25	04/24/25	Y		06/12/25	07/17/25		07/17/25	

420 - Desert View												
16	S	M		V	568.00	95.00			1,548.00	1,643.00	500.00	1,143.00
							-	-	-	-	-	-
TOTALS:					95.00	-	-	1,548.00	-	1,643.00	500.00	1,143.00
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	
16	Intent to Vacate	N/A	N/A	N/A	N/A	N/A		N/A	N/A		07/05/25	

423 - Mesa Gardens												
17	R	S		V	1,400.00	1,073.00			160.00	1,233.00	400.00	833.00
							-	-	-	-	-	-
TOTALS:					1,073.00	-	-	160.00	-	1,233.00	400.00	833.00
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	
17	Intent to Vacate	N/A	N/A	N/A	N/A	N/A		N/A	N/A		07/23/25	

430000- Canyon Villa												
18	J	V		E	1,639.00	15,973.00			6,015.66	21,988.66	3,000.00	18,988.66
TOTALS:					15,973.00	-	-	6,015.66	-	21,988.66	3,000.00	18,988.66
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	
18	3 Day Notice to Pay	02/06/25	Posted	02/12/25	03/14/25	Y		N/A	06/25/25		06/25/25	

Housing Authority County of San Bernardino

Month End: 07/31/25

COLLECTION WRITE-OFFS - Authority Owned Portfolio

437 - Sunset Gardens												
20	M	J				-			(100.00)		(100.00)	(100.00)
21	M	W							(144.50)		(144.50)	(144.50)
22	S	D				-			(500.00)		(500.00)	(500.00)
TOTALS:						-	-	-	(744.50)	-	(744.50)	(744.50)
Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date		Vacate Date	
20	Payment on bad debt											
21	Payment on bad debt											
22	Payment on bad debt											

467 - Hillcrest												
23	E	C							(165.96)		(165.96)	(165.96)
24	S	M		E	801.00	3,943.17		50.00	1,082.34	1,500.00	6,575.51	629.00
TOTALS:						3,943.17	-	50.00	916.38	1,500.00	6,409.55	629.00
												5,946.51
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	
23	Payment on bad debt											
24	30 Day to quit	03/06/25	Hand	04/07/25	04/23/25	Y		06/12/25	07/17/25		07/17/25	

481130 Maplewood												
25	P	N		V	1,211.00	848.00		50.00	275.34		1,173.34	800.00
TOTALS:						848.00	-	50.00	275.34	-	1,173.34	800.00
												373.34
Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date		Vacate Date	
25	Intent to Vacate	N/A	N/A	N/A	N/A	N/A		N/A	N/A		07/21/25	

481150- Redlands												
26	S	N		E	\$1,262	13,083.00	-	500.00	870.00	1,439.63	15,892.63	800.00
TOTALS:						13,083.00	-	500.00	870.00	1,439.63	15,892.63	800.00
												15,092.63
Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date		Vacate Date	
26	30 Day Notice to Pay	11/07/24	Posted	12/09/24	02/06/25	N		N/A	06/25/25		06/25/25	

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

Housing Authority County of San Bernardino

COLLECTION WRITE-OFFS - Authority Owned Portfolio

Month End: 07/31/25

481151- 9th St													
27	M	R		E	317.00	3,045.00	-	550.00	3,134.25	1,652.29	8,381.54	1,006.00	7,375.54
TOTALS:						3,045.00	-	550.00	3,134.25	1,652.29	8,381.54	1,006.00	7,375.54
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		
27	30 Day Notice to Pay	11/07/24	Posted	12/09/24	01/27/25	N		N/A	07/09/25		07/09/25		

481160-Chino													
28	F	A		E	1,967.00	24,849.00			150.00	2,000.00	26,999.00	1,414.00	25,585.00
TOTALS:					24,849.00	-	-	150.00	2,000.00	26,999.00	1,414.00	25,585.00	
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		
28	30 Day Notice to Pay	06/06/24	posted & Delivered	07/09/24	08/22/24	Y		07/22/25	N/A		07/31/25		

481172 Big Horn													
29	M	A		V	-	-			818.00		818.00	-	818.00
TOTALS:						-	-	-	818.00	-	818.00	-	818.00
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		
29	Employee Termination	06/17/25	Hand	N/A	N/A	N/A		N/A	N/A		07/14/25		

490 - Northport													
23	M	R		V	1,700.00	(164.27)		100.00	5,709.20		5,644.93	1,700.00	3,944.93
											-		-
TOTALS:						(164.27)	-	100.00	5,709.20	-	5,644.93	1,700.00	3,944.93
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		
23	Intent To Vacate	N/A	N/A	N/A	N/A	N/A		N/A	N/A		07/01/25		

ALL PROPERTY TOTALS:					97,949.40	-	2,977.75	27,971.85	15,886.70	144,785.70	23,529.00	121,256.70
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Submitted by:

Date:

Reviewed by:

Date:

*Reasons:

E=Eviction

S=Skip

V=Voluntary

T=Terminated Tenancy

**Unpaid Misc.:

D=Deceased

Stipulated agreements for rent, maintenance charges, late charges, etc.

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

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

October 14, 2025

FROM

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

SUBJECT

Collection Losses for Delinquent Accounts of Housing Services Programs for the month of September 2025.

RECOMMENDATION(S)

Approve the write-off of delinquent accounts for the Housing Services Programs as collection losses for the month of September 2025.

(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 write-off of these accounts receivable for September 2025 is \$23,253.00. Each year, the Housing Authority of the County of San Bernardino budgets for these types of write-offs as a provision for bad debt.

BACKGROUND INFORMATION

The Housing Authority of the County of San Bernardino (HACSB or Housing Authority) maintains repayment agreements with participating tenants and collections efforts with landlords. The tenant repayment agreements are the result of unreported income or unauthorized household members, and the landlord collections are typically due to Housing Assistance Payments being paid after an assisted tenant vacated the premises without notice. When a tenant or landlord leaves program participation owing money to HACSB, the Housing Authority continues collection efforts. If collection efforts fail, the debt is referred to the collection agency.

As a part of the collection process, Board of Commissioners (Board) approval is needed prior to submitting delinquent accounts to the collection agency on an as needed basis. This is consistent with the procedures followed for vacated tenant accounts for the Authority Owned Portfolio.

All the debts listed are from former landlords where the Housing Authority's efforts to collect the remaining balances were unsuccessful. The total write-off for landlord participants for September 2025 is \$23,253.00. This figure represents past landlords who are no longer with the program. The Housing Authority's collection efforts have not been successful, and no payment recoupment is possible. Therefore, these accounts will be referred to a collection agency for further debt collection efforts. Attached is a report that itemizes the individual accounts.

PROCUREMENT

Not applicable

Collection Losses for Delinquent Accounts of Housing Services Programs for the month of
September 2025.
October 14, 2025

ITEM ATTACHMENTS

- Attachment – Housing Services Collection Loss Report

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on September 26, 2025.

Housing Authority of the County of San Bernardino
COLLECTION WRITE-OFFS: HOUSING SERVICES PROGRAMS

Former Landlords

Program	Vendor Code	Last Name	First Name	tcode	Total Owed	Status	Delinquency Date	Owner Status
310300		C	A		\$ 8,850.00	Delinquent	07/31/24	Past
310300		H	S		\$ 126.00	Delinquent	05/31/21	Past
310300		G	B		\$ 1,784.00	Delinquent	09/30/24	Past
310300		H	S		\$ 3,500.00	Delinquent	07/31/24	Past
310300		L	C		\$ 3,579.00	Delinquent	09/30/20	Past
310357		M	G		\$ 1,076.00	Delinquent	09/30/20	Past
310357		B	E		\$ 826.00	Delinquent	10/31/20	Past
310358		S	R		\$ 2,790.00	Delinquent	04/30/24	Past
328078		F	T		\$ 722.00	Delinquent	09/30/20	Past
TOTAL:					\$ 23,253.00			