



**Contract Number**

21-132 A1

**SAP Number**

## Community Development and Housing

<b>Department Contract Representative</b>	Diana Atkeson
<b>Telephone Number</b>	(909) 382-3983
<b>Contractor</b>	Quality Management Group, Inc.
<b>Contractor Representative</b>	Josh LaBarge
<b>Telephone Number</b>	(909) 931-9763
<b>Contract Term</b>	02/09/2021 to 02/09/2024
<b>Original Contract Amount</b>	\$800,000
<b>Amendment Amount</b>	\$800,000
<b>Total Contract Amount</b>	\$1,600,000
<b>Cost Center</b>	6210002507

**IT IS HEREBY AGREED AS FOLLOWS:  
AMENDMENT NO. 1:**

It is hereby agreed to amend Contract No. 21-132, effective January 24, 2023, as follows:

**ARTICLE 2. EMPLOYMENT OF AGENT: TERM**

**Amend Paragraph 2.2(a) to read as follows:**

2.2(a) Term. Except as may be otherwise provided in this Section, the initial term of this Agreement shall commence on the Effective Date and shall be extended until February 9, 2024.

**Amend Paragraph 2.7(a) to read as follows:**

2.7(a) Continuation of Contracts and Fees: Owner shall remain obligated to Agent for all management fees earned by Agent through the date of termination and for all reimbursements due to Agent through the date of termination pursuant to this Agreement not to exceed \$800,000 annually to fund the overall cost of operations for Pacific Village. Prior to terminating this Agreement as a result of the misappropriation of funds of Owner by Agent or the negligence of Agent, Owner and Agent will confer in good faith for a period not to exceed thirty (30) days to determine if the Agent is able to remedy the issue or if a feasible and mutually acceptable arrangement can be made to correct the misappropriation of funds of Owner by Agent or the negligence of Agent. If no agreement is reached between the Owner and the Agent within such thirty (30) day period, this Agreement may

be terminated by written notice from the County to the Agent. Notwithstanding other language in this Agreement, if the termination is a result of the misappropriation of funds of Owner by Agent, the remaining fee obligations of Owner to Agent shall be cancelled.

### **ARTICLE 3. ACCOUNTS AND OPERATIONS**

**Amend Paragraph 3.2(a) to read as follows:**

**3.2(a) Owner has made an initial capital contribution to Agent of capitalized operating subsidy reserve funds in the amount of Three Hundred Thousand Dollars (\$300,000) that funded the General Operating Account. Owner will place annual funds into an Escrow Account. Agent shall deposit into the General Operating Account all future annually allocated funds provided by the County, and drawn down from the Escrow Account by Agent, associated with extensions of the Term pursuant to Section 1.3.2.**

**Paragraph 3.2(b) is hereby deleted.**

**Add Paragraph 3.2(e) as follows:**

3.2(e) Owner will provide funding, upon written request by Agent, for operating expenses, within parameters of the Annual Operating Budget, into an escrow account from which funds can be drawn down by Agent, with County approval.

**Amend Paragraph 3.4 to read as follows:**

3.4 Contributions and Program Income. At the Owner's sole discretion, to the extent permitted by law, the Agent shall use reasonable efforts to collect Program Participation charges and other amounts receivable on Owner's account in connection with the management and operation of the Property. Such receipts shall be deposited in a restricted account and cannot be used for operating expenses. Manager shall act as a fiduciary of Owner as it relates to such funds collected by Manager.

**Amend Paragraph 3.5 to read as follows:**

3.5 Special Charges. If permitted by applicable law, Agent will collect from each program participant any, or all, of the following if stipulated in each Program Participant Agreement: (a) an administrative charge for returned checks; (b) monetary damages; (c) other fees (as appropriate).

**Paragraph 3.6 is hereby deleted.**

### **ARTICLE 4. OPERATIONS AND EXPENSES**

**Amend Paragraph 4.8 to read as follows:**

4.8. Reporting Requirements. Agent agrees to keep and maintain all necessary books and records relating to the leasing, management, and operation of the Property for five (5) years. All books of account and other records reflecting the Agent's operation of the Property shall be maintained in accordance with generally accepted accounting principles applied on a consistent basis. All books and correspondence and data pertaining to the leasing, management, and operation of the Property shall, at all times, be safely preserved. Such books, correspondence, and data shall be available to Owner at all reasonable times, and shall, upon the termination of this Agreement be delivered to Owner in their entirety and upon request of Owner be delivered to Owner within thirty (30) days of such request. Agent shall provide documentation for all expenses, including but not limited to agreements with third-party vendors, invoices, and proof of payment, to Owner on a monthly basis, within thirty (30) days of the end of the previous month. Agent shall retain copies of all records as required by law. Agent shall maintain files of all original Program Participant Agreements and other contracts relating to the Property in an orderly fashion, which files shall be the property of Owner and shall at all times be open to Owner's inspection.

## **ARTICLE 6. INSURANCE REQUIREMENTS**

### **Article 6 is hereby renamed INDEMNIFICATION AND INSURANCE REQUIREMENTS**

#### **Amend Article 6 to read as follows:**

Section 6.1 Property Insurance. Agent agrees and acknowledges that Property shall be subject to the self-insurance programs carried or administered by the County of San Bernardino.

Section 6.2 Indemnification. The Contractor agrees to indemnify, defend (with counsel reasonably approved by County) and hold harmless the County and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages and/or liability arising out of this Contract from any cause whatsoever, including the acts, errors or omissions of any person and for any The Contractor agrees to indemnify, defend (with counsel reasonably approved by County) and hold harmless the County and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages and/or liability arising out of this Contract from any cause whatsoever, including the acts, errors or omissions of any person and for any costs or expenses incurred by the County on account of any claim except where such indemnification is prohibited by law. This indemnification provision shall apply regardless of the existence or degree of fault of indemnities. The Contractor indemnification obligation applies to the County's "active" as well as "passive" negligence but does not apply to the County's "sole negligence" or "willful misconduct" within the meaning of Civil Code section 2782. costs or expenses incurred by the County on account of any claim except where such indemnification is prohibited by law. This indemnification provision shall apply regardless of the existence or degree of fault of indemnities. The Contractor indemnification obligation applies to the County's "active" as well as "passive" negligence but does not apply to the County's "sole negligence" or "willful misconduct" within the meaning of Civil Code section 2782.

Section 6.3 Additional Insured. All policies, except for Worker's Compensation, Errors and Omissions and Professional Liability policies shall contain additional endorsements naming the County and its officers, employees, agents and volunteers as additional named insured with respect to liabilities arising out of the performance of services hereunder. The additional insured endorsements shall not limit the scope of coverage for the County to vicarious liability but shall allow coverage for the County to the full extent provided by the policy. Such additional insured coverage shall be at least as broad as Additional Insured (Form B) endorsement form ISO, CG 2010.11 85.

Section 6.4 Waiver of Subrogation Rights. The Contractor shall require the carriers of required coverages to waive all rights of subrogation against the County, its officers, employees, agents, volunteers, contractors and subcontractors. All general or auto liability insurance coverage provided shall not prohibit the Contractor and Contractor's employees or agents from waiving the right of subrogation prior to a loss or claim. The Contractor hereby waives all rights of subrogation against the County.

Section 6.5 Policies Primary and Non-Contributory. All policies required herein are to be primary and non-contributory with any insurance or self-insurance programs carried or administered by the County.

Section 6.6 Severability of Interests. The Contractor agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and there will be no cross-liability exclusions that preclude coverage for suits between the Contractor and the County or between the County and any other insured or additional insured under the policy.

Section 6.7 Proof of Coverage. The Contractor shall furnish Certificates of Insurance to the County Department administering the Contract evidencing the insurance coverage at the time the Contract is executed, additional endorsements, as required shall be provided prior to the commencement of performance of services hereunder, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice to the Department, and Contractor shall maintain such insurance from the time Contractor commences performance of services hereunder until the completion of such services. Within fifteen (15) days of the commencement of this contract, the Contractor shall furnish a copy of the Declaration page for

all applicable policies and will provide complete certified copies of the policies and endorsements immediately upon request.

Section 6.8 Acceptability of Insurance Carrier. Unless otherwise approved by Risk Management, the insurance shall be written by insurers authorized to do business in the State of California and with a minimum "Best" Insurance Guide rating of "A- VII".

Section 6.9 Deductible and Self-Insured Retention. Any and all deductibles or self-insured retentions in excess of \$10,000 shall be declared to and approved by Risk Management.

Section 6.10 Failure to Procure Coverage. In the event that any policy of insurance required under this contract does not comply with the requirements, is not procured, or is canceled and not replaced, the County has the right but not the obligation or duty to cancel the contract or obtain insurance if it deems necessary and any premiums paid by the County will be promptly reimbursed by the Contractor or County payments to the Contractor will be reduced to pay for County purchased insurance.

Section 6.11 Insurance Review. Insurance requirements are subject to periodic review by the County. The Director of Risk Management or designee is authorized, but not required, to reduce, waive or suspend any insurance requirements whenever Risk Management determines that any of the required insurance is not available, is unreasonably priced, or is not needed to protect the interests of the County. In addition, if the Department of Risk Management determines that heretofore unreasonably priced or unavailable types of insurance coverage or coverage limits become reasonably priced or available, the Director of Risk Management or designee is authorized, but not required, to change the above insurance requirements to require additional types of insurance coverage or higher coverage limits, provided that any such change is reasonable in light of past claims against the County, inflation, or any other item reasonably related to the County's risk.

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

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

Section 6.12 The Contractor agrees to provide insurance set forth in accordance with the requirements herein. If the Contractor uses existing coverage to comply with these requirements and that coverage does not meet the specified requirements, the Contractor agrees to amend, supplement or endorse the existing coverage to do so.

Without in any way affecting the indemnity herein provided and in addition thereto, the Contractor shall secure and maintain throughout the contract term the following types of insurance with limits as shown:

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

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

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

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

- a. Premises operations and mobile equipment.
- b. Products and completed operations.
- c. Broad form property damage (including completed operations).
- d. Explosion, collapse, and underground hazards.
- e. Personal injury.
- f. Contractual liability.
- g. \$2,000,000 general aggregate limit.

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

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

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

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

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

## **ARTICLE 9. MISCELLANEOUS**

### **Amend Paragraph 9.8 as follows:**

9.8 Notices. Any notices, demands, consents, and reports necessary or provided for under this Agreement shall be in writing and shall be addressed as follows, or at such other address as Owner and Agent individually may specify hereafter in writing:

Agent: Quality Management Group  
3105 East Guasti Road, Suite 100  
Ontario, CA 91761  
Attention: Tim Johnson  
timj@qmgonline.com

Owner: San Bernardino County  
Community Development and Housing  
560 E. Hospitality Lane, 2<sup>nd</sup> Floor  
San Bernardino, CA 92415-0515  
Attention: Diana Atkeson  
Diana.Atkeson@cao.sbcounty.gov

Such notice or other communication may be mailed by United States registered or certified mail, return receipt requested, postage prepaid, and may be deposited in a United States Post Office or a depository for the receipt of mail regularly maintained by the post office. Such notices, demands, consents, and reports may also be delivered by hand or by any other receipted method or means permitted by law. For the purpose of this Agreement, notices shall be deemed to have been “given” or “delivered” upon personal delivery thereof or forty-eight (48) hours after having been deposited in the United States Mail service as provided herein.

**The Participation Selection Plan: Pacific Village Exhibit C is amended and restated as follows:**

**PARTICIPATION SELECTION PLAN: PACIFIC VILLAGE**

**BACKGROUND**

The County envisions utilizing in-kind funding sources to provide supportive services to the residents of Pacific Village. Quality Management Group will be the property management agent for this project to provide the necessary operational oversight and management of a housing campus designed to accommodate a minimum of 28 adults and households initially.

The campus will be an eclectic combination of housing options, creating a village of individuals residing in a supportive community environment. Pacific Village will provide residents with on-site connections to sustained income sources, health care services, and skills groups and activities to foster community engagement, personal growth, and individual wellness. Pacific Village will provide a healthy, safe, and stable environment to meet the residents' economic, physical, and psychological needs.

**SELECTION CRITERIA**

Prospective Program Participants will be comprised of San Bernardino County residents that have been impacted by COVID-19 who are homeless or at-risk of homelessness and have an income less than 30% of the Area Median Income. Guests of Project Roomkey, homeless seniors, and those with chronic health conditions, will be included in the initial pool of prospective Program Participants. All Program Participants will be prioritized and selected through the Coordinated Entry System (CES).

The lead supportive service provider, DBH, will be responsible for coordinating and assisting prospective Program Participants in completing all applications and paperwork necessary to determine eligibility. This includes the application and verification of homelessness. Property management, Quality Management Group, will conduct criminal background checks and income verification. All future vacancies will be reported by Quality Management Group to DBH, who will obtain referrals from CES.

**TARGETED POPULATION**

- Adults over the age of 18, Couples and Households with dependent children.
- Persons of any age who have an underlying health condition such as:
  - o Heart disease
  - o Chronic lung disease or moderate to severe asthma
  - o Immunocompromised
  - o Underlying medical conditions that are not well controlled: diabetes, renal failure, or liver disease
- Person(s) experiencing homelessness or who are at risk of homelessness as described as members of the target population identified in Health and Safety Code section 50675.1.1(a) are individuals and families who are experiencing homelessness or who are at risk of homelessness defined in Section 578.3 of Title 24 of the Code of Federal Regulation and Person(s) impacted by or at risk of COVID-19
- Households below 30 percent of Area Median Income (AMI)
- Must be a resident of the County of San Bernardino.

## **OCCUPANCY**

Quality Management Group will accept and process all applications. Applicants may be accompanied to the interview by their case manager. Applicants will receive written notification from the provider referring them for a consultation to determine housing eligibility. The interview process will obtain household income and composition information to certify eligibility. When an appropriate unit becomes available, management must conduct an orientation eligibility interview with the Applicant.

- When a unit becomes available, Manager will notify Department of Behavioral Health within 48 hours and provide a date the unit will be ready to occupy.
- All adults in each applicant household must sign an Authorization for Release of Information Form.
- Future occupants would be determined from the CES system in coordination with the Department of Behavioral Health.
- For accessible units, persons with a need for the unit will be interviewed for the type unit they self-declare a need for.

At the orientation interview, management must:

- Confirm and update all information provided and obtain all required information to determine eligibility and process an application. This includes information on income, homeless status, and household size. If the Applicant is determined ineligible, the managing agent must comply with proper procedures for rejection.
- Explain program requirements, verification procedures, and penalties for false information. The penalties include eviction, loss of assistance, fines up to \$10,000.00, and imprisonment up to five years.
- Obtain income information needed to determine eligibility.
- Review the certification of homelessness to determine the homeless status of the Applicant.
- Review, confirm, and update all information necessary for the application.
- Have the head of household sign the release of information consent portion of any verification request used for them.

## **APPLICANT REJECTION**

Applicants will be rejected by CES if they do not meet the eligibility requirements stated above. An applicant may be rejected for any of the reasons listed below.

- a. The Applicant does not meet the income eligibility requirements for Pacific Village; or
- b. The Applicant's homeless status does not have a certification from a homeless services provider; or
- c. The Applicant household size is not appropriate for the size of available units; or
- d. The Applicant fails to respond to a written notice for an eligibility interview; or
- e. The Applicant fails the screening process that the Agent applies; or
- f. The Applicant is offered and rejects two units in Pacific Village.

## **NOTIFICATION**

Applicants will be notified of the result of their application for a housing unit according to their preferred mode of communication on the Application Form (AF). This written notice of acceptance will be delivered to the Applicant through the preferred method of communication noted on the AF. Applicants without a mailing address will have the written notice of acceptance hand-delivered by the case manager or other social service professional.

## **HOMELESS DEFINITION**

Applicants must be homeless, defined as follows:

- (1) Individual or household who lacks a fixed, regular, and adequate nighttime residence, meaning:  
(i) Has a primary nighttime residence that is a public or private place not meant for human habitation; (ii) Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, State, County, and local government programs); or (iii) Is exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or placed not meant for human habitation immediately before entering that institution
- (2) Individual or household who will imminently lose their primary nighttime residence provided that: (i) Residence will be lost within 14 days of the date of application for homeless assistance; (ii) No

subsequent residence has been identified, and (iii) The individual or household lacks the resources or support networks needed to obtain other permanent housing

If necessary, this status (as well as residency status) is verified through homeless social service providers providing certification of homeless status. Homeless social service providers include:

- a. A governmental or nonprofit agency receiving federal, State, County, or municipal funding to provide services to a homeless person or otherwise sanctioned to provide those services by a local homeless continuum of care organization.
- b. An attorney licensed to practice law in the State.
- c. A local educational agency liaison for homeless children and youth designated as such pursuant to Section 11432(g)(l)(J)(ii) of Title 42 of the United States Code, or a school social worker.
- d. A human services provider or public social services provider funded by the State of California to provide homeless children or youth services, health services, mental or behavioral health services, substance use disorder services, or public assistance or employment services.
- e. A law enforcement officer designated as a liaison to the homeless population by a local police department or sheriff's department with the State.

Applicants must not exceed program income limits based on household size, which are published annually. Income limits are 30% of AMI.

### **VACANCY POLICY & ELIGIBILITY REQUIREMENTS**

The objective is to maintain a sustained occupancy of 100% in quality housing code compliant, clean, and safe. Vacancies will be filled through the COORDINATED ENTRY SYSTEM (CES). A waiting list for intra-building transfers will also be developed and maintained to accommodate those who become in need of ADA units.

### **WAITING LIST**

There will be no waiting list for the property other than the internal ADA transfer of the unit. All referrals to vacancies will come through the CES.

There will be an accessible unit transfer waiting list for the property for residents currently residing at the property.

Review the accessible unit transfer list to see if an eligible person in the existing development has requested an accessible unit.

### **HOW FAIR HOUSING REQUIREMENTS WILL BE MET**

The property manager will not discriminate on the grounds of race, color, national origin, age, disability, sex, gender identity, religion, marital status, familial status, sexual orientation, source of income, or any other arbitrary reasons.

The County, as part of the requirements of the Fair Employment and Housing Act (2 CCR Section 12005 et seq.), is required to establish fair and equitable guidelines for selecting applicants to occupy the housing units as part of its and/or its partners' development project(s). All applicants will be provided a certification packet detailing eligibility criterion, prior to being offered a unit. The criterion will be made available to all applicants online or at any property as part of Homekey.

The Non-Discrimination Notice will be displayed in the property management office and duly communicated for Pacific Village residents. The Handicapped Accessible symbol will also appear on all materials. TTY service is available for the deaf, and the manager will be advised on how to work with the operator. Vision-impaired prospective Program Participants will be given the opportunity to have all paperwork read to them and may record that meeting.



This Amendment 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 Amendment. The parties shall be entitled to sign and transmit an electronic signature of this Amendment (whether by facsimile, PDF, or other email transmissions), 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 Amendment upon request.

**IN WITNESS WHEREOF**, the San Bernardino County and the Contractor have each caused this Contract to be subscribed by its respective duly authorized officers, on its behalf.

SAN BERNARDINO COUNTY

► *Dawn Rowe*  
 Dawn Rowe, Chair, Board of Supervisors

Dated: JAN 24 2023  
 SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIR OF THE BOARD

By *Lynna Monell*  
 Lynna Monell  
 Clerk of the Board of Supervisors  
 of the San Bernardino County  
 Deputy



QUALITY MANAGEMENT GROUP, INC.  
 (Print or type the name of corporation, company, contractor, etc.)

By ► *[Signature]*  
 (Authorized signature - sign in blue ink)

Name Josh LaBarge  
 (Print or type the name of the person signing contract)

Title President  
 (Print or Type)

Dated: 1.12.23

Address 3105 East Guasti Road, Suite 100  
Ontario, CA 91761

**FOR COUNTY USE ONLY**

Approved as to Legal Form  
 ► *Suzanne Bryant*  
 Suzanne Bryant, Deputy County Counsel  
 Date 1-12-2023

Reviewed for Contract Compliance  
 ► \_\_\_\_\_  
 Date \_\_\_\_\_

Reviewed/Approved by Department  
 ► *Diana Atkeson*  
 Diana Atkeson, Interim Director  
 Date 1/13/2023