



# San Bernardino County

## Legislation Text

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**File #: 3152, Agenda Item #: 48**

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**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS  
OF THE COUNTY OF SAN BERNARDINO  
AND RECORD OF ACTION**

**October 27, 2020**

**FROM**

**CASONYA THOMAS, Assistant Executive Officer, Human Services**

**SUBJECT**

Amendment to Memorandum of Understanding and Development Services Agreement for the Pacific Village Project

**RECOMMENDATION(S)**

1. Approve Amendment No. 1 to Memorandum of Understanding No. 20-938 between the County of San Bernardino, LaBarge Industries, LLC, and Quality Management Group, Inc. outlining the respective roles and responsibilities of the parties for the Pacific Village Project to include \$400,000 of operating costs for the initial term to assist in interim to permanent housing of individuals experiencing homelessness or at risk of homelessness and impacted by COVID-19, under the California Department of Housing and Community Development Homekey Program.
2. Approve Development Services Agreement with LaBarge Industries, LLC in an amount not to exceed \$2,793,500 to rehabilitate Pacific Village into 28 Homekey units.
3. Approve the Capital Improvement Program - Pacific Village Project CIP 21-157 (WBSE 10.10.1131), in the amount of \$3,193,500, for the rehabilitation of Pacific Village, located at 2626 Pacific Street in Highland.
4. Authorize the Chairman of the Board of Supervisors or the Chief Executive Officer, upon consultation with County Counsel, to make any necessary non-substantive modifications and approve and execute all ancillary documents required for the project financing and construction.
5. Approve appropriation and revenue adjustments for the Pacific Village Project and authorize the Auditor-Controller/Treasurer/Tax Collector to post the necessary budget adjustments, as detailed in the Financial Impact Section. (Four votes required).

(Presenter: CaSonya Thomas, Assistant Executive Officer, 387-4717)

**COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES**

**Provide for the Safety, Health and Social Service Needs of County Residents.**

**Pursue County Goals and Objectives by Working with Other Agencies.**

**FINANCIAL IMPACT**

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The cost for the Development Services Agreement with LaBarge Industries, LLC to rehabilitate Pacific Village is \$2,793,500, with an additional cost of \$400,000 for operating costs for 2020-21. The County Community Development and Housing Department (CDH) has received a commitment from the State Permanent Local Housing Allocation (PLHA) program for future funds in the total amount of \$3,193,500. As a condition of the

Development Services Agreement, the County must receive the formal award of funds letter and approval of the PLHA funds prior to commencement of the project. Appropriation and revenue adjustments to CDH's budget for award of the PLHA funds will be requested in a future item presented to the Board of Supervisors (Board) for approval.

Appropriation and revenue adjustments in the Capital Improvement Program (CIP) - Pacific Village Project budget for the Development Services Agreement are as follows:

<b>Fund Center</b>	<b>Commitment Item/GL Account</b>	<b>Description</b>	<b>Action</b>	<b>Amount</b>	<b>WBSE</b>
7700003100	54304030	Improvements to Structure	Increase	\$3,193,500	10.10.1131
7700003100	40909975	Operating Transfers In	Increase	\$3,193,500	10.10.1131

**BACKGROUND INFORMATION**

The California Department of Housing and Community Development (State) Homekey Program provides funding to rapidly sustain and expand the inventory of housing to individuals experiencing homelessness or at risk of homelessness and impacted by COVID-19. The County of San Bernardino (County), and LaBarge Industries, LLC (LaBarge) are co-applicants on the Pacific Village project submitted to the State for the Homekey Program grant funds. Quality Management Group, Inc. (QMG) was included in the State application to provide property management services. A Memorandum of Understanding (MOU) is required by the State to outline the roles and responsibilities of the developer, property manager, and County for the proposed Pacific Village project.

Pacific Village has a physical mailing address of 2626 Pacific Street, Highland, however is located within the city limits of the City of San Bernardino, and will provide interim/permanent housing for individuals and families who are at-risk of or experiencing homelessness that will include case management and supportive services for 28 individuals or households. Under the terms of the MOU, the parties will work collaboratively to efficiently and successfully acquire, develop, and maintain Pacific Village and provide services to the residents. The County will be responsible for site acquisition through its Real Estate Services Department and providing case management and supportive services through its Human Services departments. LaBarge will be responsible for construction management and QMG will be responsible for property management. Additional service agreements for property development, property management, supportive services and case management will be developed for the Pacific Village project contingent on the award of Homekey Program grant funds. Once the State awards funding, the Homekey Program grant award agreement will be presented to the Board for acceptance and approval. In the event the State does not award Homekey Program grant funds, the MOU will terminate.

On September 15, 2020 (Item No. 40), the Board approved CIP 21-109 in the amount of \$200,000 for Real Estate Services Department to provide property acquisition services for Pacific Village. On October 6, 2020 (Item No. 30), the Board approved the Purchase and Sale Agreement No. 20-932 for the acquisition of the property in the amount of \$2,700,000 plus escrow and title fees estimated to be \$6,000, and a budget adjustment of \$2,700,000 under CIP 21-109, increasing the project budget from \$200,000 to \$2,900,000 for the acquisition of the property.

On September 29, 2020 (Item No.30), the Board approved the MOU No. 20-938 between the County, LaBarge, and Quality Management Group, Inc. outlining the respective roles and responsibilities of the parties for the Pacific Village Project to provide interim to permanent housing to individuals experiencing homelessness or at risk of homelessness and impacted by COVID-19, under the State's Homekey Program.

The County has been allocated \$1,400,000 in State Homekey Grant funds and CDH has received a reservation of \$3,490,000 of Round 1 PLHA funds. These funds will be used for the rehabilitation and operating expenses of the project. \$2,793,500 of PLHA funds will be used for the rehabilitation of the project into 28 Homekey units. The Development Services Agreement outlines the use of the County funding for the Homekey Program, with the commitment for PLHA funding to reimburse the CIP fund upon receipt of the award of the PLHA monies. Amendment No. 1 to the MOU includes the operating costs for 2020-21 and identifies \$400,000 of PLHA funds that will be used for operating expenses. Upon receipt of the PLHA funding, the CIP fund will be reimbursed for the first year of costs incurred. Unused portions of PLHA funds will be contributed to a future project presented to the Board for approval at a later date. The project's target population for these units will be people experiencing homelessness or at risk of homelessness and impacted by COVID-19.

**PROCUREMENT**

N/A

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Robert F. Messinger, Principal Assistant County Counsel, 387-5455) on October 21, 2020; Auditor-Controller/Treasurer/Tax Collector (Erika Gomez, General Accounting Manager, 382-3196) on October 21, 2020; Real Estate Services Department, (Jennifer Costa, Assistant Director, 387-5380) on October 21, 2020; Community Development and Housing Agency (Dena Fuentes, Deputy Executive Officer, 387-4411) on October 21, 2020; Finance (Christopher Lange, Administrative Analyst, 386-8393 Wen Mai, Principal Administrative Analyst, 387-4020) on October 20, 2020; and County Finance and Administration (Tanya Bratton, Deputy Executive Officer, 388-0332) on October 20, 2020.