



San Bernardino County

Legislation Text

File #: 7384, Agenda Item #: 20

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

January 24, 2023

FROM

DIANA ATKESON, Interim Director, Community Development and Housing Department

SUBJECT

Amendment to Property Management Agreement with Quality Management Group, Inc. for the Homekey Program Pacific Village Project

RECOMMENDATION(S)

1. Approve Amendment No. 1 to Property Management Agreement No. 21-132 with Quality Management Group, Inc., to continue to provide operating and management services for the 28 Homekey units at the Pacific Village Project, increasing the amount by \$800,000, from \$800,000 to \$1,600,000, and extending the term for one year, for a total period of February 9, 2021 through February 9, 2024.
2. Approve the Disbursement Account Control Agreement, which outlines the process for using the escrow account.
3. Designate the Chief Executive Officer or the Deputy Executive Officer of Community Revitalization as the authorized official to approve and sign subsequent agreement documents, the Disbursement Account Control Agreement and instructions, and non-substantive amendments that do not increase the total amount or change the duration of the Property Management Agreement, on behalf of the County, subject to review by County Counsel.
4. Direct the Chief Executive Officer or the Deputy Executive Officer of Community Revitalization to transmit copies of all documents and non-substantive amendments in relation to the Property Management Agreement to the Clerk of the Board of Supervisors within 30 days of execution.

(Presenter: Diana Atkeson, Interim Director, 382-3983)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Promote the Countywide Vision.

Operate in a Fiscally-Responsible and Business-Like Manner.

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

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

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The operating and management services provided through the Property Management Agreement (Agreement) are funded through Memorandum of Understanding (MOU) No. 20-938 between San Bernardino County (County), LaBarge Industries, LLC, (LaBarge), and Quality Management Group, Inc. (QMG) for an estimated \$800,000 for operating costs for the year, previously committed under the State Permanent Local Housing Allocation program. Adequate appropriation and revenue have been included in the Community Development and

Housing Department 2022-23 budget and will be included in the 2023-24 recommended budget.

BACKGROUND INFORMATION

The California Department of Housing and Community Development (State) Homekey Program provided 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 and LaBarge are co-applicants on the Pacific Village Project submitted to the State for the Homekey Program grant funds. QMG was included in the State Homekey Program application to provide property management services. The Agreement outlines the roles and responsibilities of the property manager and the County for the Pacific Village Project.

Pacific Village provides interim housing for individuals and families who are at-risk of or are experiencing homelessness and impacted by COVID-19, which includes case management and supportive services for 28 individuals or households. Under the terms of the existing Agreement, QMG's responsibilities include final verification of participant eligibility, in accordance with the State Homekey Program guidelines, executing participant agreements, and providing on-site property management services and maintenance. The County is responsible to fund the property's operating costs and conduct inspections on a regular basis to meet State Homekey Program guidelines. The recommended amendment will ensure that property management services for Pacific Village continue.

The Agreement may be terminated by the County immediately with cause or with 60 days' written notice without cause. The Agreement provides that, in the event of an action between the County and QMG, the prevailing party will be entitled to recover attorneys' fees and costs. This term is consistent with the Consulting and Development Services Agreement for Pacific Village, which was approved by the Board of Supervisors (Board) on October 27, 2020 (Item No. 48). The recommended amendment to the Agreement will extend the term for one year, through February 9, 2024, at an annual cost of \$800,000. The original agreement estimated that costs to operate, maintain and manage these units would be approximately \$400,000 per year. Due to cost increases, security services, and maintenance for which staff had not previously budgeted, the annual cost has increased.

Delegation of authority is being requested for the Chief Executive Officer or the Deputy Executive Officer of Community Revitalization to sign the Disbursement Account Control Agreement and instructions, which addresses the process to be used for the escrow account, and will be executed after Amendment No. 1 to the Property Management Agreement is executed.

On February 9, 2021 (Item No. 33), the Board approved Agreement No. 21-132 with QMG to provide property management services for the 28 Homekey units at the Pacific Village Project to assist in interim to permanent housing of individuals experiencing homelessness or at-risk of homelessness and impacted by COVID-19, under the State Homekey Program, for a two-year term through February 9, 2023, for an estimated cost of \$800,000, with up to three additional successive one-year extensions. Although this item also delegated authority to the Chairman of the Board or the Chief Executive Officer to execute any subsequent amendments or modifications, based on the amount of increase and revisions to ensure that County standard insurance requirements were included, the amendment is being presented to the Board for approval.

PROCUREMENT

N/A

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Suzanne Bryant, Deputy County Counsel, 387-5455) on December 20, 2022; Finance (Chris Lange, Administrative Analyst, 386-8393) on December 12, 2022; and County Finance and Administration (Cheryl Adams, Deputy Executive Officer, 388-0238) on December 21, 2022.