



DISCUSSION

City of San Bernardino Request for Council Action

Date: September 4, 2024

To: Honorable Mayor and City Council Members

From: Rochelle Clayton, Acting City Manager

Department: City Manager's Office

Subject: **Accept Three Million Dollars in Grant Funds from the County of San Bernardino for the City's Navigation Center (All Wards)**

Recommendation:

It is recommended that the Mayor and City Council of the City of San Bernardino, California, adopt Resolution No. 2024-200:

1. Authorizing the City Manager, or designee, to accept grant funds in the amount of \$3,000,000 from the County of San Bernardino; and
2. Authorizing the City Manager, or designee, to execute the Revocable Grant Agreement; and
3. Authorizing the City Manager, or designee, to conduct all additional negotiations, signings, and submittals of necessary documents to receive the grant funds; and
4. Authorizing the Director of Finance and Management Services to amend the FY 2024/25 budget in both revenues and expenditures, and appropriate \$3,000,000 in grant funds to be used towards the City's Navigation Center.

Executive Summary

The County of San Bernardino has awarded the City with three (3) million dollars in grant funds to assist with the development of the City's Navigation Center. There is no match requirement associated with the grant and no impact to the General Fund.

Background

The City's Navigation Center, called the San Bernardino Homeless Outreach, Prevention, and Education Campus ("HOPE Campus" or "Navigation Center"), serves as the cornerstone of the City's long-term strategy towards addressing homelessness.

The HOPE Campus will offer interim housing, recuperative care, and comprehensive onsite services that will connect the City's unsheltered population to a wide range of programs, social services, and housing.

To fund the construction and operation of the Navigation Center, the Mayor and City Council have approved the following allocations:

- On December 7, 2022, the Mayor and City Council allocated \$12,450,000 in ARPA funds for the construction of the Navigation Center and \$4,500,000 in ARPA funds for the operation of the Navigation Center.
- On March 15, 2023, the Mayor and City Council approved an allocation of \$4,299,671 of HOME-ARP funds to assist with the design and construction of the Navigation Center.
- On June 21, 2023, the Mayor and City Council adopted the FY 2023-24 Annual Action Plan, which included an allocation of \$1,901,365 in CDBG funds for the Navigation Center.
- On July 19, 2023, the Mayor and City Council adopted Resolution No. 2023-097, amending the City's 2020-2023 Permanent Local Housing Allocation (PLHA) Program funding to provide \$4,355,241 towards the operating and/or capital costs of the City's Navigation Center.
- On October 4, 2023, the Mayor and City Council adopted Resolution No. 2023-144 for the Strategic Initiatives, approving an annual allocation of \$2,000,000 for Homelessness Services Sustainability beginning FY 2026/27.
- On November 1, 2023, the Mayor and City Council accepted \$808,358.87 in Homeless Housing, Assistance, and Prevention (HHAP) Round 3 grant funds from the County of San Bernardino for the Navigation Center.

Discussion

The County of San Bernardino (County) has awarded the City with three (3) million dollars in grant funds to assist with the development of the City's Navigation Center. Both the City and County are partners in addressing homelessness, and officials from both agencies have been working together to coordinate their efforts in providing programs and assistance to the City's homeless population, which includes funding assistance to help develop the HOPE Campus.

To receive the grant funds, the City is required to record a deed of trust and regulatory agreement against the property for a period of ten (10) years. This is to ensure that the affordability and occupancy covenants of the grant agreement are followed for the full duration of the ten-year grant term. What this means is that the City must continue to operate the Navigation Center as an interim housing shelter for ten (10) years and cannot repurpose the facility for another use during this time. The State and Federal

funding sources that the City is utilizing for the Navigation Center have similar requirements. Due to the complexity in addressing homelessness, the City anticipates that the need to operate the Navigation Center will extend well beyond the ten-year term.

The grant also requires for the City to participate in using the County's Homeless Management Information System (HMIS) and work in collaboration with the Coordinated Entry System (CES) and County Continuum of Care. These systems are already utilized by the City and its Homeless Outreach Team, and this requirement will not prevent the City from prioritizing available beds at the Navigation Center for the City's unsheltered residents. As the owner and operator of the Navigation Center, the City will establish the eligible participant selection plan, where referrals made by the City to its own Navigation Center will receive first priority. Based on the 2024 Point In Time County (PITC), the City has 1,417 homeless individuals, of which 977 are unsheltered. This accounts for 32% of the County's unsheltered population and it is anticipated that all 200 beds within the Navigation Center will be utilized by the City's unsheltered residents.

It is also important to note that the requirements of the grant agreement do not interfere with the City's ability to maintain control over the operations of the Navigation Center. The City retains full control over selecting and managing the Navigation Center's lead operator, only providing the County its services plan and accompanying budget for informational purposes; the County holds no veto power or approval authority over these matters. In accordance with the grant agreement, the City will make available to the County all financial, budget, and audit information related to the Navigation Center, which is a provision that is also found in the State and Federal funding sources that the City is utilizing.

Navigation Center Update

The City has restructured its approach towards developing the Navigation Center and has released a new series of Request for Qualifications (RFQ) and Request for Proposals (RFP). Previously, the City attempted to utilize a design-build approach, where one contract would be awarded to a single design-build team who would handle all aspects of the project. Under the new approach, the RFQs and RFPs will be broken up to improve price transparency with the bids and produce more competitive results. The new RFQs and RFPs include the following:

- An RFQ for Development Services with Modular Experience
- An RFQ for a General Contractor with Modular Experience
- An RFP for a Modular Building Services Provider

A more substantive update and timeline regarding the Navigation Center and the City's short term vs long term homelessness strategies will be provided during the Council Meeting.

2021-2025 Strategic Targets and Goals

Accepting grant funds from the County of San Bernardino for the City's Navigation Center aligns with Key Target No. 3: Improved Quality of Life.

Fiscal Impact

There is no fiscal impact to the General Fund. The FY 2024/25 Operating Budget will be amended by \$3,000,000 in both revenues and expenditures.

Conclusion

It is recommended that the Mayor and City Council of the City of San Bernardino, California, adopt Resolution No. 2024-200:

1. Authorizing the City Manager or designee to accept grant funds in the amount of \$3,000,000 from the County of San Bernardino; and
2. Authorizing the City Manager, or designee, to execute the Revocable Grant Agreement; and
3. Authorizing the City Manager, or designee, to conduct all additional negotiations, signings, and submittals of necessary documents to receive the grant funds; and
4. Authorizing the Director of Finance and Management Services to amend the FY 2024/25 budget in both revenues and expenditures, and appropriate \$3,000,000 in grant funds to be used towards the City's Navigation Center.

Attachments

Attachment 1 – Resolution 2024-200
Attachment 2 – Revocable Grant Agreement
Attachment 3 – Regulatory Agreement
Attachment 4 – Revocable Grant Deed of Trust

Ward:

All Wards

Synopsis of Previous Council Actions:

December 7, 2022	Mayor and City Council allocated \$12,450,000 in ARPA funds for the construction of the Navigation Center and \$4,500,000 in ARPA funds for the operation of the Navigation Center.
February 1, 2023	Mayor and City Council adopted Resolution No. 2023-028 declaring a homelessness state of emergency
March 15, 2023	Mayor and City Council approved an allocation of \$4,299,672 of HOME-ARP funds to assist with the design and construction of the Navigation Center.

May 17, 2023	Mayor and City Council adopted Resolution No. 2023-076 adopting the Homelessness State of Emergency Implementation Strategy.
June 21, 2023	Mayor and City Council adopted the FY 2023-24 Annual Action Plan, which included an allocation of \$1,901,365 in CDBG funds for the Navigation Center.
July 19, 2023	Mayor and City Council adopted Resolution No. 2023-097, amending the City's 2020-2023 Permanent Local Housing Allocation (PLHA) Program funding to provide \$4,355,241 towards the operating and/or capital costs of the City's Navigation Center.
October 4, 2023	Mayor and City Council adopted Resolution No. 2023-144 for the Strategic Initiatives, approving an annual allocation of \$2,000,000 for Homelessness Services Sustainability beginning FY 2026/27.
November 1, 2023	Mayor and City Council accepted \$808,358.87 in Homeless Housing, Assistance, and Prevention (HHAP) Round 3 grant funds from the County of San Bernardino for the Navigation Center.