



CONSENT CALENDAR

City of San Bernardino Request for Council Action

Date: March 5, 2025

To: Honorable Mayor and City Council Members

From: Bill Gallardo, Interim City Manager;
Gabriel Elliott, Director of Community Development & Housing

Department: Community Development & Housing

Subject: **Approval of a \$600,000 General Fund Allocation for Rapid Rehousing Services (All Wards)**

Recommendation:

It is recommended that the Mayor and City Council of the City of San Bernardino, California:

1. Approve Resolution No. 2025-258 to amend the FY 2024/2025 Operating Budget, authorizing the allocation of \$600,000 from the General Fund's fund balance for Rapid Rehousing Services.
2. Approve The Salvation Army as the single-source provider for Rapid Rehousing Services, based on their expertise and established infrastructure.
3. Authorize the City Manager or designee to execute a Professional Services Agreement (PSA) with The Salvation Army for the Rapid Rehousing Program, including any necessary amendments, extensions, or related documents.

Executive Summary

The City of San Bernardino proposes allocating \$600,000 from the General Fund's fund balance, to establish a Rapid Rehousing Program in partnership with The Salvation Army. This program is designed to provide financial assistance, housing navigation, and case management services to a minimum of 70 households experiencing homelessness. By leveraging The Salvation Army's expertise and established infrastructure, the program will accelerate housing transitions and prevent returns to homelessness. The program aligns with the City's strategic objectives to combat homelessness, reduce reliance on temporary shelter programs, and support unhoused individuals and families in achieving long-term housing stability.

Background

On September 4, 2024, the Mayor and City Council reaffirmed the Homelessness State of Emergency, emphasizing the City's commitment to addressing homelessness through innovative and sustainable strategies. Subsequently, the City's Motel Voucher Program experienced increased participation due to the resumption of encampment clean-ups, further straining temporary housing resources.

The City recently had a Preliminary Injunction lifted, which previously prevented it from conducting homeless encampment clean-ups. As part of the Preliminary Injunction Agreement, the City consented to invest \$600,000 into new homeless programs over the next two years. Staff has identified Rapid Rehousing as a best practice approach and critical intervention tool to transition individuals and families from motels into permanent housing. The Salvation Army was selected as the sole provider based on its proven track record, existing outreach framework, and ability to deliver immediate results under the proposed \$600,000 allocation.

The funding allocation and service agreement will enable The Salvation Army to:

- Provide direct financial assistance, including rental support, utility deposits, and security deposits.
- Deliver case management services focused on housing navigation and self-sufficiency planning.
- Maintain compliance with federal, state, and local regulations through robust reporting and performance tracking systems.

Discussion

The City is creating a new Rapid Rehousing Program to address the urgent need for permanent housing solutions and alleviate the strain on the City's homelessness resources. The establishment of a new city-wide Rapid Rehousing (RRH) program will improve pathways to permanent housing for unhoused residents, and it will also meet stipulations outlined in the ACLU lawsuit that states the following:

"In Lieu of additional attorney fees, within two (2) years the City will reinvest six-hundred thousand dollars and zero cents in a new City Homelessness Program."

This Rapid Rehousing initiative, funded by \$600,000 from General Fund, fund balance, represents a cost-effective, evidence-based approach to transition individuals and families experiencing homelessness into permanent housing while providing critical support services to ensure long-term stability.

The Salvation Army's current role as the City's sole homeless outreach provider uniquely positions it to implement this program effectively and efficiently. Its established expertise in Rapid Rehousing, demonstrated through successful partnerships in cities such as San Diego, Moreno Valley, and Redlands, ensures seamless integration with the City's existing homeless outreach services.

Additionally, their familiarity with the local unhoused population, particularly individuals engaged in the City's Motel Voucher Program, equips The Salvation Army to identify and support eligible participants quickly. Without leveraging The Salvation Army's

established framework, individuals would face prolonged stays in motels, reduce available resources for new participants and exacerbate the City's homelessness crisis.

The \$600,000 in Rapid Rehousing Funds will go towards program administration and implementation covering the following core components:

Administration (10% of Budget)
<p>Administrative Costs</p> <ul style="list-style-type: none"> ○ Eligible Activities: Allowable costs for program administration, capped at 10% of the total program budget. ○ Required Documentation: Itemized records or invoices for administrative expenditures. ○ Billing Frequency: Monthly
<p>Case Management and Support Services:</p> <ul style="list-style-type: none"> ○ Housing navigation, including landlord engagement and addressing rental barriers. ○ Individualized self-sufficiency planning to support long-term housing retention.
<p>Program Metrics and Outcomes:</p> <ul style="list-style-type: none"> ○ Serve at least 70 households, prioritizing individuals and families currently residing in motels or experiencing literal homelessness. ○ Achieve a minimum 85% success rate in transitioning participants to permanent housing. ○ Reduce recidivism rates through targeted supportive services.
<p>Reconciliation Reporting</p> <ul style="list-style-type: none"> ○ Required Reporting: <ul style="list-style-type: none"> ▪ Services delivered during the billing period, including housing placements, financial assistance, and supportive services provided to participants. ▪ Expenditures categorized by eligible activities, such as rent, security deposits, and utility assistance.
Implementation (90% of Budget)
<p>Rental Assistance:</p> <ul style="list-style-type: none"> ○ Eligible Activities: Payments for rent on behalf of participants transitioning to permanent housing for up to six months. ○ Required Documentation: Copies of rental agreements, payment receipts, or proof of direct payments to landlords. ○ Billing Frequency: Monthly ○ Funding to assist participants in meeting eligibility requirements for rental agreements
<p>Security Deposits</p> <ul style="list-style-type: none"> ○ Eligible Activities: One-time payments for security deposits to secure housing. ○ Required Documentation: Proof of payment for deposits (e.g., receipts, transaction records).

<ul style="list-style-type: none"> ○ Billing Frequency: Monthly.
<p>Utility Assistance</p> <ul style="list-style-type: none"> ○ Eligible Activities: Payments for utility deposits. ○ Required Documentation: Invoices or payment receipts from utility companies. ○ Billing Frequency: Monthly

Rapid rehousing will only be utilized for those with income (i.e., work, entitlements, pensions, VA benefits) who can sustain themselves after rapid rehousing services have ended. A Single Source Justification substantiated the Salvation Army's expertise and capacity to implement this program. Immediate action is essential to meet the City's obligations under the Homelessness State of Emergency and maintain motel room availability for new participants. If approved by the Council, this program is set to terminate on December 31, 2026, which is the sunset of the ARPA funding used to pay the Salvation Army for Homeless Street Outreach. If the program proves successful, staff will search for other available funds to renew the program.

Mayor, City Council, and City Manager Goals and Objectives

This program directly supports Strategic Target No. 3: Improved Quality of Life by reducing homelessness and its associated impacts, enhancing access to permanent housing solutions, and promoting community well-being through targeted service delivery.

Fiscal Impact

This initiative will allocate \$600,000 from the General Fund for FY 2024/2025 to support Rapid Rehousing Services, including rental subsidies, supportive services, case management, and administrative costs.

Conclusion

It is recommended that the Mayor and City Council of the City of San Bernardino, California:

1. Approve Resolution No. 2025-258 to amend the FY 2024/2025 Operating Budget, authorizing the allocation of \$600,000 from the General Fund, fund balance for Rapid Rehousing Services.
2. Approve The Salvation Army as the single-source provider for Rapid Rehousing Services, based on their expertise and established infrastructure.
3. Authorize the City Manager or designee to execute a Professional Services Agreement (PSA) with The Salvation Army for the Rapid Rehousing Program, including any necessary amendments, extensions, or related documents.

Attachments

Attachment 1	Rapid Rehousing PSA with The Salvation Army
Attachment 2	Resolution No. 2025-258
Attachment 3	Single Source Justification Form

Ward:

All Wards

Synopsis of Previous Council Actions:

February 1, 2023	Mayor and City Council approved a Homelessness State of Emergency Declaration.
December 6, 2023	Mayor and City Council approved a Motel Voucher Program and authorized Professional Service Agreements with motel operators to provide interim shelter.
September 4, 2024:	The Mayor and City Council reaffirmed the Homelessness State of Emergency, focusing on addressing homelessness through innovative strategies and expanding resources.
December 18, 2024	Mayor and City Council approved a Professional Service Agreement with the Salvation Army for homeless outreach services.

..