



## CONSENT CALENDAR

### City of San Bernardino Request for Council Action

**Date:** December 4, 2024

**To:** Honorable Mayor and City Council Members

**From:** Rochelle Clayton, Acting City Manager;  
Gabriel Elliott, Director of Community Development & Housing

**Department:** Community Development & Housing

**Subject:** **Acceptance of the Encampment Resolution Fund Grant from the California Department of Housing and Community Development in the amount of \$4,569,511 for a 5.2-mile prioritized encampment area along Waterman Avenue**

#### **Recommendation:**

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

1. Adopt Resolution No. 2024-230 of the Mayor and City Council of the City of San Bernardino, approving the acceptance of the Encampment Resolution Fund Round 3 (ERF-3-R) Grant from the California Department of Housing and Community Development (HCD) in the amount of \$4,569,511; and
2. Ratify the execution of the Encampment Resolution Fund Round 3 (ERF-3-R) Standard Agreement between the City of San Bernardino and HCD; and
3. Authorize the Director of Finance and Management Services to amend the FY 2024/25 Adopted Budget for the ERF-3-R Program by appropriating \$4,569,511 in both revenues and expenditures; and
4. Approve the addition of the ERF-3-R grant-funded positions: one (1) Homeless Outreach Coordinator, three (3) Homeless Outreach Specialists, and one (1) part-time Homeless Outreach Specialist.
5. Authorize the City Manager or designee to enter into direct agreements with VARP, Inc. for interim housing services (\$771,600) and prevention/diversion services (\$100,000), and with Community Action Partnership for mobile shower and laundry services (\$450,000).
6. Authorize the City Manager or designee to take any further actions or execute any agreements or documents necessary to administer the ERF-3-R.

## **Executive Summary**

The City of San Bernardino has been awarded a \$4,569,511 grant from the California Department of Housing and Community Development (HCD) under the Encampment Resolution Fund Round 3 (ERF-3-R) program. This funding will support the City's efforts to address the needs of approximately 110 individuals residing in a 5.2-mile prioritized encampment area along Waterman Avenue, including placing 60 individuals into permanent housing and 50 into interim housing with supportive services. This project will deliver comprehensive services to promote wellness, stability, and long-term housing success for the unhoused population. There is no impact on the General Fund.

## **Background**

The Encampment Resolution Fund (ERF) Program, authorized by Senate Bill (SB) 197 (Chapter 70, Statutes of 2022) and funded through SB 101 (Chapter 12, Statutes of 2023), was created to address critical needs of unhoused individuals residing in encampments across California. The California Interagency Council on Homelessness (Cal ICH) released the Notice of Funding Availability (NOFA) for Round 3 on November 27, 2023, with an appropriation of \$400 million.

On February 1, 2023, the Mayor and City Council unanimously voted to adopt Resolution No.2023-028, declaring a Homelessness State of Emergency in response to a growing statewide and regional homelessness crisis. This Declaration empowers the City Manager, or their designee, to streamline the provision of shelter to those experiencing homelessness, potentially unlocking new funding opportunities. The Resolution also gives the City Manager the authority to apply for and enter into Agreements for grant funding and to take all necessary actions to obtain emergency assistance from State and Federal agencies.

In December 2023, the City's outreach team counted approximately 200 people residing in the 5.2-mile prioritized encampment area. The 2023 Homeless Count Report provides concerning insights into the demographic makeup of this population: The encampment population includes individuals, couples, and their animal companions. Addressing their needs necessitates coordinated intervention from both the City and County.

On January 30, 2024, the City submitted its application for the Round 3 ERF-3-R program to Cal ICH. This application outlined the City's strategic approach to addressing homelessness in its most vulnerable areas, specifically focusing on large-scale encampments within a 5.2-mile corridor along Waterman Avenue. The proposal included detailed plans for providing both immediate shelter solutions and long-term housing, with a commitment to integrating comprehensive services to ensure successful transitions for individuals living in these encampments.

On April 18, 2024, the City was notified of its \$4,569,511 award. This funding will allow the City to implement a comprehensive response to homelessness, including securing permanent and interim housing for 110 individuals in the 5.2-mile Waterman Avenue corridor.

On September 4, 2024, the Mayor and the City Council adopted Resolution 2024-201 reaffirming the declaration of a Homelessness State of Emergency. This restated the City Manager's powers, allowing them to enter into contracts, pursue grants, and obtain emergency funding from state and federal entities to create additional shelters, add interim housing, and obtain emergency funding as it becomes available.

### **Discussion**

The ERF-3-R award, a three-year grant, provides the City with critical financial assistance to address the needs of unhoused individuals through targeted interventions within a designated 5.2-mile stretch along Waterman Avenue. The project aims to secure housing for 110 individuals and includes the following comprehensive scope of work:

- Case Management
- Substance Use Counseling
- Behavioral Health Services
- Physical Health Services
- Housing Navigation/ Rapid Rehousing/Tenancy Support

ERF-funded staff will collaborate with local community and government agencies to provide services, focusing on achieving sustainable and measurable impacts on homelessness. Staff will also work closely with the City's Homeless Outreach Team and Code Enforcement Division to improve inter-agency coordination and ensure successful outcomes.

### **Partnership Agreements**

To implement this program effectively, staff recommends entering into direct agreements with pre-identified partners, selected as part of the ERF-3-R application. These partners will deliver a comprehensive range of services, including case management, substance use counseling, behavioral and physical health services, housing navigation, rapid rehousing, and tenancy support.

The ERF-3-R application required cities and counties to demonstrate existing relationships with service providers capable of delivering the necessary programs and services to address the needs of the unsheltered population along the prioritized 5.2-mile stretch of Waterman Avenue. In line with this requirement, the City pre-identified two key partners for three agreements to ensure adequate resources, staffing, and service capacity.

The agreements with these pre-identified partners are currently undergoing legal review and are in the final stages of preparation. Draft versions of these agreements are included as attachments for reference. Staff is seeking the Mayor and City Council's approval of the following recommendations:

- VARP, Inc. (Gibson House): VARP operates several substance abuse recovery homes in San Bernardino. The City will directly contract with VARP to provide interim housing services, including 42 clinically enhanced congregate shelter beds with integrated recovery services. The contract amount is \$771,600.

Additionally, \$100,000 will fund prevention and diversion services for 60 individuals at risk of homelessness.

- Community Action Partnership (CAPS): CAPS is the primary local provider of mobile showers and laundry services. The City will directly contract with CAPS for \$450,000 to provide these services twice a week to individuals in the prioritized encampment area.
- Release a Notice of Funding Availability (NOFA) to implement a Rapid Rehousing program. This program will provide a security deposit and rental assistance for 60 units (54 one-bedroom units up to \$1611 per month each and 6 two-bedroom units up to \$2010 per month each) over a six-month period. The ERF Program is budgeted to spend \$782,432 on rapid rehousing, which aligns with the local market rate.

<b>Rapid Rehousing</b>	<b>Total Budget</b>
<b>Rapid Rehousing</b>	<b>\$792,432</b>
<b>Landlord Incentive</b>	<b>\$99,054</b>
60 Placements	\$99,054
54 units @ \$1,611, and 6 units @ \$2,010	\$99,054
One-time	\$99,054
<b>Rental Assistance Subsidy</b>	<b>\$693,378</b>
54 One-bedroom housing units	\$608,958
\$1,611 per month	\$608,958
6 Months	\$608,958
6 Two-bedroom housing units	\$84,420
\$2,010 per month	\$84,420
6 Months	\$84,420
<b>Grand Total</b>	<b>\$792,432</b>

Letter of Support from CAPs and VARP were submitted as part of the City's ERF application, and HCD approved the pending services and partnerships.

### **Additional Program Components**

- Landlord Incentives: To encourage landlord participation, \$99,054 will be set aside to incentivize property owners to accept tenants referred through the ERF program.
- Program Support: The City will invest \$80,000 in data management software to improve outcome tracking and \$140,000 to procure two SUVs, enhancing the mobility and effectiveness of the outreach team.

### **Program Timeline and Compliance**

In April 2024, the State notified the City that it had been awarded ERF-3-R grant funding and was initially told the Agreement would be ready in July, but HCD did not deliver the Standard Agreement until September 23, 2024, and the Agreement needed to be signed

and returned within a 30-day timeframe.

Following a thorough legal review by Best Best & Krieger, LLP, the City Manager executed the Standard Agreement on October 1, 2024, well within the stipulated timeframe and in compliance with Resolution 2024-201, which was approved by the Mayor and City Council on September 4, 2024, authorizing the City Manager to enter into contracts, pursue grants, and obtain emergency funding from state and federal entities to mitigate homelessness.

The ERF-3-R Standard Agreement, effective upon execution by HCD and signed by the City Manager on October 1, 2024, establishes the terms for the grant's implementation, which extends through March 31, 2028. Key financial deadlines include:

- June 30, 2025: 50% of funds must be expended and 100% obligated.
- June 30, 2027: All program funds must be fully expended.

The City is actively working with HCD to request an extension of the 50% expenditure deadline beyond June 30, 2025, due to delays in the Standard Agreement and the complexity of implementing multiple service agreements. During the grant term, the City's grants management team, along with the Homeless Outreach Coordinator, will manage comprehensive program records, participate in evaluations, oversee HMIS data management, and complete quarterly reporting. Internal oversight measures—such as regular financial reconciliations, performance audits, and outcome evaluations—will be in place to ensure full compliance.

### **ERF-3-R Grant-Funded Positions**

Staff worked in conjunction with the Human Resources Department to identify classifications necessary to support outreach and services to individuals experiencing homelessness, and to adhere to the ERF-3-R Standard Agreement between the City of San Bernardino and HCD. Human Resources conducted a classification and compensation survey of surrounding areas, and recommends adding the following new positions and classifications:

- (1) Homeless Outreach Coordinator, Bargaining Unit: Management, Salary Range: 532, (\$7012.91 - \$8,524.73/monthly). This position is responsible for oversight of the Homeless Outreach Program and providing complex outreach, engagement, and case management.
- (3) Homeless Outreach Specialist, Bargaining Unit: General, Salary Range 464, \$5126.92 - \$6,231.99/monthly). This classification is responsible for providing routine outreach, engagement and case management services.
- Included in the staffing recommendation is one (1) part-time Homeless Outreach Specialist as described above.

These positions are fully grant-funded, with no anticipated cost to the General Fund after the ERF-3-R funding period concludes.

### **Mayor, City Council, and City Manager Goals and Objectives**

The ERF project aligns with Strategic Target No. 3: Improved Quality of Life, by expanding accessibility to housing and services, improving living conditions for the unhoused population, and positively impacting the community.

### **Fiscal Impact**

There is no General Fund impact. The FY 2024/2025 budget will appropriate \$4,569,511 in grant funds for the ERF-3-R project. These funds will cover all project-related activities, including housing services, outreach, and administration.

### **Conclusion**

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

1. Adopt Resolution No. 2024-230 of the Mayor and City Council of the City of San Bernardino, approving the acceptance of the Encampment Resolution Fund Round 3 (ERF-3-R) Grant from the California Department of Housing and Community Development (HCD) in the amount of \$4,569,511; and
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6. Authorize the City Manager or designee to take any further actions or execute any agreements or documents necessary to administer the ERF-3-R.

### **Attachments**

Attachment 1	Resolution No. 2024-230
Attachment 2	ERF-3-R Standard Agreement Contract
Attachment 3	ERF-3-R Agreement Community Action Partnership (CAPS) – Mobile Showers and Laundry Services
Attachment 4	ERF-3-R Agreement VARP, Inc. – Interim Housing Services
Attachment 5	ERF-3-R Agreement VARP, Inc. – Prevention and Diversion Services
Attachment 6	City-Wide Salary Schedule for full-time, part-time, temporary, and seasonal positions

**Ward:**

All Wards

**Synopsis of Previous Council Actions:**

December 7, 2022	Mayor and City Council authorized the use of \$24,500,000 in ARPA funds for the development of a Navigation Center, State of California Homekey Round 3 Projects, Homeless/Street Outreach, and \$150,000 towards Mobile Shower Expansion.
February 1, 2023	Mayor and City Council declared a Homelessness State of Emergency.
April 26, 2023	Mayor and City Council authorized the City to submit a joint Homekey application with LSS to develop a men's navigation center.
May 17, 2023	Mayor and City Council approved a Homelessness State of Emergency Implementation Plan.
July 19, 2023	Mayor and City Council approved an Amendment to Permanent Local Housing Allocation Funds to assist individuals experiencing homelessness.
August 13, 2023	Mayor and City Council approved a Substantial Amendment to FY2020-2021 Annual Action Plan associated with Community Development Block Grant Coronavirus Relief Funds to support interim shelter activities.
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	Mayor and the City Council adopted Resolution 2024-201, reaffirming the declaration of a Homelessness State of Emergency.